FINANCE COMMITTEE AGENDA

Date: October 10, 2019
Time: 10:00 am
Location: 125 Worth Street, Board Room

I. Call to Order — Freda Wang
Adoption of the June 13, 2019 Minutes

II. Senior Vice President's Report — John Ulberg

III. Financial Report — Krista Olson, Michline Farag, Marji Karlin

IV. Managed Care Revenue Consulting Group Action Item — Robert Melican
Authorizing New York City Health and Hospitals Corporation (the "System") to execute a three year renewal agreement with two one-year options to renew with Managed Care Revenue Consulting Group LLC ("MCRC") to provide claims review and collection services on managed care contracts not to exceed $23 million dollars to be payable contingent on the amounts recovered for the System.

V. Self-Pay Collection Vendors Action Item — Robert Melican
Authorizing New York City Health and Hospitals Corporation (the "System") to execute agreements with RTR Financial Services Inc., ARStrat, Nationwide Credit and Collections Inc. and USCB America (the "Vendors") to provide collection services with respect to self-pay accounts with the System for terms of three years with two one-year options to renew at a total cost not to exceed $6 million dollars to be payable contingent on the amounts recovered by the System.

VI. Medical Necessities Denials Management Action Item — Bryce Jenkins
Authorizing New York City Health and Hospitals Corporation (the "System") to sign three year agreements with Washington & West (W&W,) Managed Resources, JZanus, and Revint (the "Vendors") for medical necessity denials management and other revenue initiatives management with two one-year options to renew exercisable solely by the System at a total cost over the potential five-year term not to exceed $11,400,000 with all payments contingent on the amounts the vendors recover.

VII. 340B Third Party Administrator Action Item — Danielle Sestito
Authorizing New York City Health and Hospitals Corporation (the "System") to sign an agreement with RxStrategies ("Vendor") for 340B third party administration services for contracted pharmacies except Walgreens and CVS for a term of three years with two one-year options to renew with the total cost not to exceed $16,075,500 with all payments to be withheld from funds collected by the Vendor.

VIII. Old Business — Freda Wang

IX. New Business

X. Adjournment

MINUTES

Finance Committee **Meeting Date: June 13, 2019**

Board of Directors
The meeting of the Finance Committee of the Board of Directors was held on June 13, 2019 in the 5th floor Board Room with Freda Wang presiding as Chairperson.

ATTENDEES
COMMITTEE MEMBERS
Freda Wang
Sally Hernandez-Piñero
Dr. Mitchell Katz
José Pagán

OTHER ATTENDEES
M. Dolan, DC37
C. Chen, OMB
J. Cuda, MetroPlus
J. Graterol, OMB
F. Leonard, OMB
S. Shrier, OMB

H+H STAFF
P. Albertson, Vice President Supply Chain, Central Office
N. Cagliuso, Senior Assistant Vice President, Emergency Management
A. Cohen, Senior Vice President/General Counsel, Legal
F. Covino, Senior Assistant Vice President, Corporate Budget
L. Dehart, Assistant Vice President, Corporate Reimbursement Services
M. Farag, Corporate Budget Director, Corporate Budget
C. Hercules, Chief of Staff, Board Office
M. Karlin, Chief Revenue Officer, Central Finance
K. Olson, Assistant Vice President, Corporate Budget
M. Siegler, Senior Vice President, Managed Care and Growth
A. Saul, Chief Financial Officer, Kings
J. Stec, Deputy Budget Director, Corporate Budget
M. Thompson, Associate Director Operations, Central Finance
J. Ulberg, Senior Vice President/CFO, Central Finance
J. Weinman, Corporate Comptroller, Central Finance

CALL TO ORDER **FREDA WANG**

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 **JOHN ULBERG**

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 SERVICES ACTION ITEM **ANDREA COHEN**

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. 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 H+H 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 **NICHOLAS CAGLIUSO**

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 can 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.

ADJOURNMENT **FREDA WANG**

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

NYC HEALTH+ HOSPITALS

NYC Health + Hospitals

Finance Committee – October 10, 2019

NYC HEALTH+ HOSPITALS

Finance Status Update

Fiscal Year 2019 + 2020

FYE19: On-Budget Performance w/ Net Positive Margin and Key Investments Made

- Closing Cash Balance of **$776M** or about **$51M** greater than previous year ($725M). Highest closing cash balance **in 5 years**.
- Achieved a **$36M Net Positive Margin** at fiscal year end with receipts exceeding disbursements, and beating the budget by more than 1%.
- Patient Care Receipts came in **$30M higher than FY18 fiscal year end**, with Transformation Plan activities and EPIC roll out improving overall collections.
- Overall Transformation Plan is working, at fiscal year end, we closed 65% of our original $1.8B structural gap:
  - $216M against a target of $190M in Revenue Cycle initiatives, up from $150M last year.
  - Expenditure Reductions (Supply Chain + Staffing Savings)
  - Managed Care Negotiations and Enrolling the Uninsured
- Key Investments made in:
  - RNs (+426) and other Nursing positions (+229) to ensure quality patient care;
  - Targeted clinical growth initiatives to meet patient care needs while ensuring financial sustainability;
  - Rebuilding Revenue Cycle Operations (+264) to enhance and ensure billing integrity.

Established H+H FY20 Budget: Highlights

Goal:

- Working toward each facility reaching financial viability, where overall revenues offset expenses and facilities have financial autonomy and local ownership.

Process:

- Devolve budgets to facilities through transparent planning and a focus on facility feedback and participation.
- Two-phased process:
  - Phase I – “FY20 Base-level Budget”
  - Phase II – “FY20 New Opportunities & Policy Development”

Key Features:

- Transformation Plan’s Increased Targets ($229M)
  - Growth Initiatives (Retail Pharmacy, Clinical Services Planning)
  - Contract Negotiations (Managed Care)
  - Continued Expenditure Savings and Efficiencies

Managing Risk + Opportunity

Risks

- Policy Changes (State and Fed)
- Critical Staffing Needs

Opportunity

- Medicare DSH
- Safety Net Hospital Funding
- Restoration of Medicaid DSH

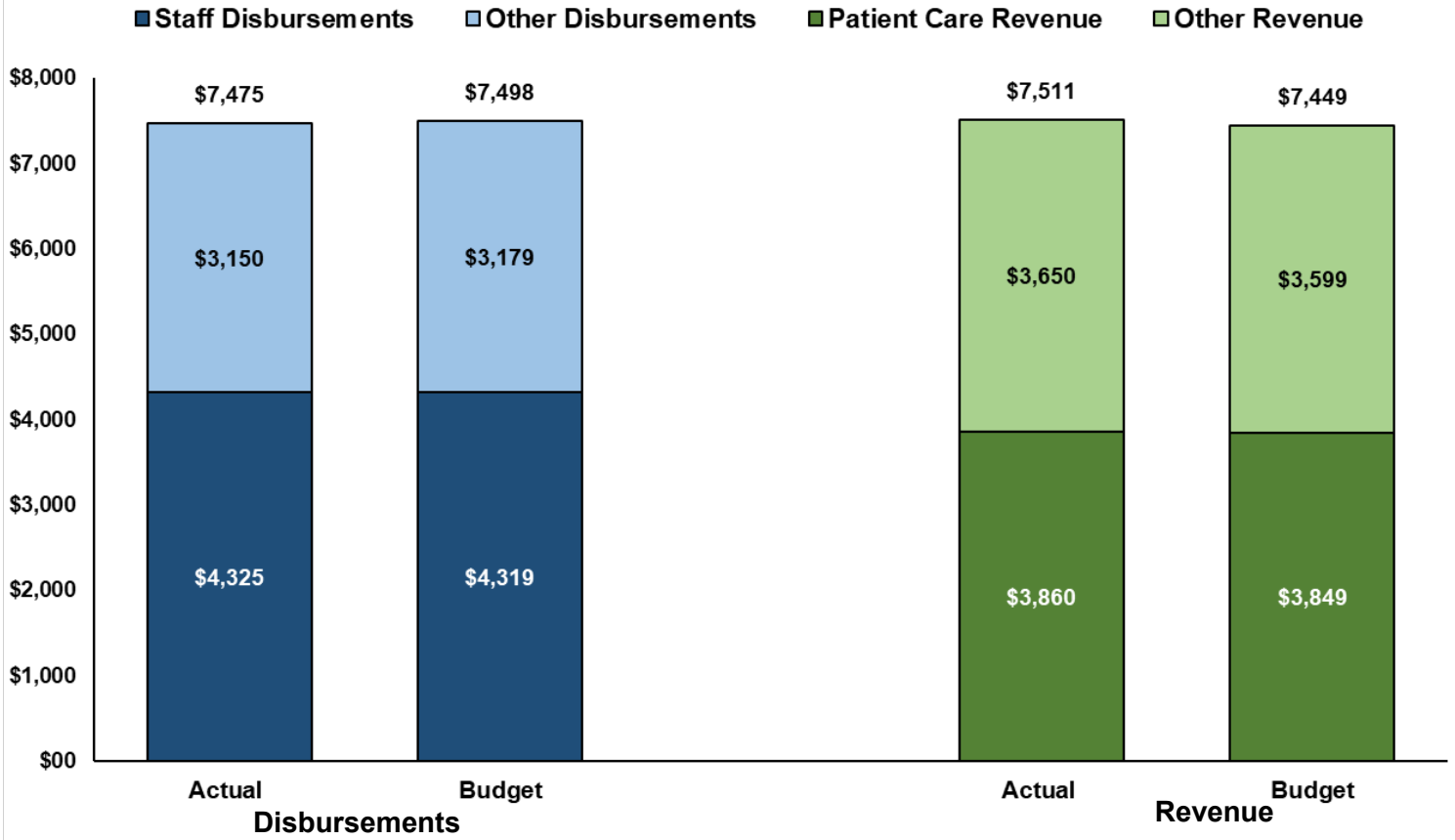
NYC HEALTH+ HOSPITALS

Financial Performance

Quarter 4, Fiscal Year 2019

FYE19 Results: Closed the FY w/ a $36M Net Positive Impact (Receipts > Disbursements)

- Overall receipts came in $62M greater than planned, $11M of which are in patient care revenue. Patient care revenue closed at $30M higher than prior year in line with transformation plan progress.
- Disbursements closed at $24M better than budget. Facilities started implementing gap closing plans in FY19 Q4 and those plans will continue into FY20.



