

CALL TO ORDER - 3:00 PM

1. Adoption of Minutes: June 20, 2019

Chair's Report

President's Report

Legislative Update

>> Action Items<<

2. Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with GE Precision Healthcare LLC ("GE") to supply the System's needs for medical imaging equipment and associated programmatic support (clinical, operational, biomedical, IT) over a ten-year period commencing July 1, 2019 and ending June 30, 2029 at a total cost not to exceed \$224 Million subject to funding availability.

(Medical and Professional Affairs Committee: 07/18/2019)

EEO: Conditionally Approved / Vendex: Approved

3. Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Crothall Facilities Management, Inc. ("Crothall") to manage the central sterile function performed by System employees at all of the System's facilities to continue the current contracts with Crothall that exist on an individual facility basis at six facilities and extend such services to the remaining System facilities at total cost not to exceed the amount of \$45.2M over a term of five years with two one-year options to renew exercisable solely by the System.

(Medical and Professional Affairs Committee: 07/18/2019)

EEO: Pending / Vendex: Pending

4. Authorizing New York City Health and Hospitals Corporation (the "System") to negotiate and execute an extension of its affiliation agreement with the State University of New York/ Health Science Center at Brooklyn, a/k/a Downstate Health Sciences University ("SUNY") for services at NYC Health + Hospitals/ Kings County ("KCHC") and NYC Health + Hospitals/Coney Island ("CIH") (the "Affiliation Agreement") for two years, through June 30, 2022, for an amount not to exceed \$42,924,252;

AND

Further authorizing the System to make adjustments to the contract amounts, providing such adjustments are consistent with the System's financial plan, professional standards of care and equal employment opportunity policy except that the System will seek approval from the System's Board of Directors for any increases in costs in any fiscal year exceeding 25% of the above not to exceed amount.

(Medical and Professional Affairs Committee: 07/18/2019)

EEO: NA / Vendex: NA

5. Authorizing the amendment of the By-Laws of the New York City Health and Hospitals Corporation (the "System") to rename the Quality Assurance Committee as the Quality Assurance/ Performance Improvement Committee and to revise Article VI, Section 9 to state the duties and responsibilities of the Quality Assurance/ Performance Improvement Committee to include "overseeing performance improvement activities to foster sharing of system-wide and facility-specific performance improvement priorities, identifying new areas of opportunity for performance improvement, and the spreading of performance improvement best practices."

(Medical and Professional Affairs Committee: 07/18/2019 and Governance Committee: 07/25/2019)

(EEO:NA / Vendex: NA)

Mr. Pagán

Mr. Pagán

Dr. Katz

Mr. Siegler

Dr. Calamia

Dr. Calamia

Dr. Calamia

Mr. Pagán

Dr. Calamia

<p>6. Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a six-month extension of the existing agreement with Johnson Controls, Inc. (“JCI”) to manage and maintain the System’s building management system (“BMS”) and fire alarm monitoring system (“Fire System”) at a cost not to exceed \$1,425,000, for a total contract spend of \$6,100,000. (Capital Committee – 07/11/2019) (EEO: Pending / Vendex: Approved)</p>	<p>Mr. Peña-Mora</p>
<p>7. Amending the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable. and Further amending the resolution to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.” and Further amending the resolution to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267. (Capital Committee – 07/11/2019) (EEO: NA / Vendex: NA)</p>	<p>Mr. Peña-Mora</p>
<p>8. Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a 30 year lease with Camelot of Staten Island, Inc. (“Camelot”) with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder (“SUD”) program on the campus of NYC Health + Hospitals/Sea View (the “Facility”) on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50/sq. ft. to be escalated by 2.5% per year for a total rent over the 30 year initial term of \$10,975,676. (Capital Committee – 07/11/2019) (EEO: Pending / Vendex: Pending)</p>	<p>Mr. Peña-Mora</p>
<p>9. Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five-year revocable license agreement with Verizon Wireless (the “Licensee”) to operate a cellular communications system in approximately 300 square feet of space on the roof of the “C Building” at NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center (the “Facility”) at an annual occupancy fee of \$50,000 per year or \$167 per square foot to be escalated by 2% per year for a five-year total of \$260,202. (Capital Committee – 07/11/2019) (EEO: NA / Vendex: Pending)</p>	<p>Mr. Peña-Mora</p>
<p>10. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a revocable five-year license agreement with the New York City Police Department (“NYPD” or “Licensee”) for its use and occupancy of approximately 300 square feet of space in Building No. 1 to operate radio communications equipment at Jacobi Medical Center (the “Facility”) with the occupancy fee waived. (Capital Committee – 07/11/2019) (EEO: NA / Vendex: NA)</p>	<p>Mr. Peña-Mora</p>
<p style="text-align: center;"><u>Committees and Subsidiary Report</u></p> <p>➤ Medical and Professional Affairs ➤ Capital ➤ MetroPlus ➤ OneCity Health</p>	<p>Dr. Calamia Mr. Peña-Mora Ms. Hernandez-Piñero Mr. Rocha</p>

NYC HEALTH + HOSPITALS CORPORATION

A meeting of the Board of Directors of NYC Health + Hospitals was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 20th day of June, 2019, at 3:00 P.M., pursuant to a notice which was sent to all of the Directors of NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

José Pagán, Chairman
Dr. Vincent Calamia
Matt Siegler
Dr. Hillary Kunins
Dr. Oxiris Barbot
Scott French
Helen Artega-Landeverde
Barbara A. Lowe, MS, RN
Robert Nolan
Deborah Brown
Sally Hernandez-Piñero
Freda Wang
Feniosky Peña-Mora
Anita Kawatra

Mr. José Pagán, Chair of the Board, chaired the meeting and Ms. Colicia Hercules, Corporate Secretary, kept the minutes thereof. Mr. Pagán called the meeting to order at 3:12 p.m.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on May 30, 2019 were presented to the Board. Then on motion made and duly seconded, the Board unanimously adopted the minutes.

RESOLVED, that the minutes of the meeting of the Board of Directors held on May 30, 2019, copies of which have been presented to this meeting, be and hereby are adopted.

Mr. Pagán noted for the record that the following individual were present in a voting capacity: Deborah Brown representing Deputy Mayor Hermina Palacio, Matthew Siegler representing Dr. Mitchell Katz, and Scott French representing Commissioner Steven Banks.

CHAIRPERSON'S REPORT

Mr. Pagán thanked Ms. Hernandez-Piñero for conducting a site visit at NYC Health + Hospitals/Coney Island on Tuesday, June 11 and asked for her feedback.

Ms. Hernandez-Piñero stated that she met and toured the Emergency Department and Ambulatory Care area with CEO Bill Brown and Chief Nursing Officer and Chief Operations Officer Mei Kong. Ms. Hernandez-Piñero was impressed with the amazing team spirit and noted the opportunity for capital improvement in the Ambulatory Care area, including possibly expanding a small dental clinic area that was crowded with patients waiting for care.

Mr. Pagán thanked Ms. Hernandez-Piñero and mentioned on June 18th that he, Ms. Hernandez-Piñero, and Mr. Peña-Mora conducted a site visit of NYC Health + Hospitals/Woodhull's Emergency Department, Ambulatory Care area and Comunilife supportive housing program, and he asked Ms. Hernandez-Piñero and Mr. Peña-Mora for their feedback.

Mr. Peña-Mora noted that he was very impressed with the tour of the Comunilife supported housing residence located on the campus. Mr. Peña-Mora listened to one resident tell how supportive housing has impacted her life and how having her own housing has helped her get better and how proud of herself she was.

Mr. Pagán encouraged other board members to visit the Comunilife supportive housing residence at Woodhull.

Mr. Pagán thanked Ms. Hernandez-Piñero and Mr. Peña-Mora for their comments and then thanked Ms. Lowe for her participation in The Joint Commission exit conference at NYC Health + Hospitals/Harlem. Mr. Pagán asked Ms. Lowe to provide feedback.

Ms. Lowe stated the survey went very well, and Harlem excelled in the patient care and safety portions. She stated that on the matrix, which is our rating scale now, there were no areas of jeopardy although Harlem had some environmental fixes to make.

Mr. Pagán thanked Ms. Lowe for her report and congratulated Dr. Calamia on being chosen as one of Staten Island's Power 100 for 2019 by City & State magazine.

Mr. Pagán also congratulated Dr. Katz on being named by Modern Healthcare as the 11th most influential clinical executive for his work in expanding access to primary care services at NYC Health & Hospitals.

Mr. Pagán stated on June 11th and June 18th, respectively, Health + Hospitals Board of Directors hosted the Staten Island Annual Public Meeting at NYC Health + Hospitals/Seaview and the Brooklyn

Annual Public Meeting at NYC Health + Hospitals/Woodhull, which concluded NYC Health & Hospitals' series of 2019 Annual Public meetings in all five boroughs.

Mr. Pagán thanked all the Board members who participated in the series of meetings. He noted that a lot was learned through this process and active participation by the Board was appreciated.

Mr. Pagán stated that on Wednesday, June 19, he and Mrs. Arteaga-Landaverde attended the Tanenbaum Center Gala with Matilde Roman, Yvette Villanueva, Natalia Cineas and other Health + Hospitals staff members where NYC Health & Hospitals received the Adam Solomon Award for its leadership, strategic vision and creativity in advancing diversity and inclusion to support patient-centered care. Mr. Pagán congratulated Health + Hospitals for receiving the award.

Mr. Pagán noted with respect to Vendex, there are 10 new items on today's agenda of which four have Vendex approval. There are three items from previous board meetings pending Vendex approval. Since we last met, we have received two vendex approvals. We will continue to notify the board as outstanding vendex approvals are received.

Mr. Pagán then turned the meeting over to Matthew Siegler for the President's report on behalf of Dr. Katz.

PRESIDENT'S REPORT

Mr. Siegler thanked Mr. Pagán and highlighted a few items from his written report, the full written report is on-line and included in the Members folders.

Legislative Update

Mr. Siegler noted that the city budget is being finalized and some of the highlights anticipated in the final budget include \$25 million in FY20 for NYCare, scaling up to \$100 million in FY21. Mr. Siegler added the \$25 million is an important upfront investment in customer service and the early hiring of clinicians.

Ms. Hernandez-Piñero asked if there were any commitments for additional dollars beyond FY21 or if the \$100 million is recurring.

Mr. Siegler responded that the dollars were recurring, and the budget is set for \$100 million annually.

Ms. Hernandez-Piñero asked if the dollars would be spent in FY21 or beyond FY21?

Mr. Siegler responded that it would depend on the demands and what the capacity will be, and it will depend on enrollment and the

speed of enrollment. He added that the thought is that the \$100 million will cover the needs in FY21.

Mr. Siegler noted another highlight of the FY20 budget, effective January 1, 2020, The Mental Health Service Corps, a groundbreaking program through Thrive NYC, is going to move into NYC Health & Hospitals. He noted that Health + Hospitals has always participated in Thrive NYC, but now Health + Hospitals will have programmatic oversight, recruiting and full operational involvement in the program.

Mr. Siegler noted that information on capital funding amounts is forthcoming and he will report to the Board, as more information is available.

Mr. Siegler reported that Health + Hospitals had several projects approved for design build authority. He explained that this is a construction method where designers and contractors work together to reduce costs and speed up projects. In response to a question from Mr. Nolan, Mr. Siegler noted that there were many projects approved for design build across the City including the NYC Health + Hospitals/Elmhurst Emergency Department and the three community based Ambulatory Care Centers that were critical for Health + Hospitals.

Mr. Siegler reported that the federal Center for Medicare and Medicaid Innovation initiated a demonstration program that Health + Hospitals is working closely with the Fire Department to implement called ET3 -Emergency Triage Treat and Transport. This program will allow ambulance trips to be reimbursed even if people are not taken to an Emergency Department. With this program, the City could potentially avoid about 190,000 ambulance trips a year and Health + Hospitals would be able to treat people who call 911 with telemedicine, in our ambulatory care clinics, and/or in Express Care.

Discussion ensued and Mr. Siegler responded to a few questions about the developing program.

ACTION ITEM 2

Mr. Pagán noted a change in the agenda to address Resolution number 6 as the first substantive item. Mr. Siegler read the resolution:

Adopting, in the name of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") Board of Directors, its Community Health Needs Assessment ("CHNA") for NYC Health + Hospitals' eleven acute care hospitals and for the long-term acute care portion of NYC Health + Hospitals/Henry J. Carter Specialty Hospital and Rehabilitation Center.

Israel Rocha, the CEO of One City Health, and Dr. Machel Allen, Chief Medical Officer of the System, presented the community health needs assessment that was prepared for the corporation.

Mr. Rocha described the history of the requirement for community health needs assessments. Mr. Rocha stated that the first phase is the assessment, and the second phase is the implementation plan that will be developed working with stakeholders and will be presented to the Board in November.

Mr. Rocha noted that for the assessment, the team was able to engage every single community advisory board throughout the System and convened over 40 in-person meetings and interviews and received responses from over 450 respondents.

Mr. Rocha noted that the preliminary findings about priority community needs identified in the report were: hypertension, diabetes, obesity, heart disease, and mental illness. The priority focus on these needs was strongly shared across the patients and community stakeholders engaged in the assessment.

Mr. Rocha noted that since 2016, NYC Health + Hospitals has made very substantial investments to transform the system. Some examples of those investments were the expansion of the primary and specialty care areas; 37 new primary care physicians and over 300 new nurses; the implementation of Epic H2O; the launch of Express Care; LGBTQ community clinics; the introduction of e-consults and a single call center. He also highlighted the compassionate care through the ICARE model that has recently been launched by Dr. Katz and Dr. Wei along with a renewed commitment to a culture of safety.

Mr. Rocha noted that the people interviewed expressed that they want NYC Health + Hospitals to be a true partner in helping them address everything in and out of the four walls of the clinic or the hospital setting. They want their providers to maintain longitudinal relationships with them.

Mr. Rocha turned the presentation over to Dr. Allen who noted that, from a clinical perspective, there was an alignment of perceptions about the community needs. Dr. Allen noted that we treat a very diverse patient population, and Health + Hospitals does very well for women of color. For example, the System's low birth weight rates, at 8%, is lower than might be expected considering the demographics of our patient population.

Dr. Allen noted other areas of need were airway disease - asthma, COPD - mental illness, substance use disorder, diabetes and hypertension, aging and frailty.

Dr. Allen stated that these are the things Health + Hospitals is going to be focusing on in our implementation plan coming in the next several months.

Mr. Rocha stated the next step is to disseminate the findings everywhere, submit them and then begin to identify and engage community stakeholders for the implementation planning.

Dr. Barbot asked about the 450 respondents, and how many of them use Health + Hospitals regularly for their healthcare.

Mr. Rocha noted that he did not have specific information readily available on that but could make it available. After further discussion about needs of distinct communities, he said that the actual report would break down needs and implementation plans by borough and by hospital.

Ms. Hernandez-Piñero asked if the legislation requiring the needs assessment has detailed requirements on developing the implementation plan, and Mr. Rocha responded that some discretion is left to NYC Health + Hospitals.

After continued discussions regarding the demographics in the community needs assessment, a motion for approval of the resolution was made and duly seconded, and the resolution was unanimously approved.

ACTION ITEM #3

Mr. Pagán read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to enter into an enterprise license agreement (an "ELA") with Dyntek Services, Inc. ("Dyntek") to provide McAfee IT security hardware, software, related maintenance and professional services for a three-year term for an amount not to exceed \$19,949,756.08.

Kevin Lynch, Chief Information Officer, Soma Bhaduri, Senior Director for Security and Risk management, and Barbara Lieberman, Assistant Vice President EITS, presented.

Mr. Lynch provided a background presentation on Health + Hospitals' request to purchase McAfee licenses and other functionality from Dyntek Services. Mr. Lynch noted McAfee is a virus protection network intrusion and cyber hacking and attacking prevention software that we currently use.

Ms. Hernandez-Piñero asked when during this three year contract would the Cloud-based model transition start and what percentage of that transition will be completed by the end of these three years?

Ms. Bhaduri responded that for the transition it would be a combined effort with the infrastructure team to determine implementation over the next three years.

Dr. Barbot asked a series of questions about the System's use of McAfee and noted that the City was looking into divesting from its McAfee contract. She noted her concern that Health + Hospitals work with other city agencies to leverage opportunities for better terms before entering into large contracts.

Mr. Lynch stated that Health + Hospitals does collaborate with the City, and added that he would take that up with them to see what the best path is going forward.

There being no further discussion, a motion for approval of the resolution was made and duly seconded, and the resolution was unanimously approved.

ACTION ITEM 4

Mr. Pagán read the resolution

Authorizing NYC Health and Hospitals Corporation (the "System") to enter into an enterprise license agreement ("ELA") with Microsoft Corporation ("Microsoft") to renew existing software licenses, and associated maintenance and support services for a three-year term in an amount not to exceed \$41,554,873 including a 10% contingency.

Mr. Lynch introduced Jeffrey Lutz, Assistant Vice President of Infrastructure, and stated that Health + Hospitals uses Microsoft Office Suite, MS SQL and Microsoft Exchange, giving us a large footprint of Microsoft products across our health system. Health + Hospitals' current contract with Microsoft is a per device model and Microsoft is changing their licensure model from a per device model to a per user model and we would like to extend our contract, which ends the end of June, for three years.

Mr. Lynch added that during this three year period the System will transition 37,000 desktops to the per user model leveraging the same cost that we had in our last agreement. He also noted that this per user-based model is used by New York State, DoITT, and MetroPlus.

Ms. Wang asked about the 10 percent contingency.

Mr. Lutz responded that the contingency is there for growth in users.

There being no further discussion, a motion for approval of the

resolution was made and duly seconded, and the resolution was unanimously approved.

ACTION ITEM 5

Ms. Wang read the Resolution:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with seven vendors for the provision of Legal Services as requested by the System. The seven vendors are Crowell & Moring, LLP, Epstein Becker & Green, P.C, Fox Rothschild, LLP, Garfunkel Wild, PC, Katten Muchin Rosenman, LLP, Moses & Singer, LLP, and Shepard, Mullin, Richter & Hampton, LLP. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with a total amount over the combined five-year term not to exceed \$65,620,919.00 to the seven Vendors.

Andrea Cohen, General Counsel and Senior Vice President for legal affairs and labor relations, presented.

Ms. Cohen described the need, within a very large and complex health system, for outside legal counsel. She described the roles of employed attorneys and the City Law Department, which represents NYC Health + Hospitals in courts for most matters, but not for matters, which require in-depth healthcare expertise. She noted that the contract is similar to a requirements contract so no firm is guaranteed any work. She noted that we have other contracts for specialized subsets of legal work, including for medical malpractice, immigration, etc. She summarized how the not-to-exceed amount was calculated and the procurement process. Ms. Cohen noted that none of the firms that proposed were MWBE firms and added that law firms listed on the State MWBE listing were checked and none of those firms met criteria with respect to specific expertise in healthcare, size and capacity.

Ms. Arteaga-Landaverde asked if there was diversity within the selected vendor pool.

Ms. Cohen answered because diversity of the service providers was of importance to Health + Hospitals, an evaluation criteria for diversity and development of professional staff was included as an evaluation criteria.

Mr. Peña-Mora asked if it is common to have sub-contracts in this

industry. Ms. Cohen responded that to her knowledge it was not common, at least for the type of work envisioned.

Mr. Peña-Mora made suggestions about ways to look at subcontracting opportunities to gain greater diversity.

Ms. Hernandez-Piñero asked if these firms would provide legal services to MetroPlus or would there be greater opportunities to use smaller firms.

Ms. Cohen answered MetroPlus actually does have a contract with its own law firm that it procured; however they also have the ability, depending on the matter, to access the larger group of System firms.

Ms. Cohen finished the presentation, noting the Office of Legal Affairs is focused on improving utilization management of outside firms as a mechanism to reduce spending under these contracts. Ms. Cohen noted that there would be an annual report to the Board on spending under the contracts.

There was additional discussion. Ms. Wang asked that the annual report to the Board include the tracking on diversity staffing utilization by firm.

A motion for approval of the resolution was made and duly seconded, and the resolution was unanimously approved.

ACTION ITEM 6

Ms. Wang read the resolution.

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Belfor Property Restoration ("Belfor") to provide as needed emergency incident recovery services to the System's facilities over a three-year term with two one-year renewal options exercisable solely by the System.

Nick Cagliuso, Senior Assistant Vice President for Emergency Management, presented. He described the System's needs and response to Superstorm Sandy to explain the need for an incident recovery service. He described the procurement process.

In response to questions, he noted that the System incurs no cost

under the contract unless the services are activated. It could be activated for any kind of catastrophic situation, based on any hazard.

Ms. Arteaga-Landaverde asked if a major disaster were to hit the entire city does Belfor have enough capacity to provide service to Health + Hospitals, NYU, and Northwell?

Mr. Cagliuso noted the importance of that issue, but expressed confidence that because Belfor uses many vendors to provide services and the contract requires them to meet our needs, our needs would be met.