*The revenue budget is less than the expense budget due to projected timing of anticipated receipts.

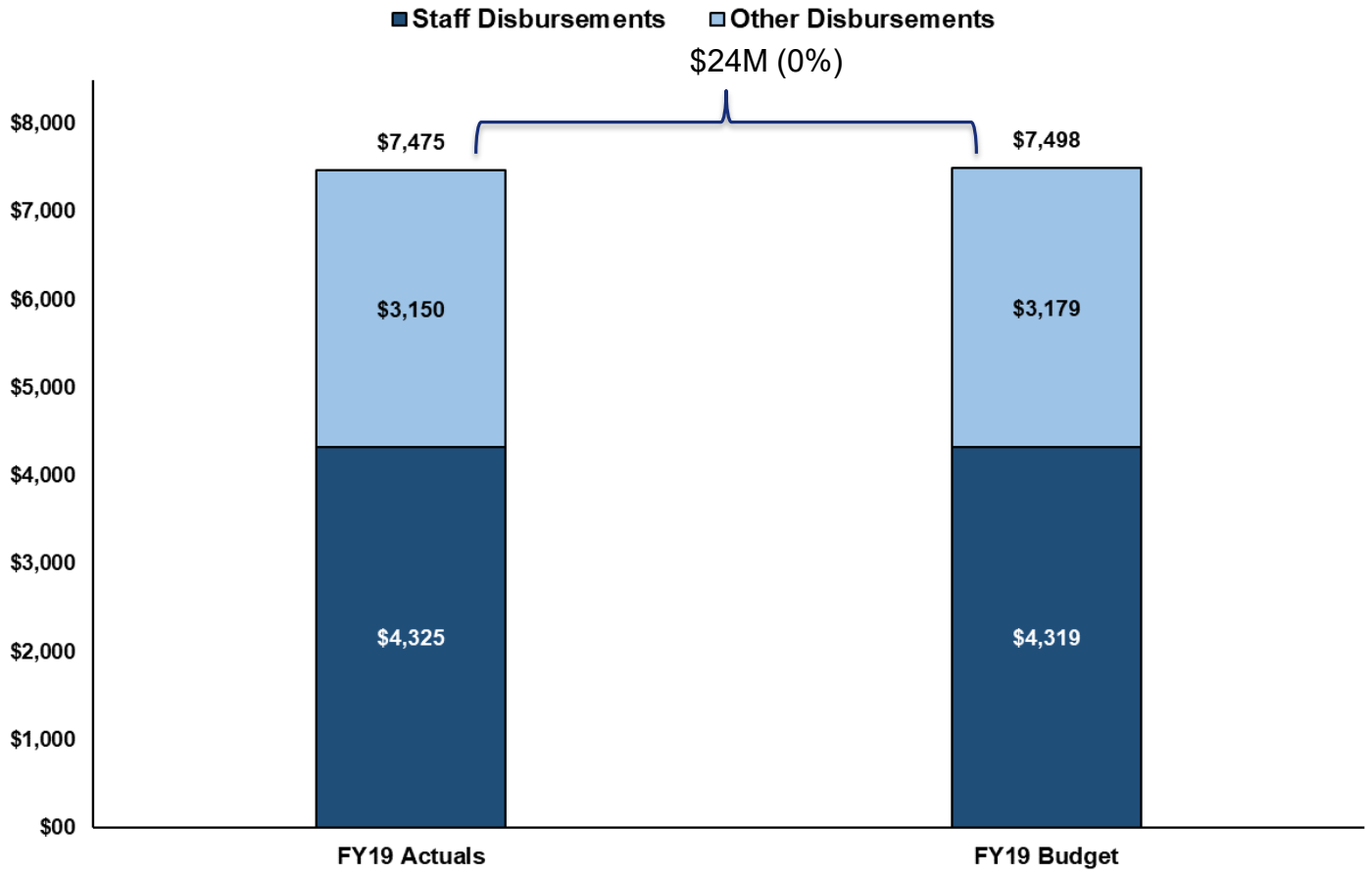
NYC HEALTH+ HOSPITALS

Expense Performance

Quarter 4, Fiscal Year 2019

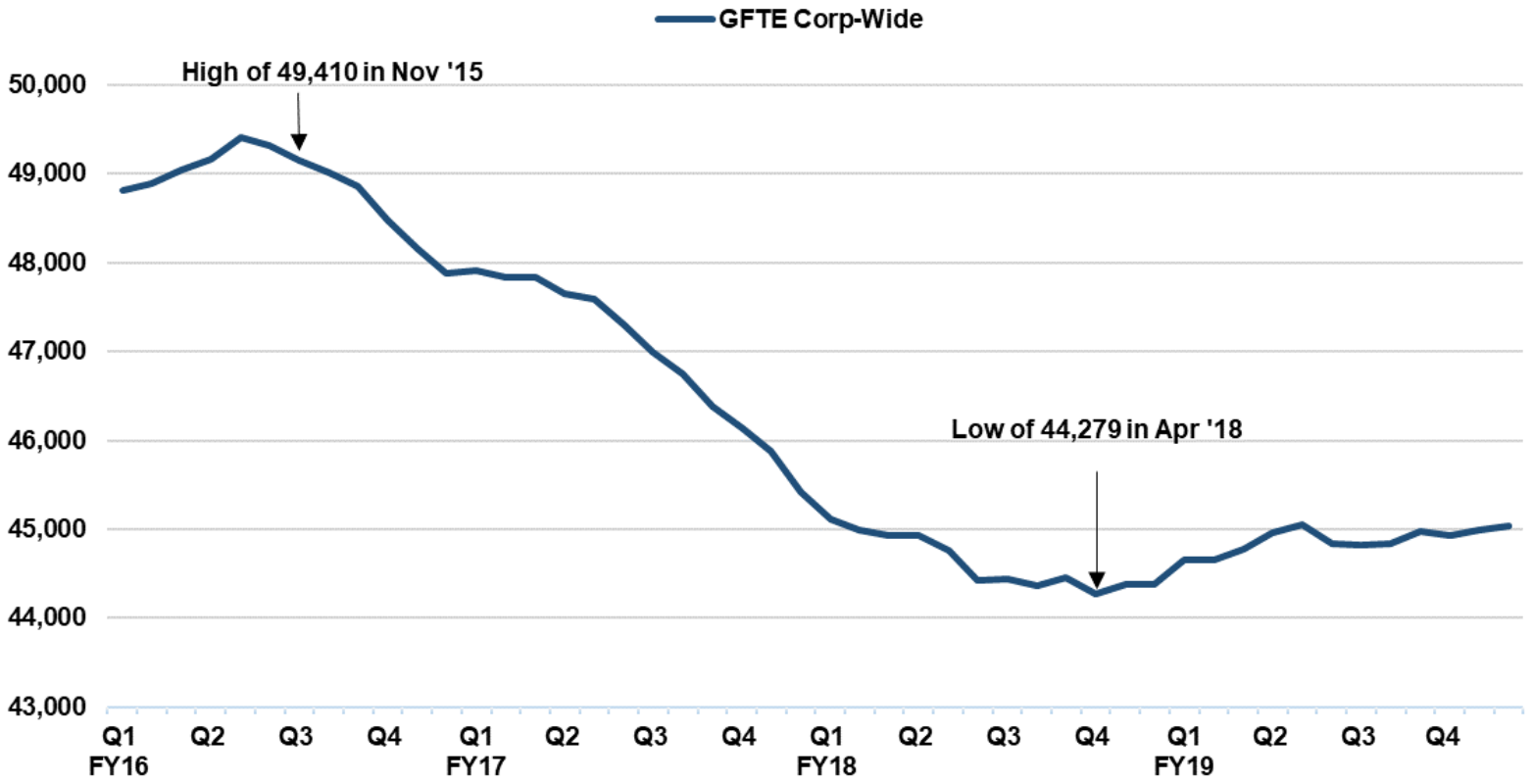
FY19 Quarter 4 Expenses Beat Budget: $24M

- Overall, H+H came in $24M better than budget, with targeted staffing investments in clinical models including our nursing model, key business initiatives, and revenue cycle in anticipation of better patient care and higher return on investment (ROI).



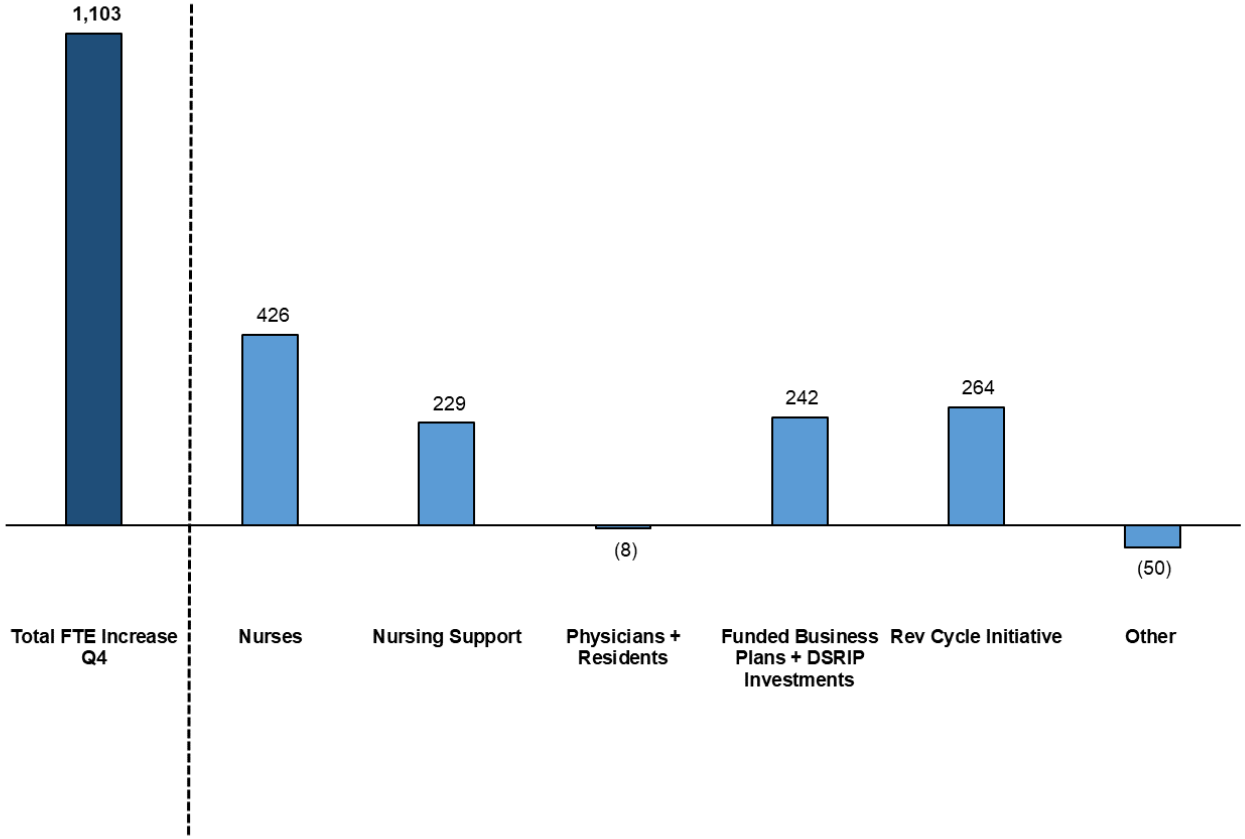
Historic Staffing Numbers Have Dropped Significantly

- Historical Global Full Time Equivalents (GFTEs) hit a high of 49,410 in Nov ’15, and decreased to a low of 44,279 in April ’18. After targeted investments, H+H has inched up to **45,031 in FY19 Q4.**



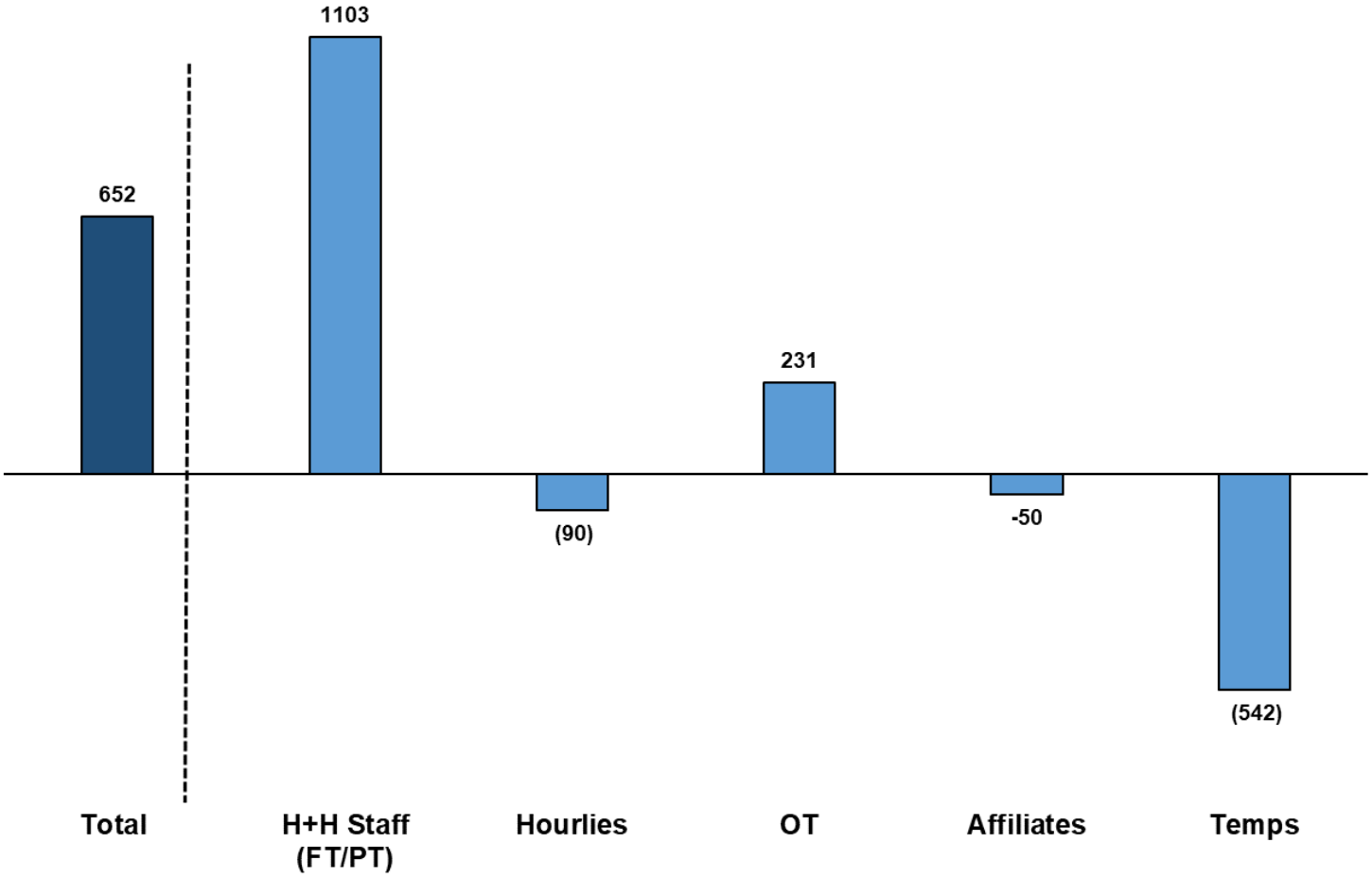
H+H Recalibrating Staffing Mix to Support Clinical and Revenue Generating Investments

- H+H staff growth for Quarter 4 is in line with NYC H+H Strategic Direction, with significant investments in clinical and revenue cycle staff.



H+H Global Staff Growth Has Shifted From Temps to Full-Time

- Global Full Time Equivalents (GFTEs) grew by **652 through Quarter 4**, moving away from temp hires and toward full time staffing.
- Growth in staffing is in line with NYC H+H Strategic Direction with significant investments in clinical staff (including nursing) and revenue cycle positions.



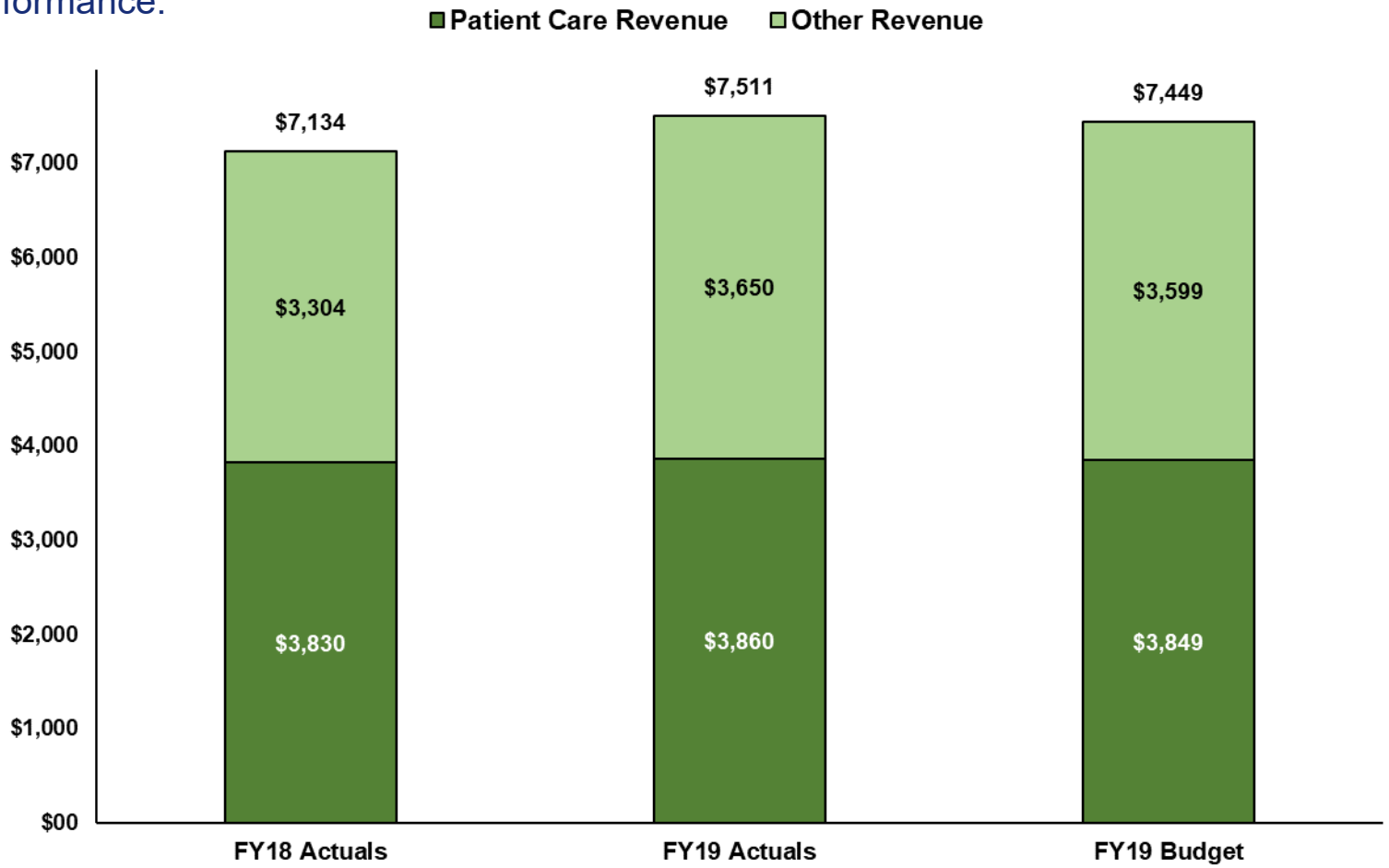
NYC HEALTH+ HOSPITALS

Revenue Performance

Quarter 4, Fiscal Year 2019

Corporate-wide Revenue

- FY19 revenue is **$376M higher than** FY18 actuals*, and **$62M above FY19** target.
- Total patient care revenue is up $30M vs FY18 actuals driven by stronger risk contract performance.



Variance year over year primarily due to full MetroPlus risk payment for FY19, Medicaid Admin received in FY19, and timing of VBP-QIP received on FY18's behalf.

Inpatient Volume Declined 4%, Under One-Half is Fee For Service (FFS) Impacting Revenue

- Over one-half of the decline in discharges vs. FY18 are associated with our risk-based health plans, MetroPlus and HealthFirst, helping drive improved risk pool revenue.
- Previous uptick in self-pay has now converted to insurance.