Mr. Peña-Mora asked for clarification on the role of the City in an emergency. Mr. Cagliuso noted that this contract would only be activated after all other incident resources have been exhausted including internal and third party resources and the City. Mr. Cagliuso explained some of the many ways that the System collaborates with and is coordinated with the City Emergency Management infrastructure.

Dr. Calamia asked for clarification about using other vendors or additional vendors if needed for recovery.

Mr. Cagliuso responded yes, this contract with Belfor does not preclude Health + Hospitals from engaging with other vendors if necessary.

Dr. Calamia asked if there are contingency funds available to guarantee payment to Belfor.

Mr. Cagliuso replied this contractor would only be engaged for catastrophic event and then immediately beginning the FEMA funding process.

Dr. Calamia asked if Belfor understood that Health + Hospitals might not be providing certain kinds of payment to them until FEMA funding request has been processed.

Mr. Cagliuso responded that yes, this was made clear during the procurement process.

Additional discussion was had on FEMA reimbursement processes and coordination with the City. At the conclusion of the discussion, a motion for approval of the resolution was made and duly seconded, and the resolution was unanimously approved.

Committee and Subsidiaries Reports

Mr. Pagán noted the committees and subsidiaries reports are in Board folders and would be submitted into the meeting record, and he asked if for questions or comments about the reports.

Hearing none, Mr. Pagán then requested the Board's approval to convene an executive session to discuss confidential and privileged quality assurance information and matters that may be related to anticipated or actual litigation, as well as certain personnel matters. A motion was made, seconded, and approved to enter into the executive session.

Mr. Pagán asked that only those specifically invited remain in the Boardroom.

FACILITY GOVERNING BODY/EXECUTIVE SESSION

During the executive session, the Board received oral governing body submissions from NYC Health + Hospitals/Elmhurst.

The Board received and approved semi-annual governing body report from NYC Health + Hospitals/Bellevue.

The Board also received and approved the 2018 performance improvement plan and evaluation written submission from Morrisania Diagnostic & Treatment Center - Gotham Health.

The Board received and approved the revised Audit's June 13th Audit report.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:12 P.M.

A handwritten signature in blue ink, appearing to read 'Colicia Hercules', is written over a horizontal line.

Colicia Hercules
Corporate Secretary

COMMITTEE REPORTS

Information and Technology Committee - June 13, 2019

As Reported by: José Pagán

Committee Members Present: José Pagán, Barbara Lowe, Matthew Siegler representing Dr. Mitchell Katz in a voting Capacity

José Pagán called the meeting to order at 10:00 AM. The minutes of the April 9, 2019 meeting were adopted.

Kevin Lynch thanked the Committee and presented his CIO Report. This included the Health Information Prioritization Committee and the H₂O deployment schedule.

Mr. Lynch said the next H₂O rollout after this is scheduled to take place at Kings County and associated Gotham sites was pushed from October 2019 to December 2019 due to an upgrade taking place in 2020. Mr. Lynch said It makes more sense to teach users the new system rather than have to retrain them. This will allow us to upgrade easier.

Matt Siegler said that in his capacity on the Finance Committee, they looked into the effect of the Epic implementation. Compared to many other systems that went live with Epic, H+H is doing much better than the average.

Mr. Lynch said we have thousands of individuals using the system every day for our 4.6 million unique patients. It is working very well for users, patients, and the system.

Mr. Lynch spoke to the Enterprise Resource Planning (ERP) Update. He said Clairvia, the nurse scheduling system, is now live at several sites and it will go live at Elmhurst and Queens on June 23, with subsequent go-lives after that..

Kim Mendez said by end of 2019 we will be off our legacy systems and using only Clairvia. There will be training using Super Users and others. This is allied with PeopleSoft.

Mr. Lynch spoke to Enterprise Radiology Integration Initiative Time Line. He said Queens went live on June 10 and Elmhurst (the last site) will go-live in September 2019.

Mr. Lynch said the Post-Acute Care EMR (electronic medical record) Update was proceeding. He said Gouverneur went live in Wave 1, and McKinney and Sea View will be in the summer.

Mr. Lynch talked to Correctional Healthcare Services EMR Update. He said the Rose M. Singer Center (Women's Facility) and Horizon Juvenile facility are live. The rest of the (men's) facilities will go live in July.

INFORMATION ITEM #1: CABLING

Mr. Lynch introduced Jeffrey Lutz to discuss the Informational Item on cabling. He said even though money for infrastructure has been approved, he wants to bring any significant part of it to the Board.

Mr. Lutz said we are undertaking a Network Refresh project to upgrade the network infrastructure across the enterprise, which is funded through City Capital in the amount of \$160 million. He said to date, \$80 million has been encumbered for network equipment, cabling and services. The remaining \$80 million of capital funds will be used for equipment and services needed to continue the project.

Mr. Lutz said the reason for this Informational Item is that we are entering into a contract with G-Systems, Inc. for cabling services at Metropolitan. That facility do not have wireless capabilities. This is for patient and visitors.

Mr. Pagán asked about the timeline.

Mr. Lutz said the emphasis is on Epic-related areas. This will be done by the end of July.

Ms. Lowe asked if this is from the 2020 budget.

Barbara Lederman said we work on five-year budgets and this was approved in 2017 or 2018.

Mr. Lutz says G-Systems has done around 90% of our previous work. The contract was procured through a Request for Proposals. Mr. Lynch said if these items are for more than \$5 million we have to bring it to the Board. But we want to bring these as Informational Items even when they are less than that amount.

ACTION ITEM #1: MCAFEE LICENSING AGREEMENT WITH DYNTEK SERVICES

Mr. Lynch introduced Soma Bhaduri to address the Applications to Enter into Contract for McAfee Enterprise Licensing Agreement with Dyntek Services, Inc. He said these systems are very important for our users and the system. He then read the resolution.

Ms. Bhaduri spoke to the Current Industry Threat Landscape and explained why it is critical to have top-level security in this day and age. She said McAfee has helped us with security in many ways. She said this would be our fourth renewal with McAfee. She listed its many capabilities, several of which are new.

Ms. Bhoduri said Dyntek Services, Inc. would provide McAfee Enterprise Licensing Agreement for the next three years, enterprise-wide. She said the solicitation was posted in the City Record and sent to 8 certified McAfee re-sellers.

Ms. Bodhuri went over the IT Committee Approval Request and gave details and benefits. She said McAfee is used in NYC agencies as part of a layered defense approach. She also discussed this with the FBI.

Motion was passed.

ACTION ITEM #2: MICROSOFT RENEWAL OF SOFTWARE LICENSES, SERVICES, AND MAINTENANCE AGREEMENT

Mr. Lynch read the resolution.

Mr. Lutz said that like most large organizations, NYC Health + Hospitals relies on a suite of Microsoft software products. These include Office, Windows, Windows Server, Exchange (email), Microsoft SQL Server, and others. The current contract has expired and we are seeking approval to renew the Microsoft agreement for a period of three years.

Mr. Lutz said we have obtained a proposal from Microsoft to renew the contract for a three-year period without any increase in costs. He said Microsoft is moving to a subscription-based model rather than a retail model. He explained that shifting our license types to user-based, rather than device-based, prepares us for the transition to cloud-based licensing. By changing our licensing to this in-between "bridge model" we were able to avoid a 22% pricing increase. Microsoft is incentivizing us to go to the cloud.

Mr. Lutz showed that based on our prior three-year agreement cost, our cost would have been 20% higher. Instead, because of the bridge-model proposal from Microsoft, our cost will be almost unchanged.

Mr. Lynch said this is strictly for employees and contractors, not patients. Epic has a portal for patients.

Motion was passed.

There being no further business, the meeting was adjourned at 11:00 AM.

Audit Committee - June 13, 2019

As Reported by: José Pagán

Committee Members Present: José Pagán, Sally Hernandez-Piñero designated as Helen Arteaga-Landaverde vote, Matthew Siegler representing Dr. Mitchell Katz in a voting Capacity

Committee Members Present: José Pagán, Sally Hernandez-Piñero representing Helen Arteaga-Landaverde in a voting capability and Matt Siegler representing Dr. Katz in a voting capacity.

The meeting was called to order by Mr. José Pagán, Board Chair at 11:00 A.M.

Mr. Pagán stated that Mr. Matt Siegler, Senior Vice President is representing Dr. Mitchell Katz in a voting capacity. Per Section 14 of the By-Laws: Committee Attendance states, "if any member of a standing or special committee of the Board will not be present at a scheduled committee meeting, the member may ask the Chair of the Board to request that another Board member, not a member of that committee, attend the scheduled meeting and be counted as a member for purposes

of quorum and voting." Helen Arteaga Landaverde requested of the Board Chair that, Ms. Sally Hernandez-Pinero have her vote at this meeting.

Mr. Pagán asked for a motion to adopt the minutes of the Audit Committee meeting held on April 9, 2019. A motion was made and seconded with all in favor to adopt the minutes.

Grant Thornton LLC was represented by Tami Radinsky, Lead Engagement Partner; Lou Feuerstein, Relationship Partner and Steven Dioguardi, Senior Manager to present their 2019 audit plan.

Ms. Radinsky began the presentation by reporting on the following:

- Performing the following audits of financial statements as prepared by management, with your oversight, conducted under US Generally Accepted Auditing Standards (GAAS) and, where applicable, under Government Auditing Standards:
 - NYC Health + Hospitals for the fiscal year ending June 30, 2019
 - HHC Accountable Care Organization Inc. annual financial statements for the fiscal year ending June 30, 2019
 - MetroPlus Health Plan's annual statutory financial statements for the fiscal year ending December 31, 2019
 - HHC Insurance Company's annual statutory financial statements for the fiscal year ending December 31, 2019
 - Annual Report of Ambulatory Health Care Facility (AHCF-1)
 - Annual Report of Residential Health Care Facility (RHCF-4)
 - Communicating fraud risks to you identified during our audit
 - Communicating specific matters to you on a timely basis

Ms. Radinsky stated those charged with governance are responsible for:

- Overseeing the financial reporting process
- Setting a positive tone at the top and challenging NYC Health + Hospital's activities in the financial arena
- Discussing significant accounting and internal control matters with management
- Informing us about fraud or suspected fraud, including its views about fraud risks
- Informing us about other matters that are relevant to our audit, such as:
 - Objectives and strategies and related business risks that may result in material misstatement
 - Matters warranting particular audit attention
 - Significant communications with regulators

- Matters related to the effectiveness of internal control and your oversight responsibilities
- Your views regarding our current communications

Management is responsible for:

- Preparing and fairly presenting the consolidated financial statements including supplementary information in accordance with US GAAP
- Designing, implementing, evaluating, and maintaining effective internal control over financial reporting
- Communicating significant accounting and internal control matters to those charged with governance
- Providing us with unrestricted access to all persons and all information relevant to our audit
- Informing us about fraud, illegal acts, significant deficiencies, and material weaknesses
- Adjusting the financial statements, including disclosures, to correct material misstatements
- Informing us of subsequent events
- Providing us with certain written representations

Ms. Radinsky presented the Audit Timeline as follows:

May - June 2019	Client acceptance	<ul style="list-style-type: none"> • Client acceptance • Issue engagement letter • Conduct internal client service planning meeting, including coordination with audit support teams such as IT and tax
May - June 2019	Planning	<ul style="list-style-type: none"> • Meet with management to confirm expectations and discuss business risk • Discuss scope of work and timetable • Identify current-year audit issues and discuss recently issued accounting pronouncements of relevance • Initial Audit Committee communications
June 2019	Preliminary risk assessment procedures	<ul style="list-style-type: none"> • Develop audit plan that addresses risk areas • Update understanding of internal control environment

		<ul style="list-style-type: none"> • Coordinate planning with management and develop work calendar
June – July 2019	Interim fieldwork	<ul style="list-style-type: none"> • Perform final phase of audit and year-end fieldwork procedures • Meet with management to discuss results, draft financial statements and other required communications • Review final "draft" reports and other deliverables
October 2019	Deliverables	<ul style="list-style-type: none"> • Present draft reports and audit results to the Audit Committee and management • Issue final audit reports and other deliverables
December 2019	Deliverables	<ul style="list-style-type: none"> • Present final management letter to the Audit Committee
December 2019 – January 2020	MetroPlus Health Plan	<ul style="list-style-type: none"> • Perform walk-throughs of business processes and controls • Perform control testing over significant business processes • Perform selective substantive testing on interim balances
February 2020 – March 2020	MetroPlus Health Plan	<ul style="list-style-type: none"> • Perform final phase audit and year-end fieldwork procedures • Meet with management to discuss results, draft financial statements and other required communications • Issue the final audit report and other deliverables
April 2020 – August 2020	Cost Report Certification and HHC Insurance Company	<ul style="list-style-type: none"> • Perform applicable audit procedures and issue auditor's reports on cost reports for the skilled nursing facilities (RHCF-4) and diagnostic and treatment centers (AHCF) • Perform HHC Insurance Company audit and issuance of audit report
Timing to be determined	HHC ACO, Inc.	<ul style="list-style-type: none"> • Perform HHC ACO, Inc. audit and issuance of audit report (2018 & 2019)

Ms. Radinsky turned the meeting over to Mr. Dioguardi who explained the audit approach as follows:

Planning - In this phase, we will update an understanding of and document your operations, control environment, accounts and information technology systems.

Risk Assessment - We use our understanding of your internal control system and operations to identify the inherent audit risks and strengths of your operations and information systems. By performing our risk assessment, we customize our audit approach to focus our efforts on the key areas.

Evaluation & Testing of Controls - We will evaluate the design effectiveness, and when appropriate, the operating effectiveness of the corporate governance and information technology controls, as well as the controls over each significant activity/process. Based on the result of this evaluation, we will determine the extent of our substantive testing.

Substantive Testing - When appropriate, we will use audit software to perform substantive testing. This enables us to retrieve information directly from your data files, if needed, without affecting the integrity of the data.

Concluding & Reporting - We will provide management and the Audit Committee with the results of our audit, including best practices and internal control recommendations.

Significant Risks and other areas of focus Planned Procedure

Patient accounts receivable, related contractual Contractual and uncollectable allowances and net patient service revenue	<ul style="list-style-type: none">• Review account reconciliations including completeness and accuracy testing of the aged patient trial balances• Perform analytical procedures over key indicators such as days in accounts receivable, account write offs and aging of balances• Perform detailed account balance testing• Perform cut-off testing• Review management's methodology for estimating allowances• Perform medical record testing for existence (no confirmation procedures) and detail test of subsequent cash receipts• Perform a hindsight analysis of the prior year accounts receivable balance by reviewing cash collections on prior year balances
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	<ul style="list-style-type: none"> • Perform cash to revenue proof to assist in the validation of the revenue balance
Estimated settlements due to third-party payers and net patient service revenue	<ul style="list-style-type: none"> • Review account reconciliations and roll-forwards and agree significant reconciling items to supporting schedules and documentation. • Perform detailed account balance testing • Review management's methodology for estimating amounts • Review the financial statement presentation and disclosures
Accounts Payable and Accrued liabilities, including malpractice reserves and contingencies	<ul style="list-style-type: none"> • Perform detail testing of management's calculations, including underlying inputs and data provided to specialists used in actuarial calculations for medical malpractice, workers compensation, pension and self-insurance health liabilities • Obtain and review outside actuarial reports used to determine pension and malpractice liabilities • Assess for reasonableness the assumptions used in developing estimates • Perform a search for unrecorded liabilities • Test the completeness and accuracy of accounts payable aged trial balance • Review payroll accruals for reasonableness
Accounting Estimates	<p>The preparation of NYC Health + Hospital's financial statements requires management to make multiple estimates and assumptions that affect the reported amounts of assets and liabilities as well as the amounts presented in certain required disclosures in the notes to those financial statements. The most significant estimates relate to contractual allowances, the allowance for doubtful accounts, third-party liabilities, malpractice liabilities and actuarial estimates for the pension plan. Our procedures have been designed in part, to review these estimates and evaluate their reasonableness.</p>
Financial Statement Disclosures	<p>Our procedures will also include an assessment as to the adequacy of NYC Health + Hospital's financial statement</p>

	disclosures to ensure they are complete, accurate and appropriately describe the significant accounting policies employed in the preparation of the financial statements and provide a detail of all significant commitments, estimates and concentrations of risk, amongst other relevant disclosures required by accounting standards and industry practice.
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Mr. Dioguardi concluded his presentation by noting the other areas of the audit focus will be to perform substantive testing on key account balances as of June 30, 2019, as follows:

- Confirmation of cash and cash equivalents.
- Test significant fixed asset additions and disposals, as applicable.

Ms. Hernandez-Pinero asked what is significant?

Mr. Dioguardi answered that significant is based on many variables. It can change from year to year and it is dependent on the financials of the organization, each year is dependent on various risk factors.

- Test deferred revenue, as applicable.
- Obtain debt roll-forward and test payments throughout the year and compliance with debt covenants
- Review and testing the completeness of accounts payable and accrued liabilities.
- Perform an analytical review of revenues and expenses.
- Identify and test non-routine transactions to ensure appropriate accounting treatment.
- Independently confirm with internal and external legal counsel the potential exposure associated with outstanding claims, as applicable. Identify contingent liabilities or assets requiring accounting treatment or footnote disclosure.

Mr. Dioguardi stated that our audit is designed to include some procedures around fraud. The audit is not designed to identify fraud, however there are certain procedures that we are required to do to satisfy some of the high-risk elements.

- Perform fraud procedures
 - Journal entry testing
 - Review inter-company accounts
 - Vendor testing

Mr. Pagán asked when there is suspicion of fraud – how is that communicated?

Ms. Radinsky responded that it is discussed with management.

Mr. Dioguardi continued by detailing their approach to testing the Organization's information technology systems as follows:

Phase 1: Understand and document business processes material to the audit

Our engagement team will:

- Meet with the Organization management to document our understanding of critical business processes and controls, and the technology used to support them.

Document process flows, controls, and supporting technology relevant to audit objectives.

Phase 2: Assess information technology risks

- Our engagement team will identify information technology related risks and tailor our information technology review procedures to address those risks.

Phase 3: Identify information technology controls that support audit objectives

- General controls review – Review controls applicable to the overall processing environment.
- Applications review – Review specific business systems for application level and related controls.

Phase 4: Test technology related controls

- We will test the identified controls and determine their design and operating effectiveness, within the context of our audit scope and objectives. As a result of our test procedures, we will prepare observations and recommendations to improve existing information technology systems and associated controls and processes.

Mr. Feuerstein outlined the six GASBs issued that will impact the organization over next two to three years.

Title	Effective fiscal year ending
GASB 84 - <i>Fiduciary Activities</i>	June 30, 2020*
GASB 87 - <i>Leases</i>	June 30, 2021
GASB 88 - <i>Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements</i>	June 30, 2019*

GASB 89 - <i>Accounting for Interest Cost Incurred before the end of a Construction Period</i>	June 30, 2021
GASB 90 - <i>Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61</i>	June 30, 2020*
GASB 91 - <i>Conduit Debt Obligations</i>	June 30, 2022

*NYC Health + Hospitals is early adopting GASB 84 and GASB 90 for June 20, 2019 and is required to adopt GASB 88 for June 30, 2019.

Mr. Telano, Senior Assistant Vice President, Internal Audits began his presentation with the external audits being conducted by Regulatory Agencies were as follows:

I. Compliance with Federal Tax Requirements - Internal Revenue Service

This audit began in October 2018. The objective of the audit is to ensure compliance with federal tax requirements as an exempt organization. During the entrance conference, the IRS requested the following documents:

- a) Financial Assistance Plan (FAP) for each hospital facility - this document must apply to all emergency and other medically necessary care provided by the hospital facility.
- b) Minutes from meetings describing the FAP during FY16, the billing and collection policy and actions taken in the event of nonpayment of fees.
- c) Community Health Needs Assessment (CHNA) for FY16 - which is required to be conducted by each hospital facility once every three years in order to document the extent to which it understands the unique characteristics and needs of the local communities it serves, and responds to these means by delivering meaningful and effective benefit through clinical services.

Mr. Telano stated that all of the above documents were sent to the IRS as of February 7, 2019. On May 28, 2019 we were advised that the field work was completed and forwarded to the IRS Audit Manager for review. After this review is completed, we will receive a closing letter with the findings and observations.

II. Children of Bellevue Auxiliary - NYC Comptroller's Office

This audit began in April 2019. The audit objectives are to determine whether CoB:

- Has adequate controls over and accurately reports its revenues and expenses.
- Is complying with applicable rules, regulations, policies and procedures.

- Has computerized systems controls to ascertain the integrity, validity and reliability of its data.

The walkthrough of Auxiliary operations was conducted on May 1, 2019. Financial documents and operating procedures related to the day-to-day activities of the Auxiliary are currently being requested.

Mr. Telano stated that a report was received from the Office of Inspector General (IG) regarding their review of Unauthorized Parking Placards and noted that the report discussed three complaints received by the IG concerning specific members of Hospital Police staff who were fabricating, distributing and using unauthorized parking placards to avoid parking fines for themselves and individuals within Health + Hospitals and other New York City agencies. The staff involved were assigned to various facilities - NYC Health + Hospitals/ Elmhurst, North Central Bronx and Coney Island. The IG believed the actions taken by these individuals violated NYC Health + Hospitals Code of Ethics and may violate conflicts of interest rules under Chapter 68 of the New York City Charter. The IG suggested that Health + Hospitals management take the appropriate personnel action against the employees noted within the report. They also recommended that Health + Hospitals issue a system-wide advisory reminding all employees on the proper use of placards.