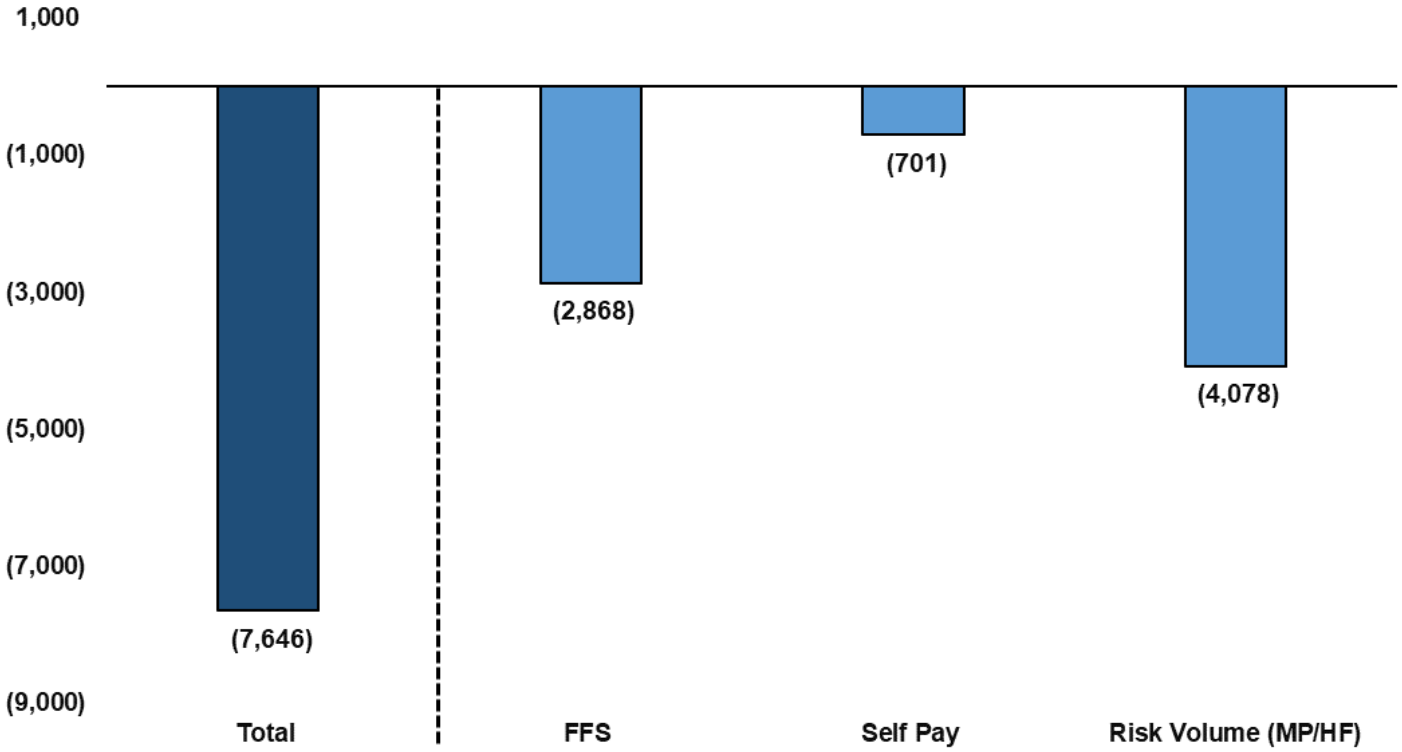
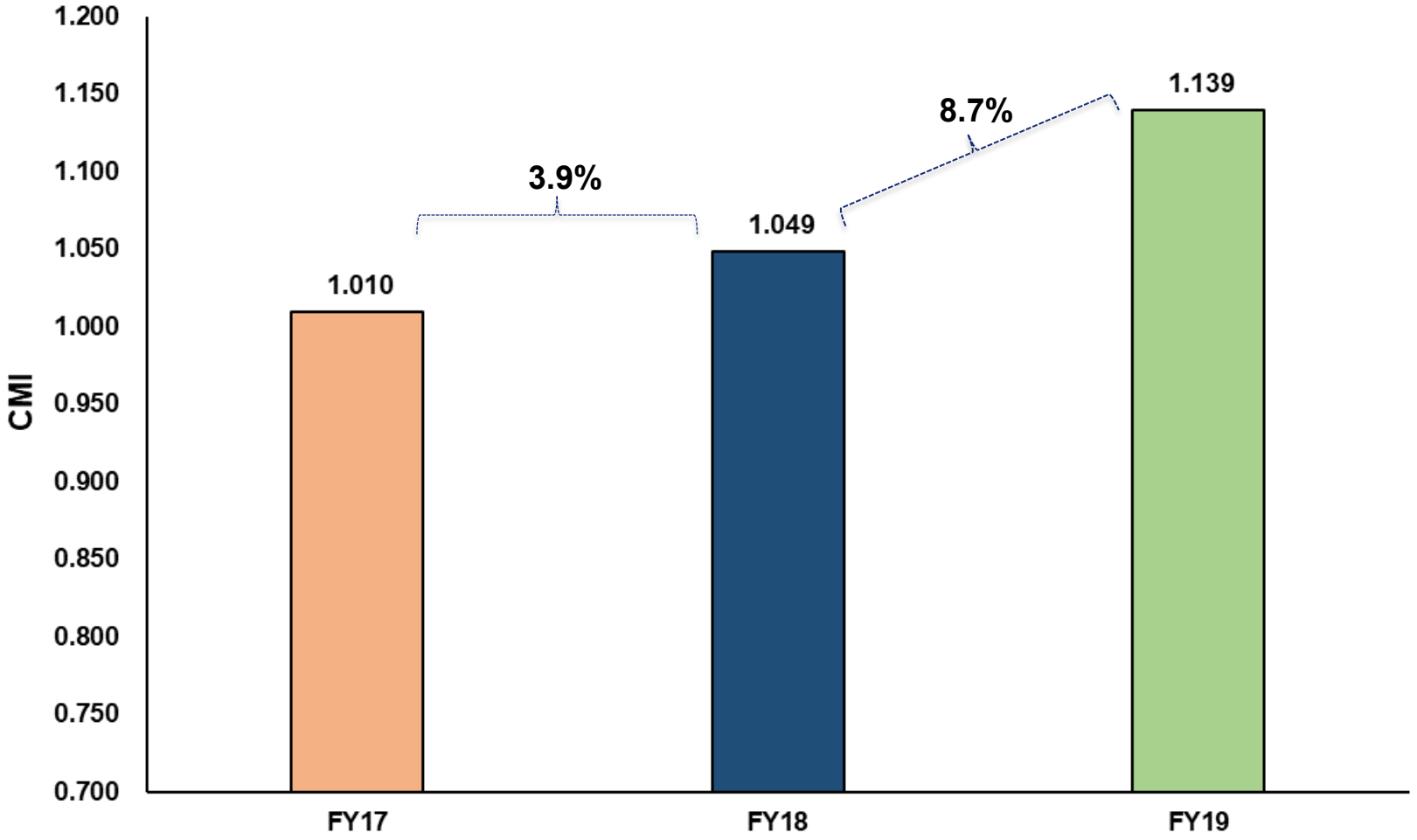


*Chart includes psych and rehab.

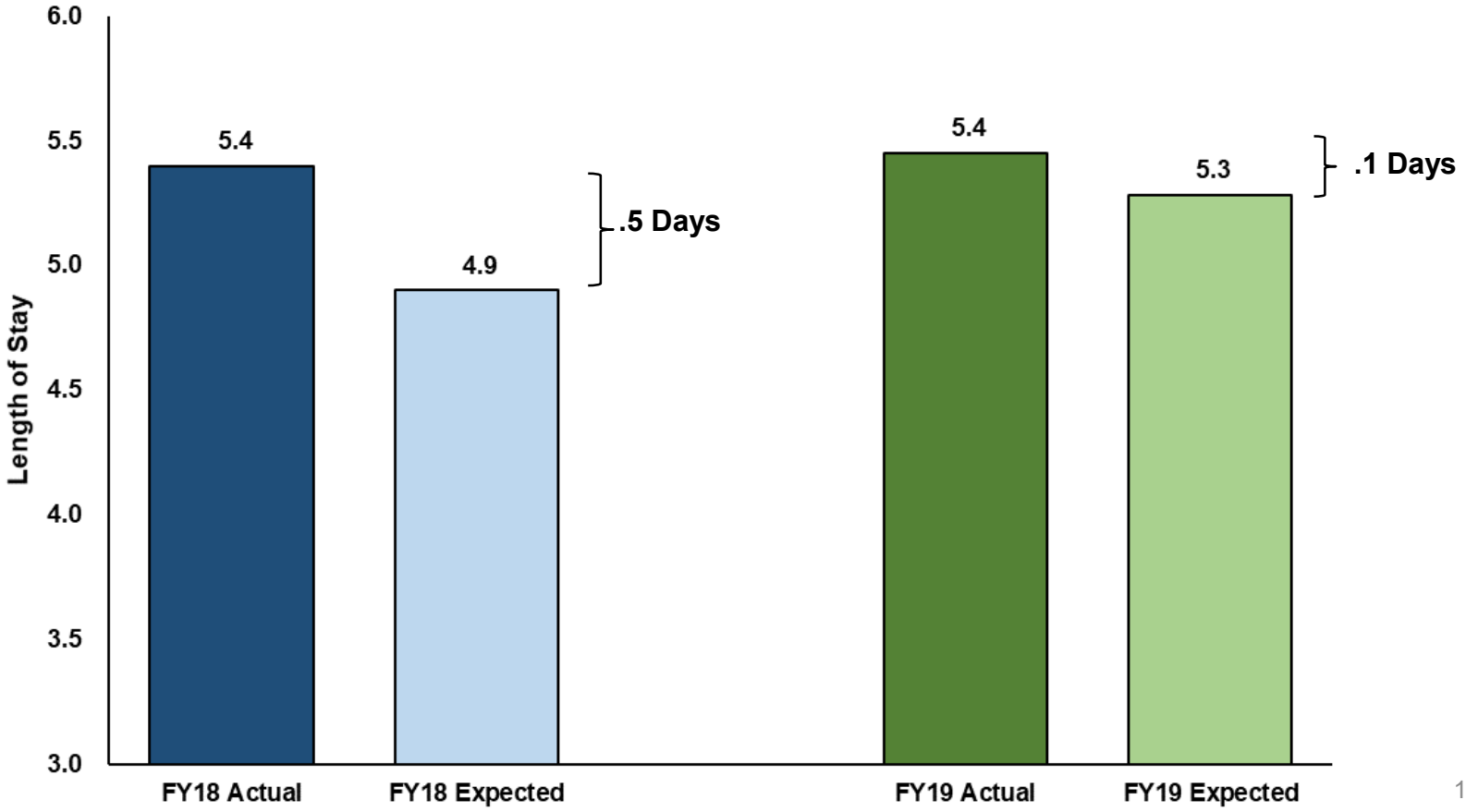
Increased Case Mix Index (CMI) Follows Revenue Cycle Improvements

- Case Mix Index has increased 8.7% year-to-date over FY18, primarily the result of clinical documentation improvement and coding initiatives.



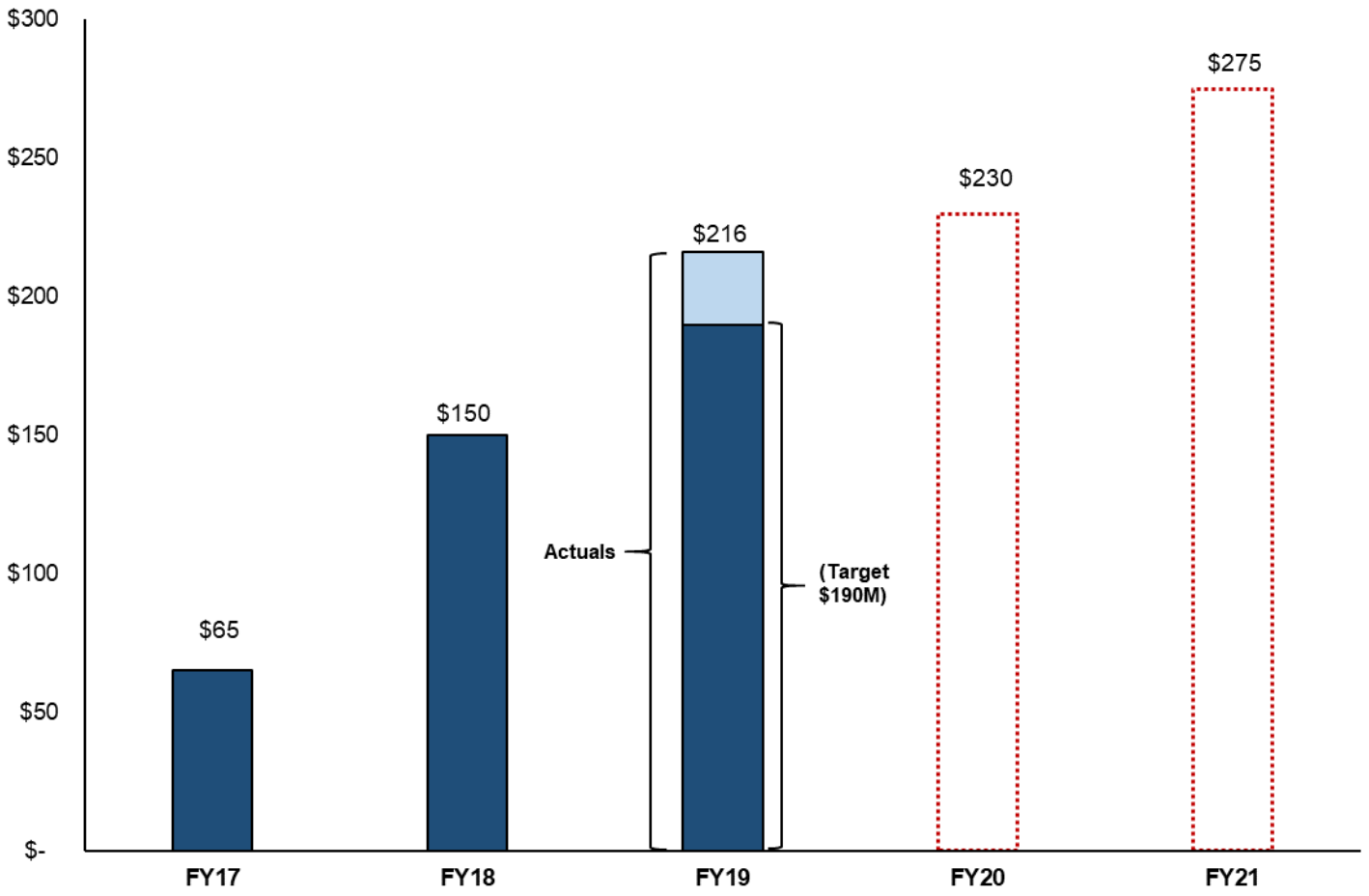
Length of Stay Closer to Expected

- The gap between Length of Stay (LOS) actual vs. expected decreased this year compared to year-to-date FY18.
- Expected LOS is adjusted for case mix index (CMI); the reduction year-over-year is aligned with the improved CMI seen on the previous slide.



Revenue Cycle Growth Trajectory

- Revenue cycle targets have increased over time in accordance with the transformation plan, and actuals have exceeded targets.



H2O Showing Positive Results – Higher CMI and Higher Payment per Case

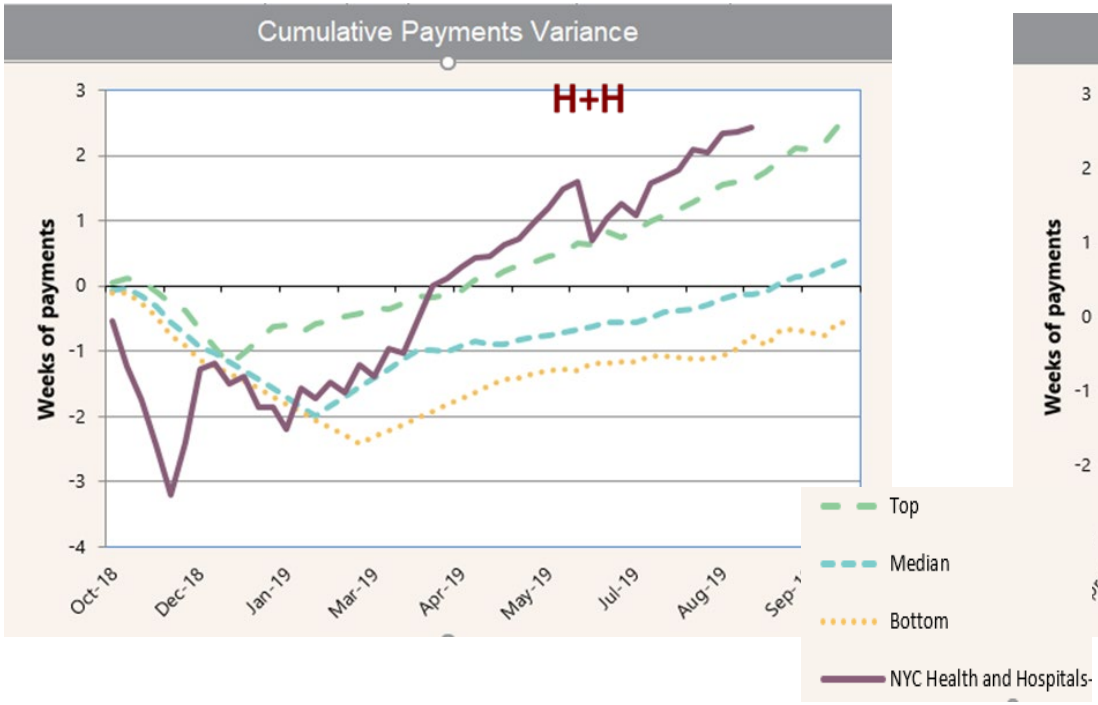
Average CMI Pre and Post H20			
	11/17-6/18	11/18-6/19	% Change
Coney	1.04	1.21	16%
Elmhurst	1.05	1.17	12%
Queens	0.92	1.11	21%
Woodhull	0.91	1.01	12%

Payment Per Paid Discharge		
6 months Pre H20 Average	6 months Post H20 Average	% Change
$ 12,677	$ 13,696	8%

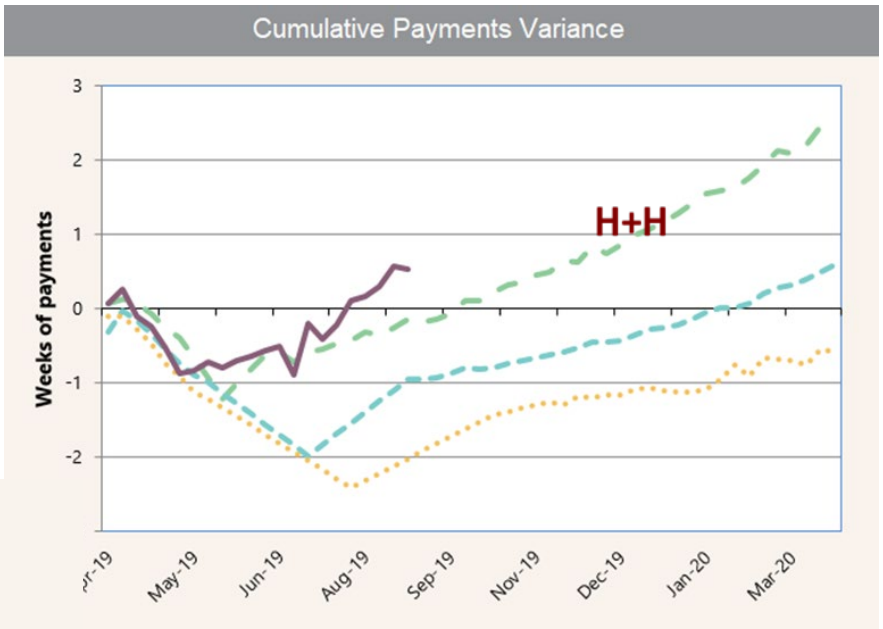
Wave 2 (Bellevue and Harlem) trending in the same direction but too soon to report.