Mr. Telano stated that as a result of this report, a system-wide advisory was issued by the Corporate Compliance Officer to all employees on the authorized uses of parking placards. In addition, an internal investigation was initiated regarding the employees mentioned in the report with appropriate actions to be taken depending on the results.

Mr. Telano stated that the Office of Internal Audits is currently investigating two anonymous letters received by the President's Office. The first letter included complaints about the purchasing habits at NYC Health + Hospitals/Gouverneur. The second letter is about MetroPlus.

Ms. Catherine Patsos, Chief Corporate Compliance Officer provided an update and stated that during the period from April 1, 2019 through May 31, 2019, the OCC was notified of three (3) disciplined community physicians and one (1) disciplined affiliate physician.

Ms. Patsos stated that on May 9 and 10, 2019, the OCC received reports stating that two (2) community physicians had restrictions placed on their licenses, including one physician whose license was revoked, and a third previously reported disciplined community physician who recently surrendered his license voluntarily.

Ms. Patsos when on to state that on May 10, 2019, the OCC was informed that an affiliate physician at NYC Health + Hospitals/Coney ("Coney") had a specific restriction placed on her license. This restriction precluded her from performing all forms of invasive procedures, including but not limited to injections, infusions, blood glucose tests with portable glucometers, and phlebotomy. The Chief Medical Officer at Coney was aware of this affiliate physician's restrictions, and her privileges were adjusted according to the Office of Professional Medical Conduct requirements. In addition, she has been placed on administrative leave until further notice.

Ms. Patsos stated that no providers were identified on the Death Master File (DMF) or National Plan and Provider Enumeration System (NPPES) since last Audit Meeting.

Ms. Patsos stated that since the last Audit Committee meeting, twenty-seven (27) incidents were entered in the System's RADAR Incident Tracking System. Of the twenty-seven (27) incidents, ten (10) were found after investigation to be violations of NYC Health + Hospitals HIPAA Privacy and Security Operating Procedures ("OPs"), specifically OP 240-15 HIPAA Privacy Safeguards Policy, and OP 240-28 HIPAA Policy on Uses and Disclosures for Treatment, Payment and Healthcare Operations; ten (10) were found not to be a violation of NYC Health + Hospitals HIPAA Privacy and Security OPs; and seven (7) are still under investigation. Of the 10 incidents confirmed as violations, three (3) were determined to be breaches.

Ms. Patsos stated that the first incident was with NYC Health + Hospitals/Elmhurst ("Elmhurst") in March 2019. Ms. Patsos stated that this incident occurred on March 28, 2019, when a resident physician allegedly disclosed a patient's HIV status in front of a family member present in the room without the patient's authorization. The patient filed a formal complaint with Patient Relations which was forwarded to Risk Management and the OCC.

Ms. Patsos stated that the OCC reviewed the patient complaint and spoke with the resident physician who could not expressly confirm whether or not this information was disclosed during the conversation he had with the patient. Due to the possibility that this disclosure may have occurred, the patient was notified of a breach on May 2, 2019.

Ms. Patsos stated that in response to this incident, the employee who potentially disclosed this information was required to complete the

OCC's HIPAA online privacy and security remediation course and was provided with counseling by his supervisor.

Ms. Patsos stated that the second incident was with NYC Health + Hospitals/Bellevue ("Bellevue") in April 2019. Ms. Patsos stated that this incident occurred on April 17, 2019, when a contracted worker, who was on-site during the Epic Electronic Medical Record ("EMR") implementation, accessed the record of another contracted worker, who had become a patient while working at Bellevue. The contracted worker used the account of a Bellevue physician to access the patient's information, and the physician reported the incident to the OCC.

Ms. Patsos stated that the OCC reviewed the statements made by the contracted worker as well as the physician who reported the issue. Following an investigation, the OCC concluded that a breach had occurred, and notified the patient of the breach on May 2, 2019.

Ms. Patsos stated that in response to this incident, the OCC worked with HCI, the third-party company contracted to provide staff with Epic onsite assistance, to ensure that the contracted worker was removed from the Bellevue worksite, which was done immediately. Subsequently, HCI terminated this worker.

Ms. Patsos stated that the second incident was with NYC Health + Hospitals/Queens ("Queens") in April 2019.

Ms. Patsos stated that the OCC reviewed the statements made by both patients and the treating nurse practitioner, as well as Epic chart audit trails. The case was substantiated and the documents were returned to the hospital. The patient was notified of a breach on May 2, 2019.

Ms. Patsos stated that in response to this incident, the OCC required the employee who provided the discharge documents to the wrong patient to complete the OCC's HIPAA online privacy and security remediation course, and the employee's supervisor provided counseling to the employee.

Ms. Patsos stated there was one (1) report received from the OCR in the since the last Audit Committee meeting. The report involved a complaint about an alleged HIPAA violation at NYC Health + Hospitals/Coler ("Coler") concerning unreasonable fees charged by Coler for access to a patient's medical records. The OCC is currently investigating the allegation and working with the Health Information Management department at Coler to recommend areas for process

improvement with respect to access to medical records. The OCR is not taking any action regarding this complaint at this time.

Ms. Patsos stated that in addition, as reported at the last Audit Committee Meeting, on February 22, 2019, the OCR met with the OCC and Enterprise Information Technology Services ("EITS") leadership, along with in house and outside counsel, to discuss NYC Health + Hospitals' compliance with HIPAA. The OCR called this meeting due to its concerns regarding NYC Health + Hospitals' ability to comply with HIPAA, and in particular, to safeguard its ePHI from inappropriate use or disclosure. During this meeting, however, we were able to explain to the OCR that the System has many controls in place to safeguard its ePHI, in compliance with HIPAA requirements. The OCR requested that the System document such current controls, as well as additional planned controls, in a Commitment Letter to the OCR. The OCC submitted a Commitment Letter to the OCR on March 4, 2019, with follow-up documentation on March 18, 2019, April 30, 2019, and June 7, 2019.

Ms. Patsos stated as part of the System's commitment to the OCR, the OCC has revised the System's HIPAA Privacy and Security Operating Procedures ("OPs"), nearly all of which were signed by Dr. Katz on May 31, 2019. Most of these OPs date back to 2003 or 2004. There were 42 OPs to be revised, many of which were merged, for a total of 25 revised OPs. There is still one OP left to be signed, which is currently being finalized and prepared for signature. This OP combines the mental health and genetic testing OPs and adds HIV-related information. Due to the sensitivity of this information, and the complexity of the OP, it has taken a slightly longer to complete.

Mr. Siegler congratulated Ms. Patsos on the work with OCR.

Ms. Patsos stated that since the last Audit Committee meeting, there were seventy-six (76) compliance reports, two (2) (2.6%) of which were classified as Priority "A," 32 (36.8%) were classified as Priority "B," and forty-six (46) (60.5%) were classified as Priority "C" reports. For purposes here, the term "reports" means compliance-based inquiries and compliance-based complaints.

Ms. Patsos stated that the OCC received a report alleging that a psychiatrist in Correctional Health Services' ("CHS") Forensic Psychiatric Evaluation Court Clinic audio recorded, on "multiple occasions," evaluations of defendants, using her personal cell phone. The recordings were alleged to have been created without the consent of the defendants or their counsel. It was also alleged that the psychiatrist appeared in a New York State Supreme Court proceeding,

during which she admitted that she recorded a defendant's 730 evaluation, which is an evaluation to determine an individual's competency to stand trial.

Ms. Patsos stated that following an investigation of this allegation, the OCC concluded that the psychiatrist had only audio-recorded one evaluation, and that, although she did not technically violate any existing law or policy regarding the audio-recording of forensic evaluations, her decision to record the defendant in the proceeding was inconsistent with the custom and practice of performing 730 evaluations.

Ms. Patsos stated that the OCC recommended that the psychiatrist be disciplined in the form of counseling, and retraining on the custom and practice of conducting 730 evaluations. The OCC also recommended that CHS develop general policies and procedures for conducting 730 evaluations, if such policies and procedures are not currently in existence, and more specifically to develop policies regarding any form of recording 730 evaluations.

Ms. Patsos stated that on April 17, 2019, the OCC received a report regarding a clinical matter that occurred at NYC Health + Hospitals/Woodhull ("Woodhull"), which was handled by Woodhull's Risk Management and Quality Assurance.

Ms. Patsos stated that in January 2019, an onsite audit on funds flow, workforce spending, and actively engaged patients was conducted by an Independent Assessor. On April 30, 2019, OneCity Health received its preliminary Audit Scorecard from the Independent Assessor, and submitted additional follow-up documentation to the Independent Assessor on May 31, 2019.

Ms. Patsos stated that upon receipt of the OneCity Health's response, the Independent Assessor will perform a review of the additional documentation submitted, and issue an Independent Assessor Onsite Audit Final Scorecard. If the Independent Assessor is unable to validate the documentation and reporting submitted by OneCity Health in the quarterly reports, the Independent Assessor will recommend that the corresponding Achievement Values be overturned and the corresponding value will be withheld from future payment to the PPS.

Ms. Patsos stated that HHC ACO, Inc. ("HHC ACO") submitted its application to renew its contract with CMS for the 2019-2024 agreement period. HHC ACO is applying to participate in the Enhanced Track of the Medicare Shared Savings Program ("MSSP"), beginning July 1, 2019. The Enhanced track is a two-sided track, which will involve shared

savings as well as potential shared losses. The shared savings could be as much as 75% of the savings to the Medicare program, adjusted by HHC ACO's quality score, and capped at 20% of total benchmark expenditure. Although the Enhanced Track provides for the most allowed shared savings, it also carries the most risk - amounting to 40% to 75% of the losses to the Medicare program. The losses, however, are also adjusted by HHC ACO's quality scores, and capped at 15% of the total benchmark expenditure imposed by CMS. The final submission date for the final round of requested documentation to CMS was May 2, 2019.

Ms. Patsos stated that the ACO has been working to finalize its agreements and contracts to satisfy CMS' requirements to participate in the Enhanced Track, which will start on July 1, 2019 and end on December 31, 2024. HHC ACO expects to receive final approval from CMS on its application during the week of June 17, 2019.

Ms. Patsos stated that on April 15, 2019, the HHC ACO Board of Directors met and passed a resolution authorizing HHC ACO to furnish any required repayment mechanism and authorize the CEO of HHC ACO to execute and deliver the required repayment mechanism on behalf of HHC ACO Inc.

Ms. Patsos stated that on April 18, 2019, NYC Health + Hospitals' Board of Directors met and passed a resolution to authorize NYC Health + Hospitals to become the guarantor for the MSSP repayment mechanism. On May 21, 2019, HHC ACO received preliminary approval from CMS, status pending finalization of the repayment mechanism. On May 30, 2019, HHC ACO finalized the transaction with TD Bank to issue a letter of credit to CMS to satisfy the requirement of establishing a repayment mechanism.

Ms. Patsos stated that on May 2, 2019, HHC ACO submitted responses to the New York State Department of Health for the annual questionnaire to maintain All Payer ACO status with New York State.

Ms. Patsos stated that to ensure the System's compliance with the requirements of HIPAA and HIPAA regulations, the System has engaged a third party vendor, Coalfire Systems, Inc. ("Coalfire"), to conduct a HIPAA enterprise-wide Risk Analysis and Security Assessment. Coalfire conducted its corporate review in April 2019, and began conducting facility on-site reviews on May 8, 2019. Coalfire will conduct on-site reviews at all of the System's acute care facilities, skilled nursing facilities, and Diagnostic and Treatment Centers, and a sample of the Gotham clinics. It will also conduct virtual reviews of 14 other Gotham clinics.

Ms. Patsos noted that in addition, Coalfire will perform penetration tests of the System's systems and applications to determine their vulnerability to unauthorized access. It will also assess a sample of the System's vendors to determine their compliance with HIPAA and the security of the System's PHI that they maintain.

Ms. Patsos stated as previously reported, on January 31, 2018, the OCC received notification from Aetna of a Notice of Compliance Program Audit (the "Notice"), requesting information from NYC Health + Hospitals relating to its compliance with Medicare Parts C and D compliance program elements as required by CMS. Ms. Patsos stated the Notice stated that the review would include functions performed by the System (particularly the OCC) which are related to Aetna's Medicare Advantage, Prescription Drug Plans and/or Medicare - Medicaid Plan product lines. Aetna performs such reviews to ensure that the entities it contracts with, such as the System, meet their compliance program obligations. These reviews are conducted under the auspices of their "Delegated Vendor Oversight" responsibilities, as required by CMS.

Ms. Patsos noted on April 30, 2018, the OCC received Aetna's Compliance Program Elements Audit Report (the "Audit Report"), which included Aetna's conclusions regarding NYC Health + Hospitals' compliance with its audit. According to the Audit Report, NYC Health + Hospitals satisfied eight of the compliance requirements, but failed to satisfy four compliance requirements. The Audit Report also required NYC Health + Hospitals to submit corrective action plans to Aetna for the failed compliance requirements, which the OCC did on May 25, 2018.

Ms. Patsos noted on August 27, 2018, the OCC submitted NYC Health + Hospitals' report on the implementation of its corrective actions plans, most of which involved changes to Operating Procedures. On September 18, 2018, the OCC received an email from Aetna requesting additional information in response to one of the System's corrective action plans, which the OCC provided on September 20, 2018.

Ms. Patsos noted on November 15, 2018, the OCC received an email from Aetna regarding its further review of the System's corrective action plans, stating that the System needs to revise its policies to meet a record retention requirement that the OCC believes does not apply to the System. The OCC conferred with the Office of Legal Affairs regarding the System's obligation to comply with this requirement, and responded that it continued to maintain its position that such requirement does not apply to NYC Health + Hospitals.

Ms. Patsos also noted on January 31, 2019, the OCC received another email from Aetna requesting that the OCC provide documentation to demonstrate the System's adherence to the CMS requirement related to retaining existing employee training records for a 10-year period. In addition, Aetna provided a random selection of five System employees

with hire dates of 2009 and prior, which were identified from the System's original employee universe. Aetna requested that the OCC provide evidence demonstrating completion of these employees' Code of Conduct and Compliance training within the past ten years, by February 15, 2019.

Ms. Patsos reported that on April 8, 2019, Aetna sent the OCC another email stating that (i) Aetna had completed its assessment of the System's compliance with general Medicare compliance program requirements; (ii) Aetna's National Network Delegation auditors conducted a thorough review of the evidence provided by the System and determined that the System demonstrated compliance training dating back to 2009 for four of the five selected employees, but that gaps were identified in training completion during some years; and (iii) Aetna's review of the System's evidence demonstrating completion of compliance training within the past ten (10) years did not meet the Corrective Action Plan ("CAP") requirements for the System's record retention policy. Aetna further noted that the CAP would remain open, and requested that the System advise Aetna if there will be any additions or revisions to its policy and procedure to address the identified deficiencies.

Ms. Patsos stated that the OCC responded to this email on April 30, 2019, explaining the reasons for any gaps in training completion, and that the System has taken significant mitigation steps. These include the development of new courses, processes, and workforce requirements, all which were launched in 2018, which were designed and implemented to prevent the reoccurrence of any such issues going forward.

Ms. Patsos stated that finally, the OCC stated that the measures taken by the System provide sufficient evidence that the System is working to both enhance and support its compliance with applicable regulations. Due to the mitigation steps already implemented, and the CAP now in place, the OCC stated that it is of the opinion that no additions or revisions to the System's policy and procedure are warranted. The OCC also requested that Aetna close out the CAP and deem all the purported deficiencies to be resolved. We are currently awaiting Aetna's response to the OCC.

There being no other business, the meeting was adjourned at 12:00 P.M.

Finance Committee - June 13, 2019

As Reported by: Freda Wang

Committee Members Present: Freda Wang, José Pagán, Sally Hernandez-Piñero, José Pagán, Dr. Mitchell Katz

Ms. Freda Wang called the meeting to order at 12:10pm. The minutes of the March 19, 2019 meeting were approved as submitted.

SENIOR VICE PRESIDENT'S REPORT

Mr. John Ulberg began his report that the cash balance was at \$430M and we are tracking 1% away from budget. He reported that H+H is working closely with the State on the Disproportionate Hospital Share (DSH) and Upper Payment Limit (UPL) payments. Mr. Ulberg continued by reporting \$35M in expense target reductions, due to a \$25M reduction in Full-Time Equivalents (FTEs) and \$10M in supply chain savings. To get that \$25M back, facilities have submitted plans to reduce expenses to work toward closing the gap. Mr. Ulberg reported that there was a \$45M revenue target reduction, \$30M attributed to delays in growth initiatives such as retail pharmacy and transportation and \$15M attributed to delays in managed care contract improvements. Mr. Ulberg reported \$50M in Medicaid administration additional revenue.

Ms. Freda Wang asked if the \$50M was recurring.

Mr. Fred Covino replied that \$22M is recurring.

Mr. Ulberg continued his report by stating that overall revenue and expenses track close to budget. Overall revenue continues to grow year-over-year in line with the transformation plan. Revenue is above target by \$52M (1%) and disbursements outpaced budget by \$30M, mainly due to nursing and revenue cycle hires.

Ms. Sally Hernandez-Piñero asked if staff disbursements include PS and OTPS.

Mr. Ulberg replied yes.

FINANCIAL REPORT

Ms. Michline Farag reported that H+H is less than 1% (\$30M) away from the expense target mainly due to staffing investments in clinical models including H+H's nursing model, key business initiatives, and revenue cycle initiatives.

Ms. Farag continued by reporting on Global Full Time Equivalent (GFTEs) reductions over time. In November 2015 staffing controls were implemented in preparation for the roll-out of the Transformation Plan at the end of FY16. Between November 2015 and April 2018 we reduced GFTEs by 5,131.

Ms. Farag reported on the recalibration of the H+H staffing mix to better support clinical and revenue generating initiatives. This demonstrates the strategic investments made in clinical and revenue cycle staffing and funded business plans.

Ms. Farag continued the staffing mix report by providing an overview of staff growth shifting from temporary workers to full-time. Though temporary workers are down, and full-time staff are up, overtime has

increased. Overtime has increased due to investments in nursing which required an increase in training hours.

Ms. Farag discussed facility gap-closing plans that have been implemented to right-size the increases in disbursements. These plans include staff attrition, reduction of overtime, and plans for revenue generation.

Ms. Hernandez-Piñero asked how this works in operation, using the example of Bellevue wanting to hire nurses, would Bellevue have to reduce expenses elsewhere to offset the hire.

Mr. Covino replied that facilities submit plans ahead of time to right size their budgets.

Ms. Hernandez-Piñero asked what their targets were.

Dr. Mitchell Katz stated that targets are facility based otherwise a system-wide target assumes everyone is the same and does not consider variance between facilities.

Ms. Farag reported on revenue performance stating that revenue is \$495M higher than FY18 actuals, which is \$52M above FY19 target. Total patient care revenue is up \$239M vs. FY18 actuals driven by stronger risk contract performance.

Ms. Hernandez-Piñero asked what it means to have year-over-year variance primarily due to MetroPlus risk payment.

Ms. Farag replied that this FY H+H received the full payment in Q3 whereas last year the full payment was not received until Q4.

Ms. Wang asked if because of the timing component, we anticipate any additional payments in Q4.

Mr. Covino confirmed that we would not see additional payment this year because the payment is a timing difference compared to last year.

Ms. Wang asked if the MetroPlus payment this year is higher than it was last year if annualized.

Mr. Covino predicted that the payment amount would be relatively the same year-over-year.

Mr. Pagán asked what comprises the \$52M above target besides the timing of risk payments.

Mr. Covino replied that it is also the timing of appeals and settlements.

Ms. Linda Dehart elaborated that these are appeals to Medicaid based on rate methodology and underlying data reported, not on a case-by-case basis.

Ms. Farag reported what the \$52M in revenue H+H received above budget. Patient care revenue met budget, and non-patient care revenue was above budget by \$51M driven by appeals and settlements.

Ms. Krista Olson reported that inpatient volume has declined by 4.6%, and only one-half of this is Fee for Service (FFS) impacting revenue. The other half of the decline in discharges is associated with H+H's risk-based health plans, MetroPlus and HealthFirst. Declines are driven primarily by labor and delivery, which counts as two discharges. Detox, rehab, and surgery are also down.

Dr. Katz elaborated that declines in inpatient volume is not a bad thing and is in line with historically low birth trends in NYC.

Ms. Olson reported that self-pay is declining.

Ms. Hernandez-Piñero asked if this was good or bad.

Ms. Olson replied that it is good because most inpatient self-pay qualify for emergency Medicaid so H+H expects the uninsured on the inpatient side to be very low.

Mr. Pagán asked if the expectation is that inpatient volume will continue to decline by 4.6%.

Ms. Olson replied that the budget projections review previous trends, incorporate business plan growth, and other drivers to develop the budget.

Ms. Wang asked if there was a way to look at inpatient volume by service category.

Ms. Olson replied that is what her team does behind-the-scenes to analyze what is being done and what can be done to ensure volume is decreasing in the right areas.

Ms. Wang asked if the analysis is done for outpatient.

Ms. Olson replied that system-wide H+H is down by 1.2% in outpatient volume and Gotham Health is up by slightly over 2%. Hospital outpatient volume is down by 1.6%. As facilities go-live on Epic, H+H will be able to count visits using the same methodology.

Dr. Katz elaborated that the number one driver of outpatient volume for H+H is the ability to recruit doctors and nurse practitioners.

Ms. Olson continued her report, shifting focus to risk pool payments. Year-over-year H+H receives around \$270M from the MetroPlus risk contract and is on track to receive the same amount this year. This is directly related to H+H attributed lives, which are increasing slightly. For those members, H+H receives about 11% of the premium that does not go to administration. H+H receives back as part a risk-payment by managing that care.

Mr. Pagán asked if the margin is always constant.

Ms. Olson replied that the margin depends on how well H+H is managing attributed patients' care and the negotiated rates in the contract. If H+H drives inpatient volume down, it benefits H+H via risk arrangements.

Ms. Wang asked for clarification on what the surplus is exactly.

Ms. Olson replied that the 11% surplus is what H+H receives after MetroPlus pays for administration and medical premium.

Mr. Pagán asked if they were to expand services, would H+H have to pay for that out of the margin.

Ms. Olson replied that MetroPlus would fund that type of expansion out of their portion of the administrative costs.

Ms. Wang asked if this was based on the contract with MetroPlus.

Ms. Olson replied that this is based on H+H's contract with MetroPlus but also how much leakage there is.

Ms. Hernandez-Piñero asked if MetroPlus wanted to increase how much they pay for a medical procedure, would that then cut into H+H's margin portion.

Ms. Olson replied yes.

Ms. Marji Karlin reported on revenue cycle growth performance in the transformation plan. In FY18 revenue cycle achieved \$150M, in FY19 the target is \$190M and revenue cycle initiatives are on track to finish the year above target. This is largely due to investments in documentation and coding on the inpatient side, Epic, patient access improvements, charge capture improvements, and insurance coverage.

Ms. Karlin reported on early results for facilities that have gone-live on Epic in relation to candidate-for-billing, which is the total of all discharged balances that have not yet been billed due to deficiencies, errors, or missing information. Compared to other systems during a similar time frame into their roll-out, H+H is performing near the top and on target to hit 5 days.

Ms. Wang asked how the results are looking at the other sites going-live on Epic.

Ms. Karlin noted that the other facilities are tracking similar.

Ms. Wang asked if H+H was tracking candidate-for-billing in the previous system.

Ms. Karlin replied that Huron was tracking it but the two systems are not comparable.

Dr. Katz asked for an example of how this works in the old system compared to the new.

Ms. Karlin described edits that go down to the revenue code, which matches to the condition code and diagnosis code. Historically, payers edit for those and H+H did not, but now in the new system these edits can be made on the H+H side.

Dr. Katz asked if in absence of editing, the claim audit does not get paid, or is sent back.

Ms. Karlin confirmed that is what happens and often times the claim is lost.

Dr. Katz described the timing issues related to claims expiring translating to lost revenue.

Ms. Wang asked if the new system could now better track claims so they do not time-out of payment potential.

Ms. Karlin replied that yes, and the system has work queues and alerts to prevent this.

Ms. Karlin reported that the cohort that went live in October achieved cumulative positive payments for 24 weeks post-live, sooner than the top Epic customers. Performance exceeds the baseline by \$11M for the October go-live facilities.

Ms. Olson reported on year-to-year increases in case-mix index (CMI). From FY17 and FY 18 there was a 2.8% increase and from FY18 to FY19 there is an 11.2% increase. The analysis was also done to exclude labor and delivery discharges, but it did not have a significant impact which means documentation and coding efforts are working to capture H+H patient complexity.

Ms. Karlin reported on the impact Epic had on CMI for the October go-live sites. Epic go-live has improved CMI at the four facilities ranging from 12.8% to 23.5%, which translates directly into a 16% increase in payment per discharge.

Ms. Olson reported that the gap between Length of Stay (LOS) actual vs. expected decreased this year compared to year-to-date FY18 (.2 days and .5 days respectively).

Ms. Wang asked if this has to do with the ability to capture.

Ms. Olson replied that it is consistent with the documentation and coding improvements.

Dr. Katz elaborated the point by stating that H+H does not keep people in the hospital longer than others in the area it is just that previously H+H was not capturing medical complexity as well as it is now.

Ms. Olson reported on the transformation plan's revenue generating initiatives. FY19 original targets were set at \$756.6M at the beginning of the FY. In the most recent executive plan, H+H acknowledged some delays so the target was reduced for FY19 to \$711.6M.

Mr. Ulberg elaborated that all of the transformation initiatives seen here break down into multiple stakeholders, business and work plans, and is a major effort that the team is undertaking to stay on track.

Ms. Olson reported on the expense reducing initiatives, stating the original FY19 target was \$429.7M and was reduced down to \$394.1M.

OUTSIDE LEGAL SERVICES ACTION ITEM

Ms. Andrea Cohen, Senior Vice President and General Counsel presented a resolution authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with seven vendors for the provision of Legal Services as requested by the System. The seven vendors are Crowell & Moring, LLP, Epstein Becker & Green, P.C, Fox Rothschild, LLP, Garfunkel Wild, PC, Katten Muchin Rosenman, LLP, Moses & Singer, LLP, and Shepard, Mullin, Richter & Hampton, LLP. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with a total amount over the combined five-year term not to exceed \$65,620,919.00 to the seven vendors.

Ms. Cohen elaborated that the law firms in this proposal have a healthcare focus and would constitute the bulk of H+H non-medical malpractice legal needs and have legal expertise that is not cost effective to have in-house. The current contracts are expiring and the proposal requests to keep four of the current firms and add three new firms.

Ms. Wang asked why new firms are being added.

Ms. Cohen replied that after conducting an analysis of the current mix of firms, they found some were not performing as efficiently as expected and that H+H has a need for more specialized firms.

Ms. Hernandez-Piñero asked how much was spent in the past and why the jump this year is so significant, and according to the materials there is a spend of \$9.4M, \$10.3M, and 11.9M in FY16, FY17, and FY18 respectively. Ms. Hernandez-Piñero asked if Ms. Cohen did an analysis on money spent to understand where to invest now and into the future.

Ms. Cohen said the biggest expenses are in lawsuits, especially related to false-claims acts. To calculate this number, Ms. Cohen took the high point in FY18; assumed hourly rates would be inflated in the first year, and then took a discount each year for cost saving initiatives. Ms. Cohen elaborated that her team did an analysis to figure out what should be done internally vs. externally, noting that they shifted resources from external services doing affiliations and research work to bring those in house. In addition, Ms. Cohen's team is going to shift from manually doing billing to doing it electronically to better standardize billing for each contract.

Ms. Hernandez-Piñero asked how much staff Ms. Cohen has and how they interact with the City Corp NYC Law Department.

Ms. Cohen said she has 13 to 15 staff members in the litigation unit, some of which work exclusively with Supply Chain and MetroPlus. The City Law Department does work for H+H on employment and commercial contracts and court representation, but they do not do advising or pre-litigation work. Sometimes the Law Department is the lead Counsel, with the specialized firm as the co-Counsel to save on cost. Andy's staff focuses on complicated regulatory advising work, audit repeals,

DSH/UPL work, false-claims act litigation, conflict-Counsel, medical-staff hearings, and affiliations.

Ms. Hernandez-Piñero asked who does malpractice suits.

Ms. Cohen replied that H+H's claims and litigation division does the medical malpractice work.

Ms. Wang asked if the City funds our medical malpractice work.

Mr. Covino replied that yes, and that is because this was a functional transfer from the NYC Law Department City to H+H a couple years ago.

Dr. Katz asked Ms. Hernandez-Piñero if she agrees with how this analysis was conducted.

Ms. Hernandez-Piñero replied that Ms. Cohen's analysis is unique and makes sense given the predictability is very hard to do.

Dr. Katz noted that Ms. Cohen has done a good job systematizing the Legal department and that there are times that it is worth paying external consultants to do things that we cannot do in house.

Ms. Cohen noted that the largest parts of this budget are the litigations that are very complex, including the false-claims act cases.

Ms. Hernandez-Piñero asked who the claimant is in a false-claims act case.

Ms. Cohen replied that any individual can bring a claim under seal and the government can decide to join the case. The claimant is incentivized to bring cases forward because they can get one-third of the recovery.

Ms. Cohen reviewed the procurement, noting that in 2013 H+H contracted with four firms and it ended in December 2018. Ms. Cohen extended the contracts by 6 months to conduct an analysis to determine needs. This proposal is the result of the needs analysis.

Ms. Cohen reviewed how firms were evaluated, noting the four main considerations were experience, cost and billing and managerial practices, staff development and diversity, and value-plus services.

Ms. Cohen outlined the contract highlights. The firms were chosen based on their subject-matter expertise. All firms agreed to cap hourly rates. The contract allows for improved utilization management. The contract encourages alternative fee structures; for example, project-based or flat-fee payment instead of hourly payment.

Ms. Cohen outlined the contract terms, which is 3 years with two 1-year renewals with an amount not to exceed \$65M.

Ms. Hernandez-Piñero asked if this includes MetroPlus work.

Ms. Cohen replied that yes, and in addition MetroPlus has a small retainer for outside counsel.

Mr. Pagán asked if Ms. Cohen could report back to the board on an annual basis on this contract so they are aware of how the money is allocated.

Ms. Cohen said she can report-back on an annual basis.

The resolution was brought for motion, seconded, and the motion carried.

EMERGENCY INCIDENT RECOVERY SERVICES ACTION ITEM

Mr. Nicholas Cagliuso presented a resolution authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Belfor Property Restoration ("Belfor") to provide as needed emergency incident recovery services to the System's facilities over a three-year term with two one-year renewal options exercisable solely by the System.

Mr. Cagliuso provided background on the contract, noting that after Superstorm Sandy there was a need for H+H to retain a vendor to recover from catastrophic events. Signal Restoration, engaged as a subcontractor through Crothall for immediate service following Superstorm Sandy, was paid \$131M between October 2012 and November 2013. In December 2013 LVI Services was awarded 3 year contract with one 2-year renewal as a result of an RFP. LVI changed its name to Northstar Recovery services following a merger. The cost of Northstar for the 5 years (December 2013 to November 2018) was \$2.5M. The current contract expires in August 2019. The application to issue RFP was approved by the Contracts Review Committee on March 5, 2019.

Mr. Cagliuso highlighted the evacuation zones by facility.

Mr. Cagliuso outlined the RFP criteria, highlighting that the vendor had to be in business 10 years, have at least one response or distribution center in the New York City Tri-state area, must have completed a minimum of \$50M in emergency restoration projects in the past, and must have a minimum net equity level of \$10M. The substantive criteria included resource mobilization and response time, experience, cost, preventative recommendations, and MWBE utilization plan or status.

Mr. Cagliuso reviewed the procurement process which included an RFP issued in March, facility walk-throughs for vendors, proposal submissions in April, and selection of Belfor Property Restoration.

Mr. Cagliuso outlined the contract highlights; including references from Northwell Health and NYU Langone Medical Center, Belfor being the largest disaster recovery company in the world and having the largest remediation equipment fleet in North America. In addition, Belfor agreed to conduct annual readiness assessment at no cost to H+H and had significant cost savings compared to other plans. Finally, MWBE utilization plan of 20% received, and submitted a waiver for 10% which was approved.

Ms. Wang asked if this service is expected in a storm only.

Mr. Cagliuso replied that this is for catastrophic events only.

Mr. Covino noted that having this contract in advance of a catastrophic event is essential as learned from Hurricane Sandy, in times of crisis emergency services companies will increase their rates significantly because of the competition.

Ms. Hernandez-Piñero asked if they have experience with other healthcare groups.

Mr. Cagliuso replied yes, they have experience with other companies.

Ms. Wang asked if the previous company, Northstar was used recently.

Mr. Covino replied that there were no major catastrophic events during that time but the previous company did help create plans by facility for emergencies.

Mr. Cagliuso reviewed the operations overview. Only the President and CEO of NYC Health + Hospitals can activate a Declaration of Emergency, which would put this contract into motion. It would only happen in a forecasted emergency incident, acute emergency incident, and the vendor would have to respond within 24 hours of the Declaration of Emergency.

Ms. Wang asked at what point could an emergency be declared.

Mr. Cagliuso emphasized that this activation requires a significant level of severity and there would be other emergency mitigation measures put in place before determining if a higher need of service is needed.

Mr. Covino noted that H+H has plans by facility.

Mr. Siegler asked when the last Declaration of Emergency.

Mr. Cagliuso said it was Hurricane Sandy in 2012.

Mr. Pagán asked if they are required to have the materials ready and within a certain amount of time.

Mr. Cagliuso said they are required to have the materials ready within 12 hours of contact.

The resolution was brought for motion, seconded, and the motion carried.

There being no further business to discuss, Ms. Wang adjourned the meeting at 2:05pm.

SUBSIDIARY REPORT

HHC Capital Corporation Subsidiary - May 30, 2019
As Reported by: Freda Wang

HHC Outstanding Bond Portfolio:

Page 1 shows NYC Health + Hospitals' current outstanding bonds of approximately \$624 million, where a majority of bonds (78%, value \$484 million) are fixed rate bonds, and the remaining 22% (value \$140 million) are variable rate bonds. The 2008 Series B, C, D & E variable rate bonds are supported by letters of credit provided by JP Morgan Chase Bank and TD Bank, with expiration date of the letters of credit in July 2022 and September 2023, respectively.

HHC Bonds - Issuance History:

Ms. DeHart pointed to page 2 which shows a history of bonds issued. The outstanding bonds are the 2008 Series A-E, the 2010 Series A and the 2013 Series A bonds, with a total outstanding par amount of \$624 million. Ms. DeHart mentioned that we are exploring the opportunity to potentially refund certain outstanding bonds for savings in February/March 2020.

Construction Fund Balance on the 2010 Bonds:

Ms. DeHart described page 3 which shows that the unspent balance for the HHC Series 2010 construction fund is approximately \$0.76 million. Ms. DeHart further explained that most projects were completed, and the remaining balance will be spent down when OFD completes their reconciliation efforts with various vendors on the projects financed by 2010 Bonds.

A question regarding whether the 2010 Bonds have incurred any arbitrage liability was asked. Ms. DeHart answered no, but committed to check and to confirm after the meeting.

A question on how much capital investment was made in each of the facilities over the last 5 -10 years was asked. Ms. DeHart responded that we could provide that information.

A question on how NYC Health + Hospitals decides what projects to fund was asked. Ms. DeHart and Ms. Schultz described the capital budget process, where the facilities submitted their initial capital project requests to the Capital Budget Committee for central review and approval. Board members discussed interest in the process for setting capital project priorities and funding decisions. Ms. DeHart indicated that the Capital Budget Committee could explore ways to involve the NYC Health + Hospitals Board in the process.

Short Term Financing Program:

Ms. DeHart provided an overview of the organization's short term financing program on page 4. Through multiple resolutions approved by the Board in 2013 and 2015, NYC Health + Hospitals authorized the Chief Financial Officer (CFO) to borrow up to \$120 million on an "as-needed" basis.

As of now, NYC Health + Hospitals has borrowed \$60 million from JPMorgan Chase Bank and another \$60 million from Citibank, therefore no additional borrowing authority remains under the short term financing program.

2015 JP Morgan Chase Loan:

Ms. DeHart presented page 5 which outlined the status of the JPM Chase loan. The \$60 million loan was borrowed at 2.088% fixed rate interest with a final maturity of July 1, 2022. As of the end of April 2019, NYC Health + Hospitals expended approximately \$59.3 million of the proceeds, and the outstanding loan amount is \$39.6 million.

2017 Citibank Loan:

Ms. DeHart presented page 6 which outlined the status of the Citibank loan, of which \$30 million was borrowed as a fixed rate loan at the interest rate of 2.17% with final maturity of November 1, 2022; and the remaining \$30 million was borrowed on October 30, 2018 as variable rate loan with final maturity of October 30, 2023.

As of the end of April 2019, NYC Health + Hospitals expended approximately \$54.1 million of the proceeds, and the outstanding loan amount is \$53.3 million.

Adjournment:

There being no further business before the Board, Ms. Wang adjourned the meeting at 2:50 p.m.

Mitchell H. Katz, MD

NYC HEALTH + HOSPITALS - PRESIDENT AND CHIEF EXECUTIVE OFFICER

REPORT TO THE BOARD OF DIRECTORS - June 20, 2019

CITY/STATE/FEDERAL UPDATE

City Update

The Mayor and City Council are finalizing an FY 2020 budget. The \$92.8 billion budget includes several important provisions for NYC Health + Hospitals. The budget includes \$25 million for the NYC Care program in FY20. These funds will be used for hiring new clinical staff, customer services improvements, and an extensive community outreach and marketing campaign. The NYC Care budget will ramp up to \$100m in FY 21.

The city budget also includes \$26m for the Mental Health Services Corps (MHSC) in FY 2020. Effective January 1, 2020, leadership and operations of this groundbreaking program will transition from the Department of Health and Mental Hygiene and the City University of New York to NYC Health + Hospitals. The program will be run through a collaboration between the Offices of Behavioral Health and Population Health and will place 60 corps members into a variety of Health + Hospitals clinical settings. Health + Hospitals is excited to expand our role in the MHSC to build a diverse, multi-lingual behavioral health workforce and to expand the high quality behavioral health services we provide to New Yorkers.

The final provisions of the FY20 budget are still being negotiated and we will provide the Board a more detailed report on allocations of capital and expense dollars in the coming weeks.

State Update

The NY State 2019 legislative session ended on June 19th. The end of session focused primarily on rent regulations, removing the non-medical exemptions for vaccinations, and the Green Light NY bill, which will provide the right to a driver's license regardless of immigration status. Another bill that gained attention relates to expanding the use of the Independent Dispute Resolution (IDR) process between hospitals and insurance companies. The legislation was a major priority of the health insurance industry and was strongly opposed by the hospital industry.

After both sides waged a public campaign, an agreement was made related to when out-of-network emergency hospital charges are submitted to the IDR. The amendment requires insurance companies to pay at least 25% of the charge, before taking the hospital to the IDR. The bill does contain an exemption for safety net hospitals that have at least 60% inpatient discharges that are Medicaid, uninsured, or dual eligible so we do not expect our health system to

be affected. NYC Health + Hospitals is actively pushing legislation related to Design Build Authority. This is a construction method where the designers and contractors work together. This method reduces time and costs on projects. Upcoming health system projects would benefit, including the NYC Health + Hospitals/Elmhurst ED expansion and our three new community-based ambulatory care sites. We are monitoring various other proposals but do not expect any other legislation with significant fiscal impact on NYC Health + Hospitals.

Federal Update

NYC Health + Hospitals is partnering with the NYC Fire Department (FDNY) and the Regional Emergency Management Council (REMAC) to explore a new federal demonstration program from the Center for Medicare and Medicaid Services (CMS). The Emergency Triage, Treat, and Transport (ET3) is a voluntary, five-year payment model that provides greater flexibility to emergency management agencies. Under the ET3 model, CMS will pay participating ambulance suppliers to transport patients to either a hospital emergency department or another destination (such as an urgent care center), and/or provide treatment in place with a qualified health care practitioner, in person or by using telehealth. Currently, EMS providers are only paid for ambulance trips that arrive at an emergency department.

The New York City 911 system responds to approximately 1.8 million emergencies each year and about 70% of those result in the patient being transported to the hospital. The Department of Health and Human Services estimates that 15% of patients transported by EMS could be seen at an alternative destination. In other words, implementing an alternative destination program in the city of New York could avoid 189,000 ambulance transports to emergency rooms per year. That's over 500 each day. Health + Hospitals 11 acute care facilities have some of the busiest emergency departments in the city and are enthusiastic to partner with EMS providers to connect ensure more patients get the care they need in the most appropriate setting.

NYC CARE UPDATE

The NYC Care team is working toward the program launch in the Bronx on August 1. Operational details, such as the enrollment process and call center workflows are being finalized. The NYC Care team is developing a pathway for enrollment that includes partnerships with community-based organizations that employ certified application counselors to streamline the eligibility process for patients. The team is also finalizing the plan to ensure that NYC Care members have 24/7 pharmacy access, through extended pharmacy hours at all our hospital and health center-based pharmacies in the Bronx and a new arrangement with a 24 hour retail pharmacy in the Bronx for emergency prescriptions overnight. We are also on track to recruit and expand primary care

teams and will be hiring new providers needed in the Bronx to care for the expected influx of new patients.