H2O Showing Positive Results – Payments Exceed Baseline Performance

October H2O go-live – Coney Island, Elmhurst, Queens and Woodhull 45 weeks post-live



March H2O go-live – Bellevue and Harlem 22 weeks post-live

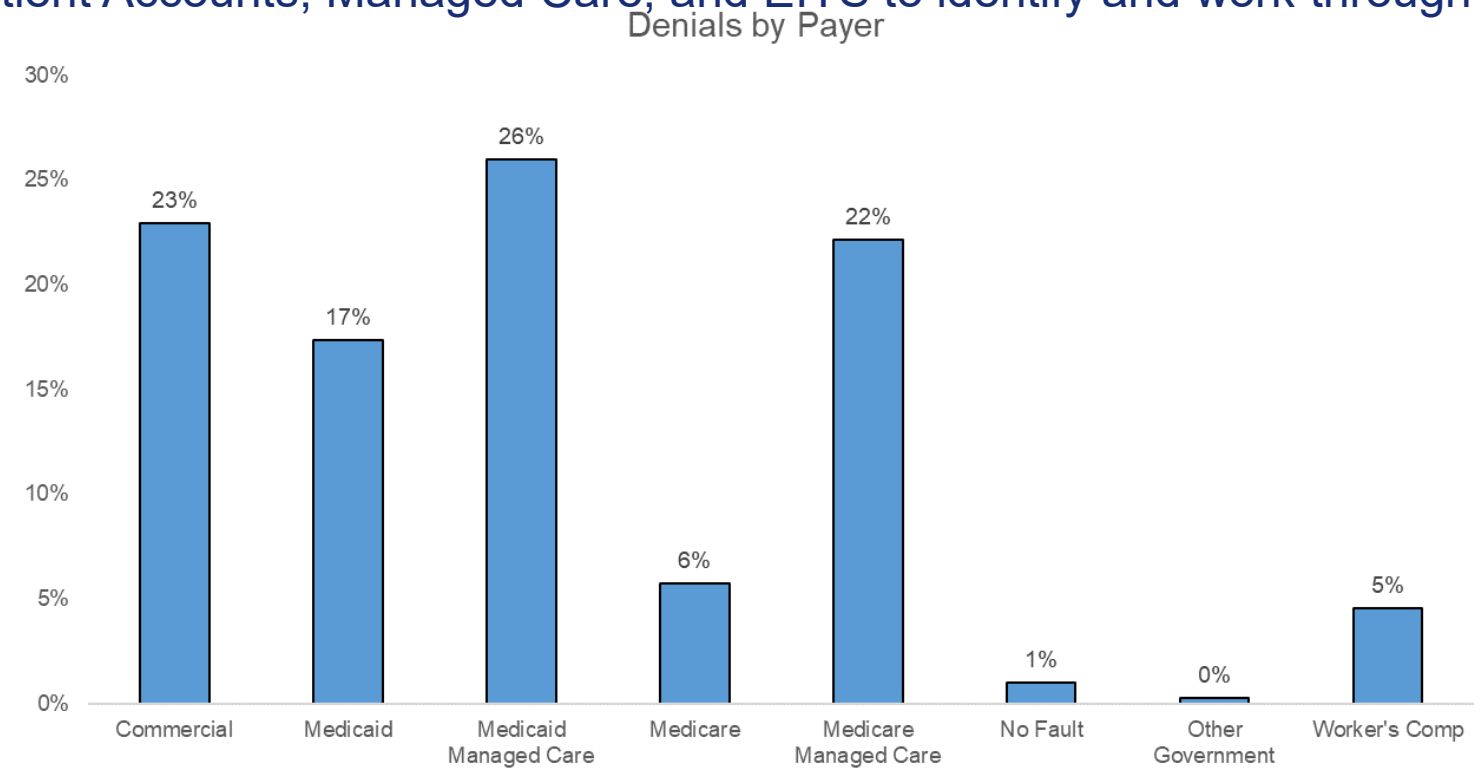


- Wave 1 sites collected $28.6 million more than baseline through June 30.
- Wave 2 sites still in the negative through June 30, but are now positive.

H2O Showing Positive Results - Focusing Work Effort on Denial Reduction

THREE PRONGED APPROACH

- ✓ Prevent Denials from occurring - Root cause analysis leading to fixing problem at the source
- ✓ Denial Task Force – Subject matter experts reviewing data, brainstorming and implementing solutions
- ✓ Resolve denials received; Collaborative calls with Revenue Cycle Services, Patient Accounts, Managed Care, and EITS to identify and work through solutions



NYC HEALTH+ HOSPITALS

Transformation Update

Quarter 4, Fiscal Year 2019

Revenue Generating Initiatives

Initiative ($M)	Status	FY19 Final Actuals	FY19 Target
1. Medicaid Waiver Programs	**On Track**	**$ 203.0**	**$ 211.4**
DSRIP*	Achieved	$ 39.0	$ 39.0
VBP- QIP*	On Track	$ 120.0	$ 128.4
CREP (Additional Waiver Funds)	On Track	$ 44.0	$ 44.0
2. Health Insurance Initiatives	**On Track**	**$ 351.7**	**$ 333.2**
A. Revenue Cycle Improvements	On Track	$ 216.2	$ 190.0
B. Managed Care Contracting Improvements*	On Track	$ 23.2	$ 23.2
C. FQHC	On Track	$ 14.1	$ 20.0
D. Metro Plus Engagement and Growth	On Track	$ 46.0	$ 60.0
E. Coverage for Eligible Uninsured	On Track	$ 52.2	$ 40.0
4. Growth Strategies	Delay	**$ 4.0**	**$ 10.0**
Implementation of Retail Pharmacy		$ -	$ -
Primary Care Expansion	Delay	$ 3.2	$ 8.0
Inpatient Capture/Transportation Contract		$ -	$ -
Ambulatory Surgery Expansion	Delay	$ 0.8	$ 2.0
Revenue Generating Initiatives Subtotal	**On Track**	**$ 558.7**	**$ 554.6**

** DSRIP actuals show net of anticipated expenditures; VBP-QIP + Managed Care show adjusted targets due to timing of anticipated receipts.*

- Overall, FY19 Revenue Generating Initiatives were close to the FY19 target, with some missing targets related to timing of VBP QIP, FQHC, and managed care settlements.
- Revenue cycle improvement efforts exceeded the $190 million target in FY19 ($216 million total).

Expense Reducing Initiatives On Target

Initiative ($M)	Status	FY19 Final Actuals	FY19 Revised Target
1. Procurement Efficiency	On Track	**$ 136.7**	**$ 124.7**
Supply Chain	On Track	$ 96.4	$ 94.7
340b Contract Pharmacy	On Track	$ 40.3	$ 30.0
2. Restructuring and Personnel Initiatives	On Track	**$ 265.2**	**$ 269.4**
Expense Reducing Initiatives Subtotal	On Track	**$ 401.9**	**$ 394.1**

- Personnel initiatives are on target, and include strategic investments in nursing, revenue cycle, and clinical growth strategies.
  - Facilities implemented gap closing plans to offset this growth, and the financial plan was updated.
- Supply chain target was reduced by $10 million, and met target.
- **The 340b contract pharmacy initiative is forecasted exceeded target by $10M.**

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a three year renewal agreement with two one-year options to renew with Managed Care Revenue Consulting Group LLC ("MCRC") to provide claims review and collection services on managed care contracts not to exceed $23 million dollars to be payable contingent on the amounts recovered for the System.

WHEREAS, MCRC was first procured to handle managed care review and collection for the System more than five years ago through a Request for Proposals process; and

WHEREAS, MCRC has focused on the review and, where appropriate, collection of accounts currently reflected on in the System's legacy accounting and billing software programs that are no longer being maintained and for which training is no longer available; and

WHEREAS, it is no longer possible to find firms that are familiar with the System's legacy systems; and

WHEREAS, in view of the foregoing circumstances, the Contract Review Committee, approved a renewal of a contract with MCRC without competition in the best interests of the System; and

WHEREAS, MCRC Vendor will continue to review managed care claims submitted by the System to managed care payors to identify claims that were underpaid against contracted terms and will pursue reimbursement recoveries retrospectively on such claims with managed care plans; and

WHEREAS; MCRC shall adhere to all government regulations pertaining to the collection process as well as the System's policies and procedures applicable to hospital billing; and

WHEREAS, the proposed agreement will be managed by the Senior Director of Revenue Cycle Services.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute a three year agreement with two one-year options to renew with Managed Care Revenue Consulting Group LLC to provide claims review and collection services on managed care contracts not to exceed $23 million dollars to be payable contingent on the amounts recovered for the New York City Health and Hospitals Corporation.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH MANAGED CARE REVENUE CONSULTING GROUP LLC
FOR DEBT COLLECTION SERVICES

BACKGROUND: Approval is sought for the renewal of a contract with MCRC to provide claims review and debt collection services with respect to managed care accounts that appear to have been underpaid when analyzed against the contract requirements. MCRC is reviewing accounts receivable that are reflected only on the System's legacy billing and accounting systems. Those billing and accounting systems are so old that they are no longer maintained, expertise in the systems is increasingly rare and training in the old systems is no longer available. Thus, MCRC is a special vendor in that it is a rare vendor that retains the facility to work with the System's old billing and accounting systems. The current contract expired on November 31, 2018.

PROCUREMENT: On the basis of the facts set forth above, the Contract Review Committee approved a "best interests" extension of the current contract with MCRC.

BUDGET: The collections by MCRC for the five-year contract are estimated to be $77 million dollars at a maximum collections potential. Using this estimate, the cost of the proposed agreement in vendor fees will not exceed $23 million dollars over the full five-year term. The System will receive the collections generated by MCRC and will pay the vendor solely on the basis of the amounts it generates.

TERMS: The proposed contract will extend MCRC's services retroactive to November 30, 2018 and through November 30, 2023. The average commission rate under the current contract is 23%. The corresponding rate under the new contract will be approximately 19% dependent upon the System's case mix. MCRC will earn a contingency of 15% for overturning a denied claim and 22% for identifying zero dollar balance claims and converting them to revenue. The rate for zero dollar balance claims will drop to 20% after the System has earned $30M.

DURATION: The term of the proposed agreement is three years with two one-year options to renew solely exercisable by the System.

MWBE: MCRC is in the process of securing MWBE status from the New York City Department of Small Business Services.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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

From: Keith Tallbe KT
Senior Counsel
Office of Legal Affairs

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

Vendor: Managed Care Revenue Consulting Group LLC

Date: October 1, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Approved	Approved	Vendor is an MWBE. Certification process underway.

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.

NYC HEALTH+ HOSPITALS

Managed Care Revenue Consulting Group (MCRC)

Finance Committee

October 10, 2019

Marji Karlin, Chief Revenue Officer
Megan Meagher, AVP
Alison Smith, Director
Robert Melican, Sr. Dir. Revenue Cycle

Introduction

- Health Plans systematically underpay claims for services provided for a variety of reasons:
  - Adjudication errors
  - Incorrect contract terms
  - Billing errors
  - Contract misinterpretations

- MCRC reviews $0 balance and denied claims against our contract terms to identify underpayments then negotiates on our behalf to resolve underpayments and inappropriate technical and administrative denials.

- Claim review began October of 2017

- Net earnings to date of $26M

Current State

- MCRC identified numerous issues, highlights include:
  - Payers loaded rates incorrectly for a time period – new rates not loaded into their payment system
  - H+H incorrectly valued service – CPEP claims not coded properly
  - Incorrectly denied for authorization – prior authorization not required as per contract terms
  - Recognition that H+H is entitled to outlier payments
  - Managed care plan agreed that H+H's contract allows for reconsideration of claims denied for untimely filing
- H+H updates the billing systems to prevent future underpayments and denials
- MCRC is negotiating with five large contracted payers where there is a high volume of claims denied for similar reasons
  - Potential settlement value of these claims worth approximately $30M

Claims Process

Claims Process

- H+H implemented workflow in 2019 with a new set of vendors
  - Review high volume, low dollar (threshold set by facility) to work unpaid and denied claims at lower contingency rates before sending them to MCRC
- MCRC is now the last stop in claims review process for contracted payors
- H+H Revenue Cycle is building a payment variance team and settlement team to identify reasons for over and underpayments on claims
  - Utilize contract management tools in Epic
  - Will work closely with Managed Care to correct issues with payors
  - Fewer claims will require MCRC intervention

History of Procurement

- MCRC responded to the Request for Proposal in December of 2016 for "Consultants to Provide Services in Support of the Proposed Major Transformation of NYC H+H"
  - Transformation project created a pool pre-approved vendors
  - 50 firms participated
  - The firms submitted 277 proposals for 15 areas of service

- MCRC won the selection in the operational efficiency area of service category resulting in a contingency fee agreement to review claim opportunities for all managed care contracts. Three other firms submitted proposals
  - Contract effective date of March 2017
  - Not to Exceed (NTE) value of $3 million
  - Increased contract value in 2018 to $5 million
  - All payments are contingency based

Best Interest Renewal

- MCRC is performing well, earning $26M in last two years
- H+H still requires these services, working closely with the Managed Care team to:
  - Finalize high volume settlements
  - Continue claim reviews
- Unable to switch vendors for legacy claims
  - Significant work remains in legacy financial systems that required extensive set-up to allow systems to exchange data
- Significant work underway - a new firm could not readily assume work begun by MCRC for older claims

MWBE

- MCRC submitted a MWBE application to NYC Small Business Services on September 12th, 2019

- The application is currently pending

Finance Committee Approval Request

- Increase the contract term from $5M to either a NTE of $23 million or 5 years, whichever comes first.
  - 5 years allows for NYC H+H to become current with all payers as we move toward a quarterly reconciliation process.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute agreements with RTR Financial Services Inc., ARStrat, Nationwide Credit and Collections Inc. and USCB America (the "Vendors") to provide collection services with respect to self-pay accounts with the System for terms of three years with two one-year options to renew at a total cost not to exceed $6 million dollars to be payable contingent on the amounts recovered by the System.

WHEREAS, an RFP process approved by the Contract Review Committee resulted in the Selection Committee's choice of the four Vendors; and

WHEREAS, the Vendors will attempt to collect on self-pay accounts qualifying for bad debt status; and

WHEREAS; the Vendors shall adhere to all government regulations pertaining to the collection process as well as the System's policies and procedures applicable to bad debts; and

WHEREAS, the proposed agreements will be managed by the Senior Director of Revenue Cycle Services.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute three year agreements with RTR Financial Services Inc., ARStrat, Nationwide Credit and Collections Inc. and USCB America to provide collection services with respect to self-pay accounts with the System for terms of three years with two one-year options to renew at a total cost not to exceed $6 million dollars to be payable contingent on the amounts recovered by the System.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH FOUR VENDORS
FOR THE PROVISION OF DEBT COLLECTION SERVICES

BACKGROUND: Over the last year, the System has put in place contracts with several vendors to greatly improve its ability to collect payment for its medical services. The proposed contracts are part of that effort. Approval is sought for the execution of four contracts with vendors to provide debt collection services with respect to self-pay accounts that qualify for transfer to bad debt status. The current contract expires on November 31, 2019. The current contract includes only inpatient self-pay collections at the eleven acute and five post-acute facilities. The new contract will include inpatient and outpatient self-pay collections at the acute and post-acute facilities and will include the FQHC's and Homecare.

PROCUREMENT: The System issued a Request for Proposals on June 6, 2019. A mandatory pre-proposers conference was held on June 18, 2019, which 22 prospective vendors attended. 17 proposals were received, evaluated and scored. The five highest rated proposers were invited to present before the Selection Committee. Vendor presentations were held on August 6, 2019 followed by a final evaluation and scoring. Through this process, the Selection Committee evaluated the proposals and presentations based on the proposed fees, prior experience and results with a similar scope, soundness of approach, technology and reporting capabilities and Minority and Women-Owned Business Enterprises (MWBE) utilization plan or MWBE status. RTR Financial Services Inc., ARStrat, Nationwide Credit and Collections Inc. and USCB America were selected based on these criteria. None of these vendors had previous collections contracts with the System.

BUDGET: The collections by the vendors for the five-year contract are estimated to be $53 million dollars. Using this estimate, the cost of the proposed agreement (vendor fees) will not exceed $6 million dollars over the full five-year term. The System will receive the collections generated by the vendors and will pay them solely on the basis of the amounts generated by the vendors.

TERMS: The average commission rate for the current contract is 18%. The average commission rate for the new contract will be only 11%. The work will be divided among the vendors using an alpha split at each facility. The contract, will allow the System to move more business to higher performing firms. The total amount has been budgeted and signed-off by Central Finance.

DURATION: The term of the proposed agreement is three years with two one-year options to renew solely exercisable by the System.

MWBE: All selected vendors have provided plans to satisfy the MWBE 30 percent sub-contracting goal.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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

From: Keith Tallbe KT
Senior Counsel
Office of Legal Affairs

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

Vendor: Arstrat, LLC

Date: October 1, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Pending	Approved	30% utilization

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.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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

From: Keith Tallbe KT DL
Senior Counsel
Office of Legal Affairs

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

Vendor: RTR Financial Services, Inc.

Date: October 1, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Approved	Approved	30% utilization

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.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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: Nationwide Credit & Collection, Inc.

Date: October 1, 2019

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

Vendor Responsibility	EEO	MWBE
Approved	Approved	30% utilization

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.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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: USCB America

Date: October 1, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Approved	Approved	30% utilization

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.

Self Pay Collection Vendors

Application to Enter into Contract

October 10th, 2019 Finance Committee

Revenue Cycle Services

Marji Karlin, Chief Revenue Officer
Robert Melican, Sr. Director
Jeannie Ryan, Director
Robert Sargenti, Asst. Director

Self Pay Patient Liability

- H+H treats all patients regardless of their ability to pay.

- While H+H prioritizes billing and revenue from insurance companies, collecting balances due from patients who can afford to pay is important to generating the resources we need to support our patients and staff.

- Self Pay Patient Liability is a combination of:
  - Patient balances after insurance - Coinsurance, Copayments and Deductibles,
  - Financial Assistance balances (NYC Care and H+H Options), and
  - Self pay charge amounts for patients who are not eligible for Financial Assistance.

- For H+H to be reimbursed for bad debt, it must *"establish that reasonable collection efforts were made".* While this does not require H+H to use a collection vendor, their use ensures consistent and replicable attempts to collect, which is one interpretation of a "reasonable collection effort."

Background/Current State

- Many pathways to help patients with insurance enrollment or financial assistance
- Almost 20% of self pay accounts are discounted according to the NYC H+H sliding fee scale; and many full self pay accounts have evidence of an interaction with a financial counselor

Pre-Service

Referrals from H+H Contact Center

Pre-service Financial Counseling

Point of Service

On-site Financial Counselors

Post Service

Statement Inserts and Messages

Presumptive Discounting

Outreach

Follow up

Collections

Background/Current State

- H+H has historically utilized the services of collection vendors for a limited scope of patient balances due. These vendors have expertise and resources to pursue accounts that fall outside normal requests for payment.

- Currently H+H contracts with four vendors for inpatient self pay collection services. The vendors were select in 2013 through a Request for Proposal (RFP) process.

- The current agreement covers only inpatient accounts for the 11 Acute Care Facilities and 5 Nursing Facilities.

- Vendors generate between $6 and $8 million annually.

Request for Proposal Criteria

- The new vendors will continue to follow H+H's mission and abide by our patient financial assistance standards.
- H+H will only permit liens and lawsuits on a claim in extraordinary circumstances and with the review and approval from H+H's Office of Legal Affairs.
- The proposed agreements will expand the scope of services to include coverage for outpatient accounts, Gotham's Federally Qualified Health Centers and Home Care. Prior to these contracts unpaid outpatient self pay accounts were written-off to Bad Debt without a collection attempt.
- After our billing department and vendors engage patients for payment and pursue insurance for a 30-120 day period, the collection vendors will make a final effort to realize payment of any claim which remains unpaid after 120 days.
- The current portfolio of contracts expires on November 30, 2019.

Request for Proposal Criteria

- Evaluation Committee:
  - Membership of six from both the acute care hospitals and Central Office

- Evaluation Criteria

Fees	25%
Soundness of Approach	25%
Prior Experience and Results with a Similar Scope	25%
Technology and Reporting Capabilities	15%
MWBE Utilization Plan or MWBE Status	10%

- Minimum Criteria
  - Five years of general collection experience with at least three years in the area of health care collections in New York State.
  - Must be licensed by the appropriate city, state and federal agencies to operate in New York City.
  - Annual revenue of at least $5 million in 2018.

Overview of Procurement

- December 20, 2018: CRC approved an application to issue solicitation.
- June 6, 2019: RFP sent directly to 14 vendors, including 5 MWBE vendors, and posted to City Record.
- June 18, 2019: mandatory pre-proposal conference, 22 vendors attended
- July 10, 2019: proposal deadline, 17 proposals received
- July 19, 2019: evaluation committee reviewed proposals
  - 5 Vendors invited for in-person presentations based on natural break of proposal scoring
- It was determined that 4 finalists would be engaged based on the evaluation scoring and business needs

NYC HEALTH+ HOSPITALS

Vendor Highlights

RTR Financial Services Inc.