We are also working on a robust media and community outreach campaign that embraces cultural diversity and targets the demographic populations we want to reach. We will invest in the advertising and promotion platforms most popularly used by our target community and are developing a list of key stakeholders, including community based organizations and elected officials, to engage with. Dr. Ted Long and our new Executive Director, Marielle Kress, will be presenting at the Bronx Borough President's Joint Borough Service Cabinet and Borough Board meeting on 6/27/19 and have many other community engagements planned throughout July.

ORGANIZATIONAL NEWS

NYC Health + Hospitals/Elmhurst Opens New Primary Care Center for Adults and Adolescents

NYC Health + Hospitals/Elmhurst opened a new Medical Primary Care Center designed to support the health system's focus on expanding primary and preventive care to keep communities healthy and out of the hospital. The new 6,500 square foot outpatient center will bring together a diverse team of clinical experts to offer a wide range of internal medicine, women's health, mental health and adolescent health services together in one space. The new space features 10 additional exam rooms for a total of 30, modern new furniture in waiting areas, and updated clinical equipment. Last year, the hospital's primary care practices handled approximate 30, 000 patients. The renovated primary care center will reduce waiting times, increase patient satisfaction and allow clinicians to see an additional 10,000 patients a year. With funding from the state, NYC Health + Hospitals invested approximately \$1 million to cover the cost of the renovations and new equipment. Enhancing and building our primary care capacity is key to NYC Health + Hospitals' effort to reducing emergency room utilization and building long lasting, healthy relationships with our patients. This new Medical Primary Care Center will make our patients feel welcome and at home with their physicians. The clinic represents the future of primary care at NYC Health + Hospitals.

NYC Health + Hospitals/Gotham Health Center on Staten Island Will Expand Saturday & Evening Hours

NYC Health + Hospitals' full-service community health center on Staten Island will now offer Saturday and additional evening hours to expand access to primary and preventive health services to the community. The NYC Health + Hospitals/Gotham Health center on Vanderbilt Avenue will open the second Saturday of every month and until 7 pm on Tuesdays. The expansion nears the facility's one year mark when the new \$28 million ambulatory care center began offering affordable primary care for children and adults, mental health counseling and referrals, and

opioid treatment to meet local community health needs. The investment in the 18,000-square-foot health center is part of NYC Health + Hospitals' broader multi-year redesign to build a competitive, sustainable organization that will continue to offer high-quality and accessible health care to the people of New York City. We're proud to celebrate our first year of service in this new, modern health center and to make it more convenient for Staten Islanders to access the health care they need and deserve, right here in their home borough. We are also excited to see more Staten Islanders choosing our health plan, MetroPlus. We saw membership triple in the last year, thanks to our broad network of providers on the Island and the comprehensive health services we offer in our Gotham Health center on the North Shore.

Two New Pride Health Centers Open for LGBTQ Patients

In recognition of National Pride Month, NYC Health + Hospitals opened two new comprehensive Pride Health Centers dedicated to lesbian, gay, bisexual, transgender, and questioning/queer (LGBTQ) patients. The new health centers at NYC Health + Hospitals/Bellevue and NYC Health + Hospitals/Gotham Health, Gouverneur in Manhattan will provide culturally responsive health services to LGBTQ New Yorkers and address barriers that contribute to health disparities among LGBTQ youth and adults. The new Pride Health Centers are the public health system's third and fourth, building on a commitment to the LGBTQ community that has earned NYC Health + Hospitals national recognition as "Leaders in LGBTQ Healthcare Equality." The opening of our two new Pride Health Centers further demonstrates Health + Hospitals' commitment to ensure all New Yorkers have access to culturally responsive, high-quality health care. We are proud to continue to break down barriers to health care that marginalized communities face.

Planned Parenthood Will Train NYC Health + Hospitals School-Based Clinicians to Provide Family Planning Services

The de Blasio Administration, along with NYC Health + Hospitals and Planned Parenthood of New York City (PPNYC), announced a new partnership to increase access to contraception services to nearly 3,000 adolescents in the City. Through this partnership, NYC Health + Hospitals and PPNYC will train clinicians to provide family planning services, contraception counseling and same day access to Long-Acting Reversible Contraception (LARC) to students at six of our school-based health centers. Six NYC Health + Hospitals clinicians will participate in the PPNYC two-week training program that prepares health care providers to work with adolescents. The training curriculum covers sexual and reproductive health care, comprehensive contraceptive counseling and management, and the best practices for intrauterine devices (IUD) insertion and removal. The training will conclude in August to ensure providers are prepared to offer these services before the new school year begins. The training will cost \$51,600, and will be funded through the Department of Health and Mental Hygiene. Our

health system is committed to helping all those of reproductive age to access an array of health care services that can help them fully exercise their reproductive rights. As one of the largest providers of family planning services in NYC, we are committed to working together with our sister agencies and organizations to meet the growing demand for sensible family planning options at all life stages.

**NYC Health + Hospitals Will Host Free Opioid Overdose/Naloxone
Training
at all Public Hospitals by end of year**

NYC Health + Hospitals announced that all 11 public hospitals will host free opioid overdose and naloxone training and dispensing events by the end of 2019 as part of HealingNYC, a citywide initiative to prevent opioid overdose deaths. The training events will prepare community members and non-clinical hospital staff to recognize an opioid overdose and properly and safely administer naloxone medication to reverse it. Naloxone kits will be distributed free to all participants to empower friends, family and other community members to serve as first responders during a potential overdose. The next scheduled training and education session, in partnership with Brooklyn Borough President Eric L. Adams and the NYC Department of Health and Mental Hygiene, will be hosted by NYC Health + Hospitals/Coney Island on Tuesday, July 16, at 1PM. Opioid use has caused a high burden of death and suffering in the communities we serve. I'm proud of the work NYC Health + Hospitals is doing to educate staff, patients, friends and families to save a life in the event of an opioid overdose. We are grateful for the collaboration with HealingNYC that allows us to expand this education programs to save even more lives.

Nursing Leaders Unite at Strategic Planning Retreat

More than 120 NYC Health + Hospitals nurse leaders gathered earlier this month for the first-ever strategic planning Nursing Leadership Retreat at NYC Health + Hospitals/Gouverneur. The event, organized by Chief Nurse Executive Natalia Cineas, included Chief Nurse Officers and staff that represented the health system's more than 8,000 nurses who provide care at our hospitals, post-acute facilities, Correctional Health Services, Gotham Health Centers, and Community Care. The purpose of the first annual event was for nursing leaders to develop a strategic plan for the next five years, as well as to strengthen the connection between system-wide and facility-level goals. It was a pleasure to speak to this impressive group of nurse leaders who are so vital to the success of health system's transformation.

NYC Health + Hospitals/Harlem Secures Joint Commission Accreditation

The Joint Commission (JC) conducted its triennial unannounced survey at NYC Health + Hospitals/Harlem this month. The four-day survey was

conducted by a team of surveyors who reviewed a broad range of clinical and administrative practices, as well as safety and staff engagement. I'm pleased to report the hospital received full accreditation from the JC. The surveyors did not have any serious findings and cited the hospital for their commitment to the community and chasing zero harm. Congratulations to CEO Ebone Carrington, CMO Dr. Maurice Wright, CNO Keisha Wisdom, and CQO Pamela Bradley for leading the entire hospital team in a successful survey, showing the high quality and safe patient care they provide to the community every day.

#

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with GE Precision Healthcare LLC (“GE”) to supply the System’s needs for medical imaging equipment and associated programmatic support (clinical, operational, biomedical, IT) over a ten-year period commencing July 1, 2019 and ending June 30, 2029 at a total cost not to exceed \$224 Million subject to funding availability.

WHEREAS, much of the System’s current imaging equipment is near or past end of life with over half of the 470 pieces of equipment across the facilities requiring replacement in the next few years; and

WHEREAS, The high cost to maintain these aging pieces of equipment, and using older technology poses a challenge to provide quality patient care; and

WHEREAS, capital funding requests have historically been initiated by the individual facilities as needs were identified, thus limiting the ability to standardize equipment and protocols by service lines for the System; and

WHEREAS, the System spends on average of \$14M annually on imaging equipment; and

WHEREAS, by establishing a master agreement with a single manufacturer for most of the System’s imaging needs, even beyond what is currently funded, it will be possible to obtain superior pricing, standardize across service lines and obtain substantial vendor programmatic support in clinical, operational, biomedical respects; and

WHEREAS, a request for proposals was issued in July 2018 to which four suppliers responded who met the minimum RFP requirements: Canon, GE, Philips, and Siemens; and

WHEREAS, after considering the proposals received and presentations made a Selection Committee with representation across clinical, IT, operations and finance units within the System selected GE based on cost, equipment suitability, IT functionality and commitments to vendor support; and

WHEREAS, the Contract Review Committee approved the issuance of the RFP and the selection of GE; and

WHEREAS, the Vice President of Supply Chain Services together with the System’s Radiology Council will be responsible for the administration of the proposed agreement.


NOW THEREFORE, BE IT:

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with GE Precision Healthcare LLC (“GE”) to supply the System’s needs for medical imaging equipment and associated programmatic support (clinical, operational, biomedical, IT) over a ten year period commencing July 1, 2019 and ending June 30, 2029 at a total cost not to exceed \$224 Million subject to funding availability.

EXECUTIVE SUMMARY
Master Agreement with GE Healthcare
To Supply Most of the System's Imaging Needs

- BACKGROUND:** Historically, the System's purchases of imaging equipment have been driven by the individual facilities as needs are identified and funding secured. This approach has made it impossible to establish a System-wide program that drives standardization and uses the System's size to leverage better pricing and support. Although, the System spends approximately \$14M annually to purchase or upgrade imaging equipment, that substantial expenditure has not been made coherently or strategically.
- PROCUREMENT:** The System issued a Request for Proposal in July 2018 for a single imaging vendor. Four firms that met the minimum criteria responded: Canon, GE, Philips, and Siemens. A 14 person Selection Committee with representation across clinical, IT, operations and finance units within the System selected GE based on considerations of cost, equipment suitability, IT functionality and commitments to vendor support. The Contract Review Committee reviewed and approved the RFP that was issued and the selection of GE.
- FINANCING:** Previously, imaging equipment has been purchased only when funding – piece of equipment by piece of equipment – was secured. This inhibited implementation of a comprehensive, System-wide approach. Here, it is proposed to authorize the use of a master contract structure with GE that will be large enough to handle the anticipated, estimated imaging needs of the System over the next ten years of up to \$224 Million. Of this projected amount, \$20M is currently fully funded for the purchase of imaging equipment for the new Coney Island Hospital building using FEMA funds. Another \$154M, which will be subject to funding availability, represents the replacement estimate for end of life equipment. Of this \$154M, \$88M will be needed over the next four years to replace equipment that is beyond its useful life and \$66M is anticipated to be needed in years 5 – 10 of the contract. Finally, it is proposed that the contract with GE include an additional \$50M, also subject to funding availability, to accommodate needs for new purchases over the 10 year life of the contract. By adding the extra \$50M in capacity to the proposed contract, it can serve as the contractual vehicle for the purchase of necessary equipment for new initiatives that will be launched. All purchases made via this agreement will be approved by Corporate Finance to ensure availability of funding at the time of purchase.
- TERMS:** The System will commit to purchase 85% of all imaging equipment (excluding Mammography and Sonography) it requires over the next ten years. In exchange GE commits to charge the System 5% below the top eligible tier of its Group Purchasing Organization price. Additionally, GE will provide a dedicated account management team, operational workflow improvement, collaborative engagement with physicians for improved outcomes for specific disease states, training for physicians and technicians, assistance in charge capture and coding, equipment service level enhancement, and added performance uptime support to Crothall, the Systems equipment maintenance vendor.

To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe
Senior Counsel
Office of Legal Affairs 

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: GE Precision Healthcare, LLC

Date: July 19, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Approved

EEO

Conditionally Approved

MWBE

20%

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

Corporate Imaging Partnership

Application to Enter into Contract with GE Healthcare, LLC

Board of Directors Meeting July 25, 2019

Paul Albertson, Vice President – Supply Chain and Contracting

Michael Ambrosino MD – Chair, Radiology Council and

Chief of Radiology, Bellevue Hospital

Alina Moran – CEO, Metropolitan Hospital

Joe Wilson - Sr. AVP, Strategic Sourcing



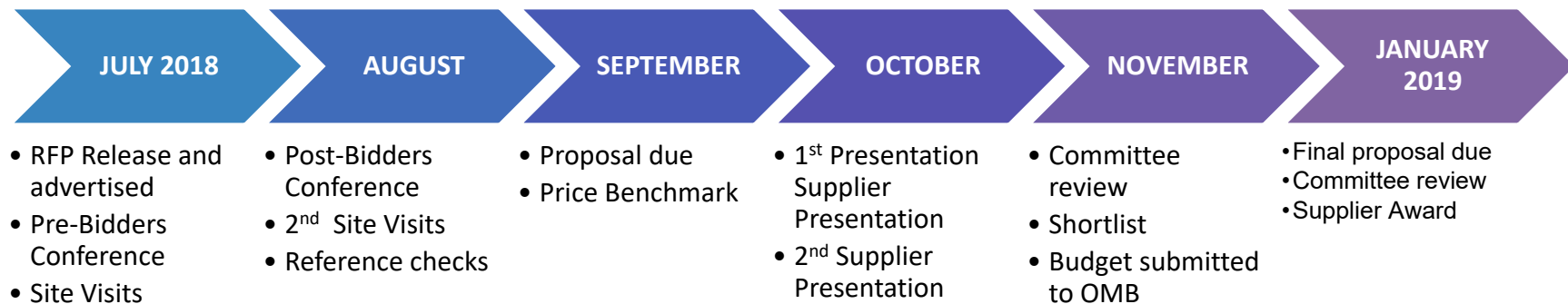
Overview / Background / Current State

- Health + Hospitals has 80,000 pieces of medical equipment, ranging from low touch IV poles to sophisticated, complex imaging units.
- Equipment purchases have traditionally been transactional; we are transforming model to enterprise-vendor/partnership where appropriate for best quality and value
- Health + Hospitals has 470 imaging units from various vendors; 50%+ requires replacement in the next few years.
- Capital funding requests have historically been initiated by the individual facilities as needs were identified, going forward, a governance process will be implemented to manage imaging needs/financial resources to best meet the needs of the System and our patients.
- Health + Hospitals spends on average \$14M annually on imaging equipment.



Overview of Procurement

- Request For Proposals (RFP) was released in July 2018 for this agreement.
- Four suppliers responded who met the minimum requirements to the RFP: Canon, GE, Philips, and Siemens.



Overview of Procurement

- The RFP outlined the following partnership expectations to elicit high level Imaging modalities and programmatic support (clinical, operational, financial, biomedical, IT)
 - Single master agreement for Imaging equipment
 - Defined governance structure
 - Dedicated account management team
 - Capital roadmap for appropriately right sized modalities
 - Capital planning assistance
 - Operational workflow improvement
 - Equipment service level enhancement, and added performance uptime support to Crothall
 - Collaborative engagement with physicians for improved outcomes for specific disease states
 - Unlimited training for physicians and technicians
 - Assistance in charge capture, and coding



Procurement

Evaluation Committee:

Michael Ambrosino, MD (Co-Chair)

Alina Moran, CEO Metropolitan (Co-Chair)

Radiology

- Patrick Hamill, MD
- Alan Kantor, MD
- Roberta Locko, MD

Cardiology

- Norma Keller, MD
- Seth Sokol, MD

Administration

- David Baksh
- John Maharaj
- Peter Montanino
- Vascenio Rhoden
- Robert Zeuner

Executive

- Graham Gulian, COO Kings County

EIT

- Julio Santos

M&PA

- David Shi

Central Finance (*One vote)

- Brenda Schultz*
- Alice Berkowitz*

****Supply Chain-Strategic Sourcing facilitated the RFP**



Procurement – Evaluation

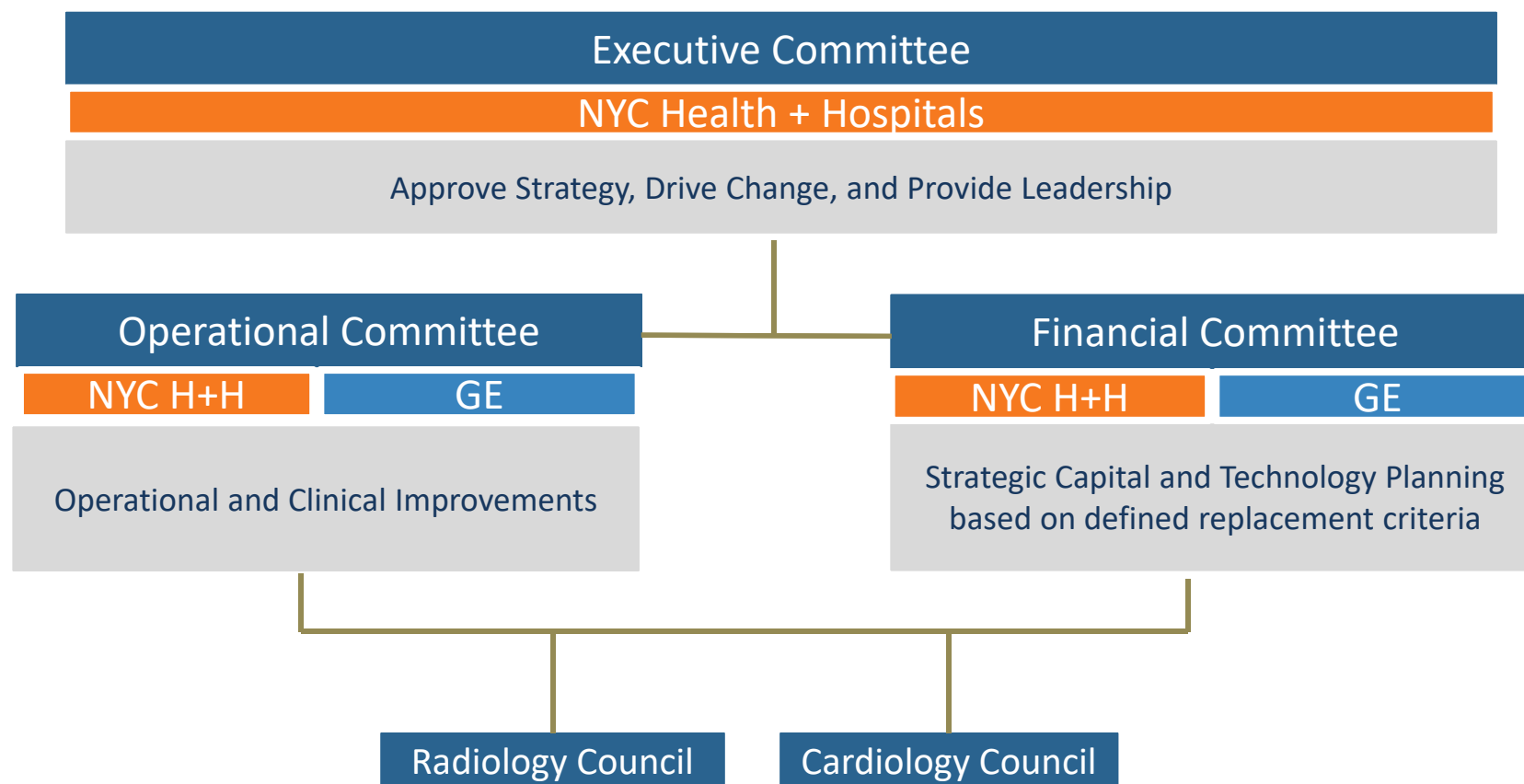
Score Criteria	Weight
1) Supplier Relationship/Account Team	20%
2) Technology (Innovation, Scalability)	30%
3) Value Add Services (Training, Biomed support, Operational efficiencies, revenue support)	25%
4) Cost of Proposal (Equipment & Software) <i>** MD Buyline provided benchmark on price, market, technology and user satisfaction</i>	25%
Total	100%

GE Healthcare received the highest score

Mammography and Ultrasound will be out of scope



Governance








GE will participate in all levels of the governance to provide subject matter expertise on areas such as device selection, operational workflow, and cost savings opportunities.