ARSTRAT

NCC

USCB America

- Staten Island based firm with large NYC presence
- Reference
  - NYU Langone

- Nationwide firm with 1,500 employees in 16 service centers
- References
  - Northwell Health
  - Mayo Clinic

- Understanding of safety net and public hospital systems
- References
  - Cook County
  - Northwestern University Medicine

- California firm with 500 employees in 5 states
- References
  - Banner University
  - University of Minnesota, Fairview Health

MWBE Sub-Contractor

- All vendors have submitted and received approval for their plans to provide 30% of the contract value to MWBE qualified firms
- H+H will monitor the invoices to ensure compliance with approved plans

Vendor	Subcontractor	Service Description
RTR Financial Services Inc.	Millennium Medical Billing Hi & Low Computers Inc. Tanya Hobson-Williams P.C	Billing Services Information Tech. Skip Tracing
ARStrat LLC	Capital Resource Management, Inc.	Full Service Debt Collections
USCB	Independent Recovery Services	Collections Representatives
Nationwide Credit and Collection	Saunte Corp.	Collections Representatives

Financial Summary

- Contingency Rate on expiring contracts averages 17.8%
- Proposed contingency rates, pre-negotiation, are substantially lower
- Range from a low of 8.4% to a high of 12.75%
- Each vendor has a different contingency rate that is constant across all lines of business – acute hospitals, Federally Qualified Health Care centers, Post Acute and Home Care

Finance Committee Approval Request

- We are seeking approval to enter into contract with Self Pay Collection Vendors:
  - RTR Financial Services Inc.
  - ARStrat
  - Nationwide Credit & Collection Inc.
  - USCB America
- Seeking a contract term of 3 years with two 1-year extensions
- Using the contingency rates supplied by the proposed vendors yields and estimated expense of $5,958,543 for a recovery of $53,380,000.
- H+H earning a net recovery of $47.4M over 5 years.
- Target start date of agreements is December 1, 2019

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to sign three year agreements with Washington & West (W&W,) Managed Resources, JZanus, and Revint (the "Vendors") for medical necessity denials management and other revenue initiatives management with two one-year options to renew exercisable solely by the System at a total cost over the potential five-year term not to exceed $11,400,000 with all payments contingent on the amounts the vendors recover.

WHEREAS, a medical necessity denial occurs when a managed care or other payer deems a healthcare provider's services or treatment to not be medically necessary resulting in a denial of payment; and

WHEREAS, the System's current contract with its denials management contractor will expire October 31, 2019; and

WHEREAS, the Center for Medicare and Medicaid Services' ("CMS") Post-Acute Transfer rule enacted in 1999 and greatly expanded subsequently has had an immense impact on the reimbursement amount hospitals receive such that inpatient Medicare/Managed Medicare underpayments can result in substantial reductions in payments to hospitals making the services of revenue recovery vendors especially important; and

WHEREAS, through an RFP process approved by the Contract Review Committee a selection committee chose the Vendors; and

WHEREAS, under the proposed agreements, the Vendors will be required to resolve accounts receivable claims including writing multiple level clinical appeals for inpatient medical necessity denials, identifying and correcting inaccurate discharge disposition codes, rebilling claims, and completing requests for information; and

WHEREAS, the proposed agreement will be managed by the Assistant Vice President for Revenue Initiatives.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to sign agreements with Washington & West (W&W), Managed Resources, JZanus, and Revint for medical necessity denials management and other revenue initiatives management with two one-year options to renew exercisable solely by the System at a total cost over the potential five-year term not to exceed $11,400,000 with all payments contingent on the amounts the vendors recover.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH FOUR VENDORS
FOR THE PROVISION OF MEDICAL NECESSITY DENIALS AND OTHER REVENUE INITIATVES MANAGEMENT

BACKGROUND: Over the last year, the System has put in place contracts with several vendors to greatly improve its ability to collect payment for its medical services. The proposed contracts are part of that effort. The previous single denials management vendor will be replaced by four vendors that will focus on separate areas of concentration. The purpose of the proposed agreements is for selected vendors to conduct follow-up actions on two populations of accounts receivable that will result in payment to the System for the medical services provided by the System.

PROCUREMENT: The System issued a Request for Proposals on July 5, 2019. A mandatory pre-proposers conference was held on July 16, 2019, which approximately eleven prospective vendors attended. Fourteen proposals were received, evaluated and scored. The six highest rated proposers for each SOW were invited to present before the Selection Committee. Vendor presentations were held on September 17th and 20th, 2019, followed by a final evaluation and scoring. Through this process the Selection Committee evaluated the proposals and presentations on the basis of the proposed fees, proven results collecting on the specified population, clearly defined work protocols, and technology and reporting capabilities.

PROGRAM: The Vendors will be responsible for resolving account issues including: writing multiple level clinical appeals for inpatient Medical Necessity denials, identifying and correcting inaccurate discharge disposition codes for inpatient Medicare and Managed Medicare claims, rebilling claims, and completing requests for information. The Vendors will focus on separate areas of concentration as follows: (1) Medical Necessity denials management – Washington & West (W&W) and Managed Resources (2) Transfer DRG management - JZanus, Managed Resources, and Revint.

BUDGET: The cost of the proposed agreement will not exceed $11,400,000 over the potential five year term. The System will receive the collections generated by the vendors and will pay them solely on the basis of the amounts generated by the vendors. The total amount has been budgeted and signed off by Central Finance.

TERM: The term of the proposed agreement is three years with two one-year options to renew exercisable solely by the System. Washington & West and Managed Resources are WBE. Jzanus and Revint agreed to meet 30 percent MWBE utilization plan.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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: JZanus, LTD.

Date: October 8, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Pending	Approved	30% utilization

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.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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: Revint Solutions, LLC

Date: October 8, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Pending	Pending	30% utilization

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.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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: Managed Resources, Inc.

Date: October 8, 2019

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

Vendor Responsibility	**EEO**	**MWBE**
Pending	Approved	WBE*

*Vendor has WBE status in other jurisdictions and has submitted an application for WBE status with NYC, which is 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.

Medical Necessity Denials Management and Other Revenue Initiatives

Application to Enter into Contract

Finance Committee
October 10th, 2019

Marji Karlin, Chief Revenue Officer
Bryce Jenkins, AVP
Heather Sewell, Assistant Director

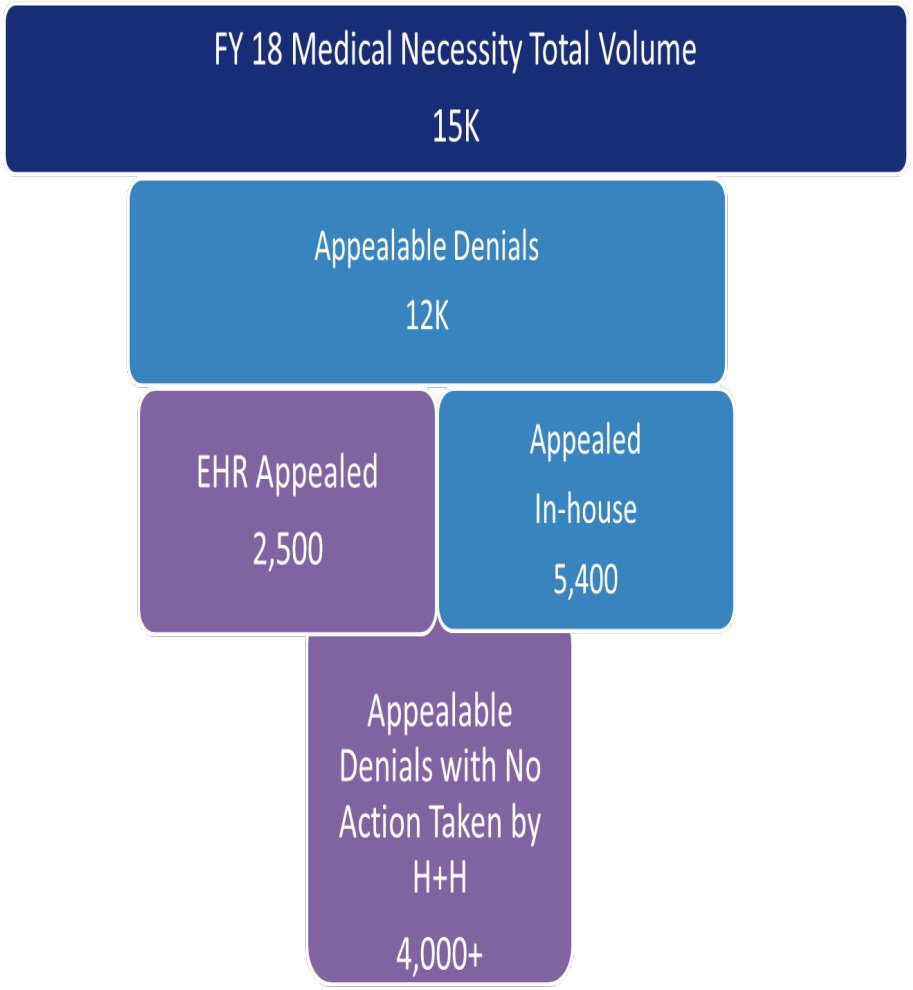
Medical Necessity Denials

A medical necessity denials is when the payer deems the services or treatment provided as not medically necessary to treat an illness or injury

- Denials are received both when the patient is in-house and retrospective to discharge
- If H+H fails to appeal a denial, we lose all revenue from that admission
- Guidelines prohibit H+H from resubmitting at a lower level of care & must send appeal for redetermination
- Pre-authorization has no bearing on payments for acute IP admissions
- A successful medical necessity appeal requires input from admitting physician and case management, the process requires expertise

Background/Current State

- H+H historically utilized the services of a denials management vendor, limited to a threshold of 2,500 appeals annually.
- There is an opportunity to capture the full volume of medical necessity denials and expand the scope to include other revenue initiatives.
- The proposed agreement will expand the scope of work to include approximately 6,500 appeals yearly.
- CRC approved an application to issue solicitation in May 2019.
- The current contract expires on October 31st, 2019. The current contract was procured via RFP in 2014 for 3 years in the amount of $2.5M; 2 1-year options to renew were utilized totaling $2M.
- CRC approved extending