GE Healthcare Customers

Accelerating Together – GEHC Client Examples

	Client	Situation	GE program & Capabilities	Outcomes
	6 Hospital Regional System	<p>Seeking a vendor for optimizing operations and driving innovation</p> <ul style="list-style-type: none"> In support of growth and quality strategy, client needs to reduce operating costs, maintain high quality and create capacity for growth 	<p>Client requires market leading technology coupled with advisory and innovation expertise</p> <ul style="list-style-type: none"> Improved telemetry & monitoring, Radiology workflow consulting, technology planning and biomedical & radiology service outsourcing 	<p>10 year relationship</p> <ul style="list-style-type: none"> Guaranteed \$45M savings: Rad. optimization & system integration of monitoring Program to build appropriate use solution for Radiology
	5 Hospital Academic System	<p>Desire to replace aging equipment and reduce Radiology operating costs</p> <ul style="list-style-type: none"> Client needs access to capital and more efficient operations 	<p>Client requires cutting edge equipment with workflow optimization & financing model</p> <ul style="list-style-type: none"> Radiology products, services, HCIT, core consulting Improved asset utilization & efficiency 	<p>15 year relationship</p> <ul style="list-style-type: none"> Savings, free cash, and ability to modernize Radiology fleet \$32M savings commitment Shared savings over \$72M
	5 Hospital Academic System	<p>Seeking a vendor to improve capacity/ access while reducing the cost to care</p> <ul style="list-style-type: none"> Client needs to unlock capacity, expand access strategically, reduce the cost intensity of the workforce 	<p>Client requires a long-term vendor to implement sustainable changes across the healthcare system</p> <ul style="list-style-type: none"> Capacity optimization, advanced analytics and modeling, comprehensive human capital program development, imaging strategy development and activation 	<p>6 year relationship</p> <ul style="list-style-type: none"> Guaranteed \$182M savings Capacity optimization Human capital management Imaging strategic plan development
 	7 Hospital Regional System	<p>Seeks a Radiology technology market advantage with reduced and predictable operating costs</p> <ul style="list-style-type: none"> Client needs to increase access & smooth / reduce operating variability 	<p>Client requires market leading technology coupled with capacity management and service support</p> <ul style="list-style-type: none"> Radiology workflow advisory, technology planning, capacity management advisory services and radiology service outsourcing 	<p>7 year relationship</p> <ul style="list-style-type: none"> \$42M savings Fleet replacement and market technology advantage Patient transfer center and ability to accept more patients



Partnership Solutions

Operational Improvements

- Ability to standardize modalities (Capital Planning) and protocols
- Simplified and supported integration to PACS
- Dedicated project management for installations (New Coney Island Hospital)

Equipment Performance

- Extended warranty for all new purchases (33 months)
- Continuous Training for the life of the contract for technicians and Physicians
- Access to GE Biomed Labor to support Crothall for escalated/complex service issues

Contract Benefits

- 85% of market share commitment to GE Healthcare for capital imaging equipment.
- Equipment discount is 5% above highest qualified Premier Group Purchasing Organization contract
- No spend commitment in this contract, and there is a termination for convenience.

MWBE Program

- GE is a vertically integrated manufacturer of FDA compliant medical devices which self-performs all related services. Therefore, there is no opportunity for subcontracting this portion of the spend.
- GE can and will subcontract all installation work. This is a commitment of at least 20% MWBE participation.



Board of Directors Approval Request

- Health + Hospitals is seeking approval to enter into contract with GE Healthcare to provide Imaging modalities.
- The proposed GE Healthcare agreement term will be August 1, 2019 to July 31, 2029.
- The term of the new contract is 10 years and not to exceed \$224M.
 - \$154M replacement estimate
 - \$88M replacement in years 1-4
 - \$66M replacement in years 5-10
 - \$20M Coney Island project already funded from OMB
 - \$50M new needs over 10 years

**Each transaction contingent upon funding availability



RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with Crothall Facilities Management, Inc. (“Crothall”) to manage the central sterile function performed by System employees at all of the System’s facilities to continue the current contracts with Crothall that exist on an individual facility basis at six facilities and extend such services to the remaining System facilities at total cost not to exceed the amount of \$45.2M over a term of five years with two one-year options to renew exercisable solely by the System.

WHEREAS, starting in 2015 the System has contracted with Crothall on a facility-by-facility basis, to provide Central Sterile services at NYC Health + Hospitals/Queens, NYC Health + Hospitals/Metropolitan, NYC Health + Hospitals/Coney Island, NYC Health + Hospitals/North Central Bronx, NYC Health + Hospitals/Woodhull and NYC Health + Hospitals/Elmhurst; and

WHEREAS, currently the central sterile function for NYC Health + Hospitals/Gouverneur is performed by the System’s staff under Crothall’s management at NYC Health + Hospitals/Metropolitan and central sterile function for NYC Health + Hospitals/Sydenham is performed by the System’s staff under Crothall’s management at NYC Health + Hospitals/Harlem; and

WHEREAS, both Crothall’s management of the listed central sterile functions and the use of certain “hub” System facilities to serve “spoke” System facilities has been successful in that all serviced facilities have passed Joint Commission and CMS surveys without adverse findings as to central sterile; and

WHEREAS, two of the contracts between the System and Crothall for central storage services are nearing their expiration; and

WHEREAS, it will be advantageous to continue the Crothall central sterile services under a single agreement that will cover all System facilities; and

WHEREAS, Crothall pricing was determined to be at or below the market price for the services provided; and

WHEREAS, by increasing the scope of the Crothall management of the sterile function, no System employees will be replaced or re-assigned; and

WHEREAS, the Crothall central sterile contract will be managed by the Vice President for Supply Chain Services.


NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized execute an agreement with Crothall Facilities Management, Inc. to manage the central sterile function performed by New York City Health and Hospitals Corporation employees at all of its facilities to continue the current contracts with Crothall Facilities Management, Inc. that exist on an individual facility basis at six facilities and extend such services to the remaining New York City Health and Hospitals Corporation facilities at total cost not to exceed the amount of \$45.2M over a term of five years with two one-year options to renew exercisable solely by New York City Health and Hospitals Corporation.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH CROTHALL FACILITIES MANAGEMENT, INC.

- BACKGROUND:** All of the System's facilities must have access to sterile instruments. Sterilization is generally performed at the central sterile unit at each facility. Since 2015 certain of the System's facilities has had this critical function managed by Crothall. Crothall is very familiar to the System as Crothall also manages the System's cleaning services as well as its maintenance of its biomedical equipment. The current arrangements for Crothall's management of central sterile functions extends to six of the System's facilities under agreements that are facility-specific. Recently, the System and Crothall have developed a hub and spoke model whereby certain of the System's facilities act as 'hubs' to perform their own central sterile functions as well as those for other "spoke" facilities. In these arrangements, Crothall manages the transportation of sterile instruments between the hubs and the spokes. Certain of the Crothall central sterile agreements are approaching their expiration.
- PROPOSAL:** The System seeks authorization to continue the existing Crothall arrangements under a new agreement that will substantially expand the scope of services to include all of the System's facilities and that will also expand on the hub and spoke model already tested at NYC Health + Hospitals/Gouverneur - NYC Health + Hospitals/Metropolitan and at NYC Health + Hospitals/Sydenham -- NYC Health + Hospitals/Harlem. The enlargement of the scope of Crothall's services under the proposed agreement will not cause any System employee to be displaced or reassigned.
- PROCUREMENT:** The proposed contract was procured as a Best Interests renewal and expansion of scope to the current central sterile management program that started in 2015. The pricing benchmark used was Press Ganey which showed that the Crothall the labor rate and the 2% annual increase is competitive if not below market rate. The salaries Crothall will pay to its managers is similar to what the System pays.
- BUDGET** The cost of the proposed agreement will not exceed \$45.2 M the potential seven-year term. It is projected that the use of the hub and spoke model to support the System's long-term care facilities and its outpatient clinics will achieve approximately \$20.3M in cost avoidance.
- TERM:** As proposed, the agreement would run for five years with the System holding the right to renew the agreement twice for one year each.

To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe 
Senior Counsel
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Crothall Facilities Management, Inc.

Date: July 19, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Approved

EEO

Pending

MWBE

0%

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

Central Sterile Management Program

Application to Enter into Contract with Crothall Facilities Management, Inc.

**Board of Directors Meeting
July 25, 2019**

Paul A. Albertson, VP, Supply Chain Services
Joe Wilson - Senior AVP, Strategic Sourcing



Background

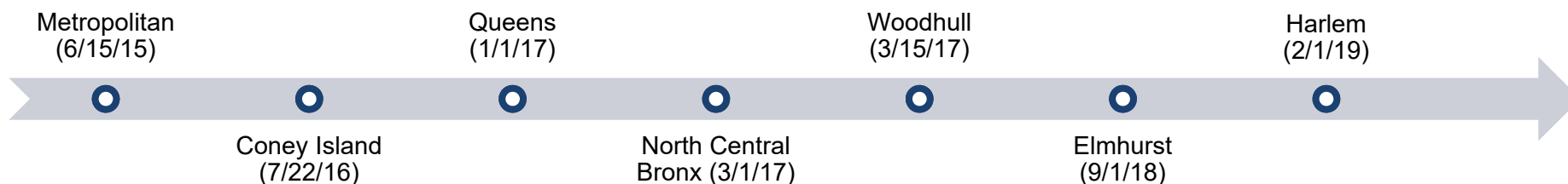
- Central sterile services consists of cleaning, disinfection, and sterilization of reusable medical equipment/instruments, routinely used on patients in operating rooms and procedure areas.
- Nationally, these services have received significant scrutiny by The Joint Commission (TJC) and CMS given the high risk for patient safety.
- The services are one of the most-cited areas by TJC for non-compliance.
- Recruitment for skilled leaders is very competitive.
- Gotham and Post Acute Care sites have infrastructure, equipment and staffing challenges.



Current State

- Sterile processing services are currently decentralized, resulting in varied operating practices/procedures thus exposing the facilities to safety and compliance risk.
- LTC and D&TC's currently lack the infrastructure to perform compliant sterile processing.
- In 2015, Metropolitan retained a Crothall Manager for sterile processing. Coney Island, Queens, NCB, Woodhull, and Elmhurst brought in Crothall Managers to stabilize/manage their sterile processing department (SPD).
- All facilities with Crothall central sterile managers have successfully passed their Joint Commission and CMS surveys, utilizing standard procedures, policies, and tech education.

Crothall Central Sterile Management Timeline



Future State

- The proposed system-wide Central Sterile Management Agreement will be for all Acute Care Hospitals, Post-Acute Care Facilities, and Gotham Centers.
- Program will provide:
 - Centralized and standardized processing policies, procedures, and products
 - Regulatory compliance
 - Increased operational efficiencies
 - Improved quality control testing/documentation
 - System-wide performance, regulatory, and standardized QA reporting
 - Department of Transportation-compliant pick up/delivery of instruments
 - Enhanced and continuous training programs
 - Governance program with Infection Prevention, Nursing, and OR leaders
 - Direct and indirect savings/cost avoidance



Staffing/Resources

- Health + Hospitals staff will remain and perform the day-to-day functions of sterile processing. Staffing will not be reduced.
- Crothall will provide
 - Management staff
 - Transportation and its management
 - Program oversight
 - Continuous training
 - Process expertise
 - System quality metrics – clinical and operational
- This will not impact employees titled Motor Vehicles Operators.



Overview of Procurement

- The proposed contract is being procured as a negotiated acquisition with pricing due diligence, under OP 100-5.
- A negotiated acquisition is a procurement context where the pool of vendors is limited based on certain qualifying criteria.
- In the present matter, financial and operational costs that would result from switching vendors that are currently providing high quality services at a market competitive rate such that there would be no benefit to procuring competing proposals.
- Therefore, the system has no interest in seeking competitive proposals at this time and has conducted a negotiated acquisition to avoid transition costs while still obtaining quality market rate services.
- Pricing benchmark was reviewed by Soyting Consulting, a division of Press Ganey. Results show the labor rate and the 2% annual increase are deemed competitive, if not below market rate.
- Health + Hospitals has a long standing partnership with Crothall Services since 2011.
- Crothall has been managing Biomedical Engineering Services, Environmental Services, Vending, and in 2015 began managing Central Sterile Services at Metropolitan.



Proposed Central Sterile Program

- Program has successfully improved productivity, QA, and regulatory compliance at the seven facilities managed by Crothall.
- The program will operate at all Acute Care Hospitals, and implement a hub and spoke model to support the LTC and D&TC's.
- Health + Hospitals leveraged existing business with Crothall to recognize \$20.3M in cost avoidance through the hub and spoke support for the LTC and D&TC's.
- There are added operational values through standardizing and centralizing processing procedures across the system.(Ease of equipment and disposables standardization, policy updates)



Unique Crothall Value

Tracking System - *Ability to standardize and maximize use of Abacus Instrument Tracking System.*

- All trays accounted for with usage, removing unused trays from inventory and utilizing those instruments elsewhere.
- Ensure all instruments are available to appropriately schedule cases. No cases rescheduled because instruments are unavailable due to repair or not reprocessed timely.
- Manage and document the repair and life cycle of each instrument tray. Ensuring most heavily used trays are serviced more often to always be “patient ready”.

Key Dot Inventory - *A system that adds individual barcodes to instrument so it may be tracked in all repair and reprocessing activities.*

- Ability to bar code individual instruments to track instrument usage to ensure instruments are not used past end of life.
- Ability to track repairs at individual instrument level and not just tray level.
- Creates the ability for multiple facilities to be reprocessed at one facility ensuring all instruments are returned to the correct facility.
- Avoid loss or incomplete sets by not having instruments comingled into incorrect trays



NYCH+H and Crothall Partnership

Biomedical Engineering

- Capitated costs for the maintenance of 89K assets
- Established single unified database for assets and service histories
- Standardized medical equipment management plan
- Reduced operating costs by 33%
- Added service for MRI chillers, hemodialysis, IT support, lab equipment
- H+H customer survey satisfaction at 94%

Environmental Services

- Exceeding financial savings expectations (9 year savings projection = \$305 million)
- OT costs reduced from \$14 million at contract inception to current guaranteed budget of \$5.6 million (these figures include Holiday OT)
- Improved overall system HCAHPS scores from a 62% Always to 69% Always (11.3% increase)
- Excellent performance with all regulatory surveys
- Assistance with Storm Sandy restoration and reconstruction of Bellevue and Coney Island. Both facilities opened well ahead of schedule (estimated revenue loss of \$15 million per week). Coler never closed.
- Ebola assistance at Bellevue



Board of Directors Approval Request

- Health + Hospitals is seeking approval to enter into contract with Crothall Healthcare for Central Sterile Management.
- The term of the new contract will be five years with two one-year options.
- The contract will effective August 1, 2019 to July 30, 2026.
- This contract has a “not to exceed” spend of \$45.2M.
 - This reflects the right-sized leadership staffing for each facility
 - Reduction in facility leadership staffing
 - The compliant transportation services between sites for dirty/clean instruments
 - Continuous education, training and program management
 - Standard, safe quality services across Health + Hospitals



RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to negotiate and execute an extension of its affiliation agreement with the State University of New York/ Health Science Center at Brooklyn, a/k/a Downstate Health Sciences University ("SUNY") for services at NYC Health + Hospitals/ Kings County ("KCHC") and NYC Health + Hospitals/Coney Island ("CIH") (the "Affiliation Agreement") for two years, through June 30, 2022, for an amount not to exceed \$42,924,252;

AND

Further authorizing the System to make adjustments to the contract amounts, providing such adjustments are consistent with the System's financial plan, professional standards of care and equal employment opportunity policy except that the System will seek approval from the System's Board of Directors for any increases in costs in any fiscal year exceeding 25% of the above not to exceed amount.

WHEREAS, the System has entered into agreements, including the Affiliation Agreement for various medical schools, voluntary hospitals and professional corporations to provide clinical and behavioral health services at the System's facilities; and

WHEREAS, the Affiliation Agreement will expire on June 30, 2020 but the System is working to renew and revise the Affiliation Agreement; and

WHEREAS, SUNY's collective bargaining agreement with its employees requires SUNY to provide its employees with one year's notice of termination of their employment; and

WHEREAS, to avoid SUNY sending a notice of termination to its employees and the potential workforce disruption that might ensue, the Affiliation Agreement must maintain a minimum term of two-years; and

WHEREAS, to provide sufficient time to negotiate revisions to the Affiliation Agreement, and to accommodate the notice requirement of SUNY's collective bargaining agreement, the System seeks to extend the current Affiliation Agreement through June 30, 2022; and

WHEREAS, the overall responsibility for administering the Affiliation Agreement shall reside with the System's Chief Medical Officer.

NOW, THEREFORE, BE IT

RESOLVED, that New York City Health and Hospitals Corporation (the "System") be and is hereby authorized to extend the affiliation agreement with the State University of New York/ Health Science Center at Brooklyn a/k/a Downstate Health Sciences University for the provision of services at NYC Health + Hospitals/ Kings County and NYC Health + Hospitals/ Coney Island for a period of two years,

commencing July 1, 2020 and terminating on June 30, 2022, for an amount not to exceed \$42,924,252; and

BE IT FURTHER RESOLVED, that the System be and is hereby authorized to make adjustments to the contract amounts, providing such adjustments are consistent with the System's financial plan, professional standards of care and equal employment opportunity policy except that the System will seek approval from the System's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the not to exceed amount identified in this resolution.

EXECUTIVE SUMMARY
Contract Extension
State University of New York/ Health Science Center at Brooklyn
a/k/a Downstate Health Sciences University

- BACKGROUND:** The SUNY Affiliation Agreement is scheduled to expire on June 30, 2020. The System is working to negotiate a new Affiliation Agreement, however, because SUNY's collective bargaining agreement requires SUNY to provide its employees with one-year's notice of termination to its employees, and to avoid SUNY sending such a notice with the potential workforce disruption that might ensue, the Affiliation Agreement must maintain a minimum term of two-years.
- PROPOSAL:** In view of the requirement that the SUNY Affiliation Agreement have two years before expiration, the System seeks authority to extend the term of the Agreement to June 30, 2022 to provide sufficient time to negotiate a new affiliation agreement with SUNY. This negotiation with SUNY will take place in the context of the System's negotiation of its agreements with its other major clinical affiliates. The Agreement will cover the provision of services at NYC Health + Hospitals/ Kings County and NYC Health + Hospitals/ Coney Island for a period of two years, commencing July 1, 2020 and terminating on June 30, 2022, for an amount not to exceed \$42,924,252. The System will seek Board approval for increases in cost of over 25% in any fiscal year.
- PROCUREMENT:** The proposed contract extension is being signed with SUNY as a negotiated acquisition in that SUNY is especially well positioned to continue the provision of the subject specialty services. Given that, it is anticipated that the System will negotiate an entirely new agreement for such services during the coming year it is in the best interest of the System to continue the contract with SUNY without changes in its terms.



Physician Services Contract Extension Through FY 2022

**State University of New York/ Health Science
Center at Brooklyn
a/k/a Downstate Health Sciences University**

**NYC Health + Hospitals/ Kings County
NYC Health + Hospitals/ Coney Island**

Machelle Allen M.D., System Chief Medical Officer
Andrea G. Cohen, General Counsel, Chief Legal Officer

Board of Directors Meeting
July 25, 2019



NYC Health + Hospitals - Current Affiliation Agreements

AFFILIATE	CONTRACT START DATE	CONTRACT END DATE	LENGTH OF CONTRACT
SUNY Health Science Center at Brooklyn (aka Downstate Health Sciences University) – 2 sites	July 1, 2016	June 30, 2020	48 Months
Physician Affiliate Group of New York, P.C. (PAGNY) – 10 sites	July 1, 2015	July 1, 2020	60 Months
New York University School of Medicine – 6 sites	July 1, 2015	June 30, 2020	60 Months
Icahn School of Medicine at Mount Sinai – 2 sites	July 1, 2015	June 30, 2020	60 Months



NYC Health + Hospitals - Affiliation Contract Costs FY 2016 to FY 2019

AFFILIATE	FY 2016	FY 2017	FY 2018	FY 2019
SUNY Health Science Center at Brooklyn (aka Downstate Health Sciences University)	\$13,878,682	\$17,262,441	\$20,423,406	\$19,496,698
Physician Affiliate Group of New York, P.C. (PAGNY)	\$498,508,599	\$519,598,701	\$540,020,439	\$567,819,627
New York University School of Medicine	\$312,855,320	\$322,038,702	\$318,247,112	\$329,147,322
Icahn School of Medicine at Mount Sinai	\$222,614,553	\$220,224,517	\$227,392,545	\$234,052,711
Total (Excludes Seaview)	\$1,047,857,154	\$1,079,124,361	\$1,106,083,502	\$1,150,516,358



AFFILIATE RELATIONSHIPS

Affiliate	NYC Health + Hospitals Facility
SUNY Health Science Center at Brooklyn (aka Downstate Health Sciences University)	Kings County Hospital Center, Coney Island Hospital
Physician Affiliate Group of New York, P.C. (PAGNY)	Metropolitan Hospital Center, Harlem Hospital Center, Renaissance Diagnostic & Treatment Center, Kings County Hospital Center, Coney Island Hospital, Lincoln Medical & Mental Health Center, Morrisania Diagnostic & Treatment Center, Segundo Belvis Ruiz, Diagnostic & Treatment Center, Jacobi Medical Center, North Central Bronx Hospital
New York University School of Medicine	Woodhull Medical and Mental Health Center, Cumberland Diagnostic & Treatment Center, Bellevue Hospital Center, Gouverneur Healthcare Services, Carter Specialty Hospital and Nursing Facility, Coler Rehabilitation and Nursing Care Center
Icahn School of Medicine at Mount Sinai	Elmhurst Hospital Center, Queens Hospital Center



Reason for Extension

- ❖ Approval is sought to extend the agreement by two years to FY 2022 with Downstate Health Sciences University (formerly known as State University of New York/ Health Science Center at Brooklyn)
- ❖ Proposed costs total \$42.9 million
- ❖ Before a contract ends the Affiliate is required by the union contract with its employees to provide one years' notice of termination
- ❖ The extension is requested so that services can continue without disruption and allow time for the parties to negotiate a contract renewal



Other Details

- ❖ The extension allows for the uninterrupted provision of some services at Kings County Hospital Center (KCHC), notably in Emergency Medicine, Psychiatry, and Radiology
- ❖ The extension also allows for the uninterrupted provision of surgery services at Coney Island Hospital
- ❖ The Affiliate will continue to comply with state regulations, national accreditation standards and facility bylaws, including appropriate resident program supervision



Proposed Contract Costs

Facility	FY 2020	FY 2021	Total
KCHC	\$20,503,686	\$20,232,948	\$40,736,634
CIH	\$1,093,809	\$1,093,809	\$2,187,618
Total	\$21,597,495	\$21,326,757	\$42,924,252

- Proposed payment to the Affiliate is based on costs.
- The costs reported assume no material change in patient volume or services provided and no additional impact from managed care programs or other third-payer developments.
- Any change to the budget must be approved by the parties and the System as per policy.
- Payments are subject to adjustment due to new initiatives, expanded programs or services, elimination or downsizing of programs or services, COLA adjustments, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement.



RESOLUTION

Authorizing the amendment of the By-Laws of the New York City Health and Hospitals Corporation (the “System”) to rename the Quality Assurance Committee as the Quality Assurance/ Performance Improvement Committee and to revise Article VI, Section 9 to state the duties and responsibilities of the Quality Assurance/Performance Improvement Committee to include “overseeing performance improvement activities to foster sharing of system-wide and facility-specific performance improvement priorities, identifying new areas of opportunity for performance improvement, and the spreading of performance improvement best practices.”

WHEREAS, the System’s By-Laws make the Quality Assurance Committee a standing committee and Article VI, Section 9 states its scope as “assuring that each facility is fulfilling its mandate in the areas of quality assurance, credentialing of physicians and dentists, overall operations and responsiveness to Federal, State and other regulatory surveillance and enforcement activities . . .;” and

WHEREAS, an expansion of the scope of the Quality Assurance Committee would align with current best practices that view performance improvement as a key driver in improving processes and outcomes of care, and engaging clinical and non-clinical staff in sustainable, positive change; and

WHEREAS, the Quality Assurance/Performance Improvement Committee would continue Quality Assurance related activities, but expand the Committee’s scope to include oversight and integration of performance improvement best practices into all of the System’s quality activities; and

WHEREAS, the Quality Assurance/Performance Improvement Committee’s areas of responsibilities would include: (1) presenting System performance improvement prioritized projects; (2) sharing facility-specific performance improvement priorities; (3) identifying new areas for performance improvement; and (4) spreading performance improvement best practices.

NOW THEREFORE, BE IT:

RESOLVED, that the By-Laws of New York City Health and Hospitals Corporation be and hereby are amended to rename the Quality Assurance Committee as the Quality Assurance/Performance Improvement Committee and to revise Article VI, Section 9 to state the duties and responsibilities of the Quality Assurance/Performance Improvement Committee to include “overseeing performance improvement activities to foster sharing of system-wide and facility-specific performance improvement priorities, identifying new areas of opportunity for performance improvement, and the spreading of performance improvement best practices.”

EXECUTIVE SUMMARY

Rename the Quality Assurance Committee as the Quality Assurance/Performance Improvement Committee

Goal: To amend Article VI of the By-Laws to rename the Quality Assurance Committee as the Quality Assurance/Performance Improvement Committee, with oversight over the System's quality assurance activities and performance improvement efforts.

Rationale: From the 1970s through 1990s, most of the System's focus of quality activities across the continuum of healthcare services had been reactive in nature in an attempt to meet regulatory requirements. While, quality assurance should inform performance improvement activities, it should not be the sole focus of a quality program. Over the years, there has been much more emphasis placed on performance improvement. While quality assurance is critical to ensure that regulations are adhered to and metrics are monitored, performance improvement is the key driver in improving processes and outcomes of care, and engaging clinical and non-clinical staff in sustainable, positive change.

Furthermore, the CMS Conditions of Participation state that hospitals and other healthcare institutions must develop, implement, and maintain an effective, ongoing, data-driven quality assessment and performance improvement program¹, articulating the need for broader focus on efforts to engage in proactive improvement.

Purpose: The Quality Assurance/Performance Improvement Committee would expand the current Quality Assurance Committee's duties and responsibilities by overseeing facility- and system-wide strategies in the following key areas:

- Present system performance improvement prioritized projects;
- Share other facility-specific performance improvement priorities;
- Identify new areas of opportunity for performance improvement; and
- Spread performance improvement best practices.

¹ § 482.21 - Condition of participation: Quality assessment and performance improvement program:
https://www.govregs.com/regulations/expand/title42_chapterIV_part482_subpartC_section482.21#title42_chapterIV_part482_subpartC_section482.21

Action Item

Board of Directors By-Laws Amendment

Creating the Quality Assurance/Performance Improvement Committee of the Board, rather than the former Quality Assurance Committee of the Board

Presented by:

Eric Wei, MD, Vice President and Chief Quality Officer

Hillary Jalon, Assistant Vice President, Quality & Safety



Agenda

- Fundamental Differences Between Quality Assurance and Performance Improvement
- Current State: Quality Assurance Committee to the Board
- Proposed Future State: Quality Assurance/Performance Improvement Committee to the Board
- Request to Amend By-Laws



Quality Terms



- Quality Control (QC)
- Quality Assurance (QA)

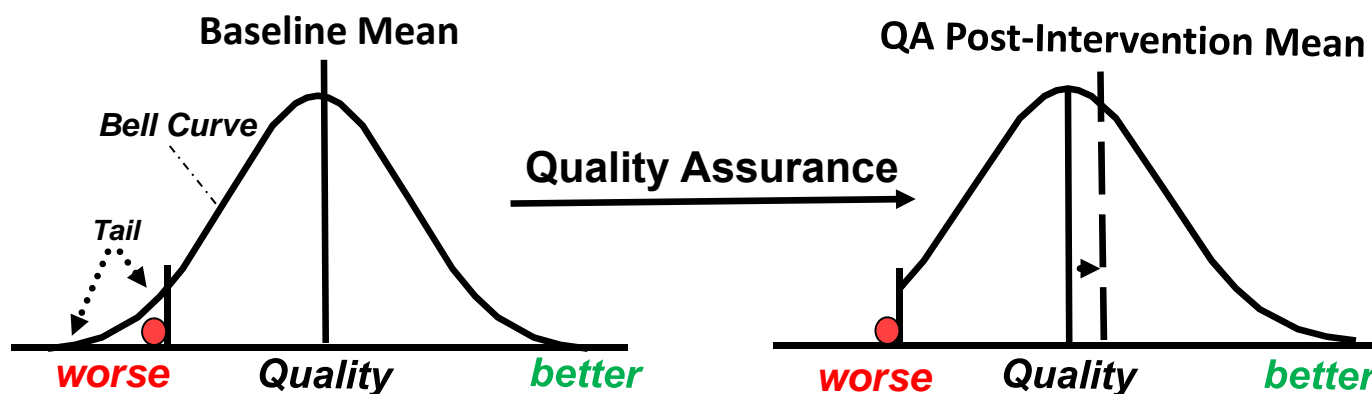


- Performance Improvement (PI)
- Quality Improvement (QI)



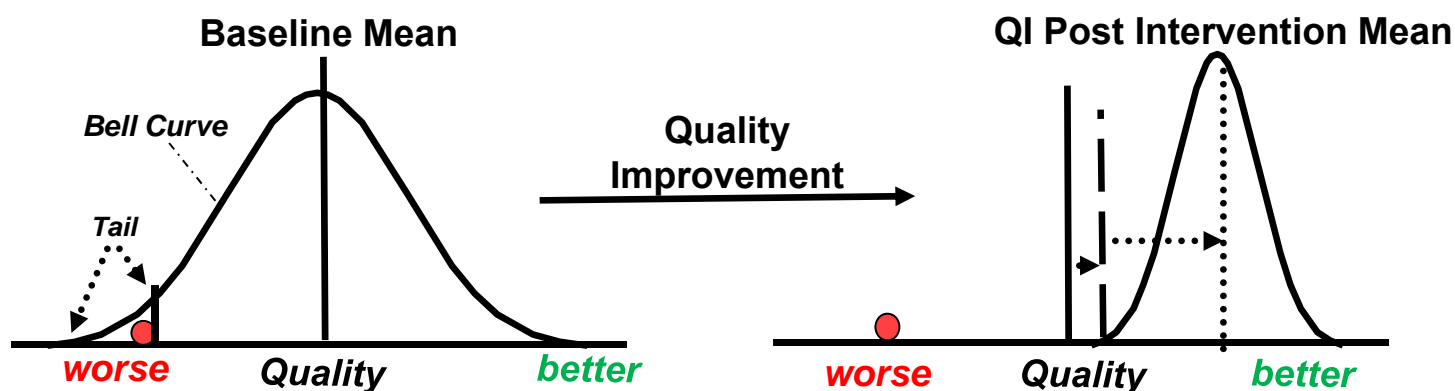
Quality Control/Assurance

- **Quality Control:** monitor and maintain performance
- **Quality Assurance:** eliminate defects, maintain constant performance – not seeking to improve



Performance Improvement

- Synonymous with Quality Improvement (QI)
- The goal is to **transform the delivery of care**, not just eliminate defects



QA versus PI

- **QA Example:** suspension of providers who do not sign their medical records – identify and force the low performing outliers to comply with this regulatory standard
- **QI Example:** conduct a multi-disciplinary project to improve the on-time starts for OR first cases of the day from 30% to 80% within 6 months



Current State

- Article VI, Section 2 designates the Quality Assurance Committee as a standing committee of the Board.
- Article VI, Section 9 sets forth the scope of this Committee as follows:
 - Assuring that each facility is fulfilling mandates in the areas of quality assurance, credentialing of physicians and dentists, overall operations and responsiveness to Federal, State and other regulatory surveillance and enforcement activities;
 - Assuring that there is a systematic and effective mechanism for communication among members of the Board of Directors in their role as members of the governing body, and the administration and medical staff of each HHC facility. This communication should facilitate direct participation by the governing body in quality assurance activities and other issues of importance as set forth above;
 - Monitoring the progress at Corporation facilities towards meeting appropriate HHC goals and objectives related to its health care programs;
 - Reviewing quality assurance activities of each of the Corporation's facilities on at least a quarterly basis.



Proposed Expansion and Rationale

Proposed Expansion

- Expand the Committee's scope to include oversight and integration of performance improvement best practices into all of the organization's quality activities.

Rationale

- Focus of quality activities in healthcare historically has been reactive in nature, predominantly on quality assurance.
- Quality assurance is important to inform performance improvement activities.
- Performance improvement is the key driver in improving processes and outcomes of care, and engaging clinical and non-clinical staff in sustainable, positive change.
- The CMS Conditions of Participation state that hospitals [and other healthcare institutions] must develop, implement, and maintain an effective, ongoing, data-driven quality assessment and performance improvement program.*

* § 482.21 - Condition of participation: Quality assessment and performance improvement program:

https://www.govregs.com/regulations/expand/title42_chapterIV_part482_subpartC_section482.21#title42_chapterIV_part482_subpartC_section482.21



Role of Quality Assurance/ Performance Improvement Committee

- Continue the Quality Assurance Committee-related activities, but expand them to oversee and integrate performance improvement activities and best practices within the structure. The following sets forth areas of focus related to performance improvement:
 - **Present system performance improvement prioritized projects:**
Present quarterly performance improvement projects from a prioritized pick list.
 - **Share other facility-specific performance improvement priorities:**
Encourage discussion of performance improvement priorities and projects presented at facility-specific quality assurance/performance improvement committees.
 - **Identify new areas of opportunity for performance improvement:**
Promote and discuss ideas and change strategies that can lead to improvements.
 - **Spread performance improvement best practices:** Support the sharing and dissemination of best practices related to performance improvement activities across facilities and services.



Request to Amend By-Laws

RESOLVED, that the By-Laws of New York City Health and Hospitals Corporation be and hereby amended to rename the Quality Assurance Committee as the Quality Assurance/Performance Improvement Committee and to revise Article VI, Section 9 to state the duties and responsibilities of the Quality Assurance/Performance Improvement Committee to include this statement related to performance improvement:

- “overseeing performance improvement activities to foster sharing of system-wide and facility-specific performance improvement priorities, identifying new areas of opportunity for performance improvement, and spreading performance improvement best practices.”



RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a six month extension of the existing agreement with Johnson Controls, Inc. (“JCI”) to manage and maintain the System’s building management system (“BMS”) and fire alarm monitoring system (“Fire System”) at a cost not to exceed \$1,425,000, for a total contract spend of \$6,100,000.

WHEREAS, the System had entered into a contract with JCI for the maintenance and repair of the BMS and Fire System on July 1st, 2018 which is now expiring;

WHEREAS, the cost of the 2018 agreement was \$4.7 Million; and

WHEREAS, with the proposed six-month extension cost of \$1,425,000, for a total contract spend of \$6,100,000; and

WHEREAS, the total cost of the contract exceeds the \$5 Million threshold that requires Board approval even though the incremental cost is only \$1,425,000; and

WHEREAS, the System has issued a Request for Proposals for a new contract for the BMS maintenance and will be issuing a Request for Proposal for the Fire System monitoring in the coming weeks and expects to be able to award a new contract based on that solicitation and to obtain the approval of the Board of Directors within the next six months, if required, before the proposed extension expires; and

WHEREAS, JCI has been performing under its current contract; and

WHEREAS, the Contract Review Committee approved the execution of the proposed contract extension on June 25, 2019; and

WHEREAS, the proposed JCI contract extension will be managed by the Sr. Vice President for Facilities Development.


NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute a six month extension of the existing agreement with Johnson Controls, Inc. to manage and maintain the New York City Health and Hospitals Corporation’s building maintenance system and fire system at a cost not to exceed \$1,425,000, for a total contract spend of \$6,100,000.

**EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
RENEWAL WITH JOHNSON CONTROLS, INC.**

- BACKGROUND:** The System utilizes a computerized building management system (a “BMS”) to monitor the mechanical and electrical equipment such as ventilation, lighting and power equipment throughout its facilities. It also uses a computerized system to monitor its fire alarms (the “Fire Systems”). Johnson Controls, Inc. (“JCI”) maintains and repairs both the BMS and the Fire Systems. The current contract with JCI was made on July 1, 2018 and is now expiring.
- PROPOSAL:** The System seeks authorization to continue the existing JCI agreement for six months. During the extension period, the System will have time to complete a Request for Proposals process, select a contractor and present the same to the Board of Directors for approval.
- PROCUREMENT:** The current contract was awarded based on the third party GSA agreement with JCI. The proposed contract extension was approved by the Contract Review Committee on June 25, 2019. The next contract for the management of the BMS and the Fire System will be awarded based on a Request for Proposals and will be presented for the approval of the Board of Directors if the value of the contract exceeds the threshold set by NYC H+H Operating Procedure 100-5.
- BUDGET** The cost of the proposed extension agreement will not exceed \$1,425,000 over the six-month term, for a total contract spend of \$6,100,000. Of the cost approximately \$250,000 is associated with work on the Fire System and \$1,175,000 is associated with the BMS. The cost to the System has been budgeted and signed off by System Finance.
- TERM:** The term of the proposed contract extension is six months.

To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe 
Senior Counsel
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Johnson Controls Inc.

Date: July 19, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Approved

EEO

Pending

MWBE

Pending

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

Johnson Controls Inc.

BMS and Fire Systems Services

Board of Directors Meeting
July 25, 2019

Christine Flaherty
Senior Vice President

Office of Facilities Development



Background

- Johnson Controls (JCI) currently manages the maintenance and repair services for Chillers, HVAC, Building Management Systems (BMS), and Fire Systems at facilities throughout the System until June 30th, 2019
- HVAC/Chiller – mechanical cooling system
- BMS – Computer based control system to monitor mechanical and electrical equipment, i.e. ventilation, lighting, and power
- Fire Systems – Monitoring of fire alarm and suppression systems
- JCI spend was \$4.4M annually for the period from July 1st, 2018 – June 30th, 2019;
 - HVAC - \$1.93M
 - BMS - \$2.3M
 - Fire System - \$487,000



Current State

- RFP was issued for HVAC/Chiller
 - Proposal submissions received and evaluation complete
 - Award expected by September 30th, 2019 pending CRC and Board Approval
 - Plan in place to cover HVAC/Chiller maintenance and repair services up to new contract execution
- BMS RFP
 - RFP Issued
 - Proposals due back on July 3rd
 - Contract award expected by December 2019
- Fire System RFP
 - RFP will be presented to CRC on July 9th for approval to issue
 - Contract award expected by December 2019
- Extension of JCI Contract for BMS and Fire System Maintenance Needed
 - Six month extension
 - BMS - \$1,175,000
 - Fire System - \$250,000
 - CRC Approval granted on 06/25/19



- Operating Procedure 100-5
 - Any contract of value greater than \$5M must be reviewed and approved by board
- JCI HVAC/Chiller, BMS, Fire System Spend for FY19 - \$4.7M
- JCI six month BMS and Fire System extension- \$1,425,000
- Total JCI Spend \$6.1M
 - Exceeds \$5M threshold set by OP 100 -5
 - Requires Board Approval



Office of Facilities Development is seeking Board authorization to extend the current contract with Johnson Controls for six months (effective 7/1/19 to 12/31/19) at a cost of \$1,425,000, with a total contract spend of \$6,100,000, as RFP's are being awarded and contracted for BMS and Fire Safety services.



RESOLUTION

Amending the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.

and

Further amending the resolution to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”

and

Further amending the resolution to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.

WHEREAS, at its October 2018 meeting the System’s Board of Directors authorized the execution of a lease for the rental of the Premises in the form attached; and

WHEREAS, the total area to be rented was incorrectly stated to be 21,236 square feet although the actual measurement is approximately 21,643 square feet; and

WHEREAS, although the October resolution stated an incorrect measurement of the area to be rented, the correct figure was used in calculating the rent payments authorized and thus the correction of the error does not alter the financial projections or authorizations; and

WHEREAS, the resolution named the Landlord as “Master Lease LLC;” and

WHEREAS, upon negotiation of the lease and review of the Landlord’s organization chart it was determined that the correct name of the Landlord is actually, “TR Master Lease LLC;” and

WHEREAS, to avoid any uncertainty concerning the effectiveness of the October 2018 authorizing resolution, it is prudent to amend the resolution to correct the total area to be rented and the name of the Landlord; and

WHEREAS, a corner portion measuring approximately 1,500 sq. ft. of the property to be leased had originally been held back by the Landlord for possible rental to a third party has subsequently become available for lease to the System; and

WHEREAS, it will be useful to the System to include in the property to be leased the previously unavailable 1,500 sq. ft. so that the property leased consists of a more regular space without cutouts and so that the System gets the use of the corner portion of the property to increase the visibility of the clinic.

NOW THEREFORE BE IT RESOLVED that the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.

AND IT IS FURTHER RESOLVED that the October 2018 resolution be further amended to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”

AND IT IS FURTHER RESOLVED that the October 2018 resolution is further amended to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.

EXECUTIVE SUMMARY
AMENDMENT TO PRIOR RESOLUTION AUTHORIZING
THE RENTAL OF SPACE AT
1920 WEBSTER AVENUE, BRONX, NY
TO HOUSE A COMMUNITY HEALTH CENTER

OVERVIEW: At its October 2018 meeting, the System's Board of Directors authorized a lease of space at 1920 Webster Avenue, Bronx, NY to house a Community Health Center under the Gotham FQHC structure. Three amendments to the resolution are sought: two are technical corrections and one is a small but substantive change.

PROGRAM: The new location is one of three new primary care sites authorized at the October 2018 Board meeting. These represent a major initiative by the System to expand primary care. The three new locations reflect a new vision for primary care as to the size of the planned clinics which enables the provision of a wider range of services, as to the use of the Gotham FQHC structure, as to the purposeful location of the sites rather than the use of historic locations and as to the unified and coherent architectural and clinic design of the sites. These points were explained in greater detail in the October 2018 resolution a copy of which is attached.

PROPOSAL: Three amendments to the October 2018 resolution are sought. The first two are technical. (1) To correct an error in the statement of the area to be rented originally said to be "approximately 21,236 square feet" whereas it is approximately 21,643 square feet. This is primarily a technical matter because the total rent authorized in the original resolution was correctly stated and so no change is need to reflect the increased measurement. (2) To correct the name of the Landlord from "Master Lease LLC" to "TR Master Lease LLC." The building in which the clinic is to be located is structured to provide affordable housing. Affordable housing developments generally use elaborate ownership structures for regulatory, tax and financing reasons and the Landlord had not be clear about the correct name of the actual landlord entity. (3) To authorize the rental of an additional 1,500 square foot area. This is a desirable corner location that abuts the original clinic dimensions. This area had originally been held back by the Landlord for possible rental to a third party. Subsequently the Landlord offered the space to the System. The additional space is a logical addition to the original space. With the new space included the property to be leased will consist of a more regular space without cutouts and the corner portion of the property will increase the visibility of the clinic. Having the additional space creates the possibility for its use as a retail pharmacy with potential to attract customers beyond clinic patients.

FINANCING: The general financing of the project was thoroughly explained in the October 2018 resolution. The proposed amendments with their increase in the rentable square feet by 1,500 at \$42.50/Sq. ft. increases the initial rent by \$63,750 over the first year of the lease and corresponding amounts in subsequent years and brings the total rental cost of the project to \$17,626,267 over the 15 year term of the lease after factoring in eight months of free rent.

**1920 Webster
Ave.**

	<u>Floor Area (SF)</u>	<u>Rent/SF</u>	<u>Annual Rent</u>	<u>Escalation/yr</u>	<u>15 Year total *</u>
Original Lease	21,643	\$42.50	\$919,828	3%	\$16,483,086
Space Added	<u>1,500</u>	\$42.50	<u>\$63,750</u>	3%	<u>\$1,143,181</u>
Total	23,143		\$983,578		\$17,626,267

*includes free rent

Primary Care Expansion

Board of Directors Meeting

July 25, 2019

Dr. Theodore Long



Primary Care Strategy

Access

Employee engagement

Value

Growth

- Grow where we are (additional PCPs, clinical efficiencies)
- Grow in new locations
 - Grow with integrated primary care and one-stop-shopping services
 - Grow where there is need AND opportunity
 - Grow in spaces that will attract and retain patients

Proposal: Lease and build 3 new primary care sites

Impact:

- 50K additional patients
- \$84M of capital required—already allocated by City
- Positive revenue projected for all sites by year 2



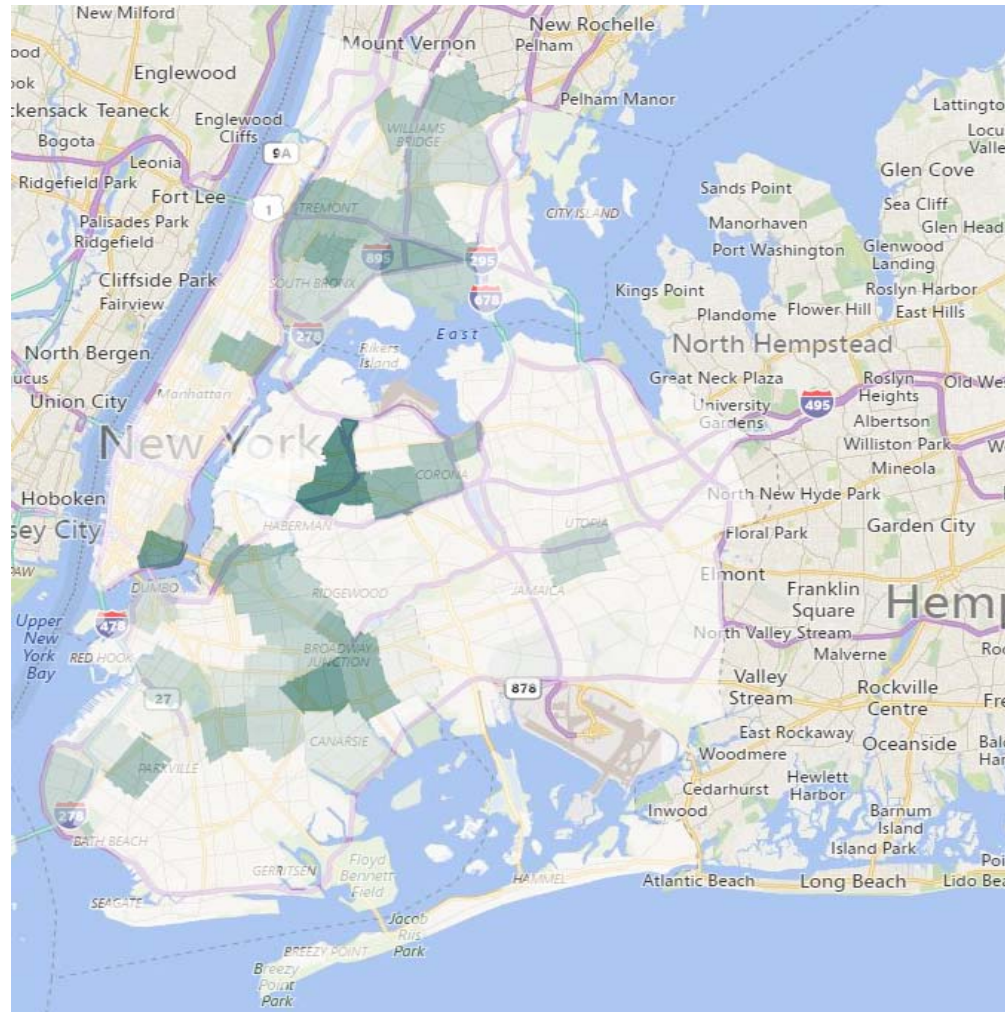
Neighborhood Selection Criteria

Need

- Current health outcomes
- Social determinants of future health outcomes
- Physical environment

Opportunity

- Relative number of newly insured individuals in a particular area that need primary care
- Concentration of M+ enrollees



Opportunity and need (darker for greater composite score).



Expansion Proposal

Three-borough expansion

- Brooklyn:
815 Broadway
- Queens:
71-17 Roosevelt Ave
- Bronx:
1920 Webster Ave

Services

- Integrated primary care
- Full one-stop shopping experience
- Evening and weekend hours



Opportunity and need (darker for greater composite score)

📍 Proposed sites 🏥 Hospitals 📍 DTC



71-17 Roosevelt Ave

- High-need section of Queens with opportunity to build flagship Queens Gotham location
- Co-located with 154 units of affordable and market rate housing directly across from the subway
- Private ground floor/retail entrance
- Population growth means more patients with Medicaid and private insurance will seek care in the future
- New site will complement specialty services at Elmhurst Hospital



H+H location

1920 Webster Ave

- Bronx has densest concentration of high- need zip codes in NYC and opportunity for new patients in Tremont
- Ground floor retail in mixed-use building with 256 units of affordable housing and grocery store
- Site has excellent access to MetroNorth, subways, and bus
- New construction allows H+H to match service environment provided by Montefiore to Bronx patients and increase referrals to NCB and Jacobi



H+H location

815 Broadway

- High-need section of Brooklyn with opportunity to create one-stop-shop model at full scale
- Building is newly renovated and directly across from the subway
- Significant development nearby including 200+ housing units will create more primary care demand in future
- Site located less than 5 minutes from Woodhull Hospital and can complement specialty services



Case Study: Bushwick

Care is currently dispersed across multiple, non H+H sites in the area.



*This map is for illustrative purposes and does not include every provider in Bushwick. It shows a segment of non H+H providers near 815 Broadway.

Case Study: Bushwick

815 Broadway will integrate primary care and additional services at H+H.



Summary of Terms

Site	Area (Square Feet)	Lease Term	Total Rent	Rent/ sqft	Local Comp Rent/sqft	Capital Cost Estimate	Unique Patients	Exit
71-17 Roosevelt Ave	28,696	15 years; 5 year option	\$19,601,116	\$36.00	\$47.00	\$23M	>12.5K	Cancellation clause; sublet
1920 Webster Ave	23,143	15 years; 5 year option	\$17,626,267	\$42.50*	\$39.00	\$19M	>12.5K	Cancellation clause; sublet
815 Broadway	52,343	31 years and 8 months	\$117,196,200	\$44.05	\$66.20	\$42M	>25K	Sublet

*The 1920 Webster building is unique for the neighborhood as a ground up, affordable housing development in a neighborhood with many pre-war buildings. Consequently, local comps are indicative of commercial rents in the neighborhood but are not fully comparable to our rental property.



Current Status

- Leasing
 - 850 Broadway signed
 - 71-17 Roosevelt under law department review
 - 1920 Webster requires amendment
- Perkins-Eastman engaged for scoping and preliminary design
- Exploring options for delivering the job
- Conducting community outreach/engagement as part of clinical services planning



Request to the Board of Directors

1. Amending the resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (the “System”) at its October 2018 meeting authorizing the execution of a lease with Master Lease LLC (the “Landlord”) for ground floor space at 1920 Webster Avenue to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC structure, a copy of which is attached, to correct the floor area of the Premises from “approximately 21,236 square feet” to “approximately 21,643 square feet” while not changing the statement of the total rent payable.
2. Further amending the resolution to correct the name of the Landlord from “Master Lease LLC” to “TR Master Lease LLC.”
3. Further amending the resolution to add approximately 1,500 square feet of ground floor space to the lease which will increase the total floor area leased to 23,143 square feet (the “Premises”) with the result that the initial rent, charged at \$42.50 per square foot, will be \$63,750 per month and \$983,578 per year and, as before, will be escalated by 3% per year thereby bringing the total rent for the Premises over the 15 year term after factoring in eight months of free rent to \$17,626,267.



RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a 30 year lease with Camelot of Staten Island, Inc. (“Camelot”) with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder (“SUD”) program on the campus of NYC Health + Hospitals/Sea View (the “Facility”) on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50/sq. ft. to be escalated by 2.5% per year for a total rent over the 30 year initial term of \$10,975,676.

WHEREAS, Camelot is a not-for-profit corporation formed in 1971, licensed under Article 32 of the Mental Hygiene law to operate outpatient and intensive residential rehabilitation programs; and

WHEREAS, Camelot currently operates two intensive residential programs – one for adolescent males, and one for adult males; and four out-patient programs – one on Staten Island and three out-patient clinics located in Homes for the Homeless Inc. Tier II Family Shelters in Queens and the Bronx; and

WHEREAS, since 2012 Camelot has operated a 35-bed adult male residential program on the Facility’s campus in the Camelot-renovated “Group Building;” and

WHEREAS, the proposed 25-bed residential SUD program will treat women only because research indicates that gender-responsive rehabilitation is more effective; and

WHEREAS, the program will be housed in the now vacant Administration Building to be renovated by Camelot at its own expense; and

WHEREAS, there is an acute need for SUD programs on Staten Island and SUD programs for women, in particular; and

WHEREAS, a Public Hearing was held on February 27, 2018, in accordance with the requirements of the System’s Enabling Act, and, prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a 30 year lease with Camelot of Staten Island, Inc. with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder program on the campus of NYC Health + Hospitals/Sea View on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50 per sq. ft. to be escalated by 2.5% per year for a total rent amount over the 30 year term of \$10,975,676.

EXECUTIVE SUMMARY

LEASE WITH CAMELOT OF STATEN ISLAND, INC. NYC HEALTH + HOSPITALS/SEA VIEW

OVERVIEW:

The New York City Health and Hospitals Corporation (the “System”) seeks authorization from its Board of Directors to execute a lease with Camelot of Staten Island, Inc. (“Camelot”), for the operation of a residential Substance Use Disorder (“SUD”) program on the campus of NYC Health + Hospitals/Sea View (“Sea View”) in the approximately 20,000 square foot Administration Building. A Public Hearing was held on February 27, 2018, in accordance with the requirements of the System’s enabling act. Prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

Camelot is a not-for-profit corporation formed in 1971 and licensed under Article 32 of the Mental Hygiene law to operate outpatient and intensive residential rehabilitation programs. Camelot currently operates two intensive residential programs – one for adolescent males, and one for adult males; and four out-patient programs – one on Staten Island and three out-patient clinics located in Homes for the Homeless Inc. Tier II Family Shelters in Queens and the Bronx. Since 2012, Camelot has operated a 35-bed adult male residential program on Sea View’s campus in the Camelot-rehabilitated “Group Building.

PROGRAM/ NEED:

According to the NYS Department of Health, SUD are found on Staten Island at rates higher than the rest of New York City. Individuals with SUD represent approximately 33% of Medicaid beneficiaries on Staten Island and 32% of these are hospitalized at least once each year, which is twice the rate of those without SUD. Roughly 30% of these are women. There are no residential treatment programs on Staten Island for women with SUD. The proposed 25-bed residential SUD program will treat women only because research indicates that gender-responsive rehabilitation is more effective. It will be housed in the now vacant Administration Building to be renovated by Camelot at its own expense.

Camelot maintains that acute detoxification services either alone or in combination with short-term 21 day inpatient rehabilitation is effective for less than 25% of patients and ongoing outpatient treatment is also effective for only a limited percentage of patients. Thus, longer duration programs are necessary. Women entering the Camelot program will remain as long as nine months.

The Camelot facility will accept referrals from the System and from a range of health and social service agencies on Staten Island including members of the Staten Island DSRIP PPS. Each Camelot patient will have a primary counselor and will receive treatment for SUD, mental health issues, trauma-related experiences and post-discharge planning with respect to employment and housing. Each resident will receive a medical and psychiatric evaluation and medications will be prescribed for any chronic conditions. Camelot projects that 80% of its patients will achieve recovery.

PROCUREMENT: Camelot responded to an RFP issued by OASAS on February 13, 2017 for developers/operators of residential SUD treatment facilities in Bronx, Kings and Richmond County and was awarded funding and a contract to develop the Administration Building and operate the program. Also during this time period, the New York City Economic Development Corporation (“EDC”) issued a Request for Expressions of Interest in the development of portions of the Sea View campus not being used for the operation of the facility. Camelot responded to the RFEI on April 24, 2017 with support, from among others, the Borough President, James Oddo. Although the Camelot proposal does not provide a comprehensive plan for the entire Sea View campus, EDC concluded that the proposed use of the Administration Building would complement the other proposed plans and that Camelot’s independent funding would help to anchor either of the other two leading proposers.


TERMS: Camelot will lease a parcel of land measuring approximately 24,080 square feet including the Administration Building which is approximately 20,000 gross square feet over two floors and a cellar. The building is currently not in use. The renovation work for the Administration Building will include installation of a new elevator, new interior finishing, new windows, doors, roofing, mechanical and fire protection systems. The construction will be managed by the Dormitory Authority of the State of New York and will be entirely funded by OASAS at an estimated cost of approximately \$9 million. The term of the lease will be 30 years. Camelot will pay annual rent of \$250,000, or \$12.50 per square foot to be escalated by 2.5% per year for a total rent over the thirty year term of \$10,975,676. The sublease will contain one nineteen year renewal option. The annual base rent for the option term will be set at 95% of the property’s appraised value. Camelot will be responsible for its operating expenses associated with the Administration Building including utilities, interior and exterior maintenance, and structural and non-structural repairs

Camelot will indemnify and hold harmless the System and the City of New York from any and all claims arising by virtue of its use of the property, and will also provide appropriate insurance naming each as additional insured.

SUMMARY OF ECONOMIC TERMS

SITE:	NYC Health + Hospitals/Sea View 460 Brielle Avenue Borough of Staten Island Block 955, Lot 1
TENANT:	Camelot Counseling, Inc. 4442 Arthur Kill Road, Suite No. 4 Staten Island, N.Y. 10309
BUILDING SIZE:	Approximately 20,000 square feet
PARCEL SIZE:	Approximately 24.080 square feet
TERM:	30 year initial term
RENEWAL OPTIONS:	One 19 year option. The annual base rent for the option term will be set at 95% of the property's appraised value and will escalate at 2.5% thereafter.
RENT:	\$250,000 per year in the first year of the term
ESCALATION:	2.5% per year
UTILITIES:	The cost of all utilities will be the tenant's responsibility.
MAINTENANCE:	The tenant will responsible for all interior and exterior structural and non-structural maintenance and repairs to the facility.
FINANCING:	Funding will be provided by the New York State Office of Alcohol and Substance Abuse Services.

To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe
Senior Counsel
Office of Legal Affairs 

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Camelot of Staten Island, Inc.

Date: July 19, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Pending

EEO

Pending

MWBE

N/A

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five-year revocable license agreement with Verizon Wireless (the “Licensee”) to operate a cellular communications system in approximately 300 square feet of space on the roof of the “C Building” at NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center (the “Facility”) at an annual occupancy fee of \$50,000 per year or \$167 per square foot to be escalated by 2% per year for a five-year total of \$260,202.

WHEREAS, the Licensee currently operates a cellular communications network that provides coverage to ninety-eight percent of the United States; and

WHEREAS, the Licensee desires to install and operate equipment at the Facility that will enhance the performance of their cellular communications network; and

WHEREAS, the operation of the Licensee’s equipment will not compromise Facility operations and the equipment complies with applicable federal statutes governing the emission of radio frequency signals, and therefore poses no health risk.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a five-year revocable license agreement with Verizon Wireless to operate a cellular communications system in approximately 300 square feet of space on the roof of the “C Building” at NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center at an annual occupancy fee of \$50,000 per year or \$167 per square foot to be escalated by 2% per year for a five year total of \$260,202.

EXECUTIVE SUMMARY

LICENSE AGREEMENT VERIZON WIRELESS

COLER REHABILITATION AND NURSING CARE CENTER

NYC Health + Hospitals seeks Board of Director's authorization to execute a five--year revocable license agreement with Verizon Wireless ("Verizon") to operate a cellular communications system on the campus of the NYC Health + Hospitals/Coler Rehabilitation and Nursing Care Center ("Coler").

Verizon operates a cellular communications network that provides coverage to ninety-eight percent of the United States. Verizon will be given the use and occupancy of approximately 300 square feet of space on the roof of the "C Building." The system installed and operated by Verizon will include four equipment cabinets, eighteen antennas and associated cabling, eighteen RRHs, an equipment platform, and a generator. Verizon will pay an annual occupancy fee of \$50,000 or \$167 per square foot with annual increases of 2% throughout the duration of the agreement for a five year total of \$260,202. Verizon will be responsible for the cost of maintaining its equipment. Verizon's equipment will not compromise Facility operations and it complies with applicable federal statutes governing the emission of radio frequency signals for cellular communications system.

The Licensee will obtain and purchase its own electrical power from the public utility and will be required to indemnify and hold harmless NYC Health + Hospitals and the City of New York from any and all claims arising out of its use of the licensed space, and shall provide appropriate insurance naming NYC Health + Hospitals and the City of New York as additional insureds.

The term of this agreement shall not exceed five years without further authorization by the Board of Directors and shall be revocable by either party upon six-month prior notice.

Existing Commercial Antenna Sites

*lease term for three months, per sq. ft. rate calculated using annual fee projection.

Site	Licensee	Area (SF)	Annual Fee	Monthly Fee	Annual Per SF Rate
Coler	T-Mobile	200	\$67,488	\$5,624	\$337
Lincoln	Sprint	300	\$96,492	\$8,041	\$322
Harlem	Con Edison	50	\$33,204	\$2,767	\$664
Neponsit	T-Mobile	750	\$50,000	\$16,667	\$267

To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe
Senior Counsel
Office of Legal Affairs



Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Verizon Wireless

Date: July 19, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Pending

EEO

N/A

MWBE

N/A

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a revocable five-year license agreement with the New York City Police Department (“NYPD” or “Licensee”) for its use and occupancy of approximately 300 square feet of space in Building No. 1 to operate radio communications equipment at Jacobi Medical Center (the “Facility”) with the occupancy fee waived.

WHEREAS, the New York City Police Department is enhancing its city-wide radio frequency coverage footprint by improving radio communication network infrastructure; and

WHEREAS, the NYPD desires to install radio communications equipment at the Facility for the purpose furthering the objectives of its Tech Refresh Next Gen project; and

WHEREAS, the Facility has adequate space to accommodate the Licensee’s needs; and

WHEREAS, the Licensee’s radio communications system shall not compromise Facility operations, and it complies with applicable federal statutes governing the emission of radio frequency signals and, therefore, poses no health risk.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to execute a revocable five-year license agreement with the New York City Police Department (“NYPD” or “Licensee”) for use and occupancy of approximately 300 square feet of space in Building No. 1 to operate radio communications equipment at Jacobi Hospital Center (the “Facility”) with the occupancy fee waived.

EXECUTIVE SUMMARY

LICENSE AGREEMENT NEW YORK CITY POLICE DEPARTMENT JACOBI MEDICAL CENTER

The New York City Health and Hospitals Corporation (the “System”) seeks authorization to execute a revocable license agreement with the New York City Police Department (“NYPD” or “Licensee”) for use and occupancy of space to operate radio communications equipment at Jacobi Medical Center (“Jacobi”).

The New York City Police Department is enhancing its citywide radio frequency coverage footprint by improving radio communication network infrastructure. NYPD desires to install radio communications equipment at Jacobi for the purpose furthering the objectives of its Tech Refresh Next Gen project. The radio communications system will not compromise facility operations, and it complies with applicable federal statutes governing the emission of radio frequency signals and, therefore, poses no health risk.

The NYPD will have use and occupancy of approximately 300 square feet of space in Building No. 1. The equipment to be installed at Jacobi will include whip and GPS antennas and a microwave dish. Public safety will be enhanced by the system’s operation, therefore the occupancy fee will be waived. Jacobi will provide electricity to the licensed space. The operation and maintenance of the system will be the responsibility of the NYPD.

The Licensee shall be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of its use of the Licensed Space.

The license agreement shall not exceed five (5) years without further authorization by the Board of Directors of the Corporation and shall be revocable by either party upon ninety (90) days written notice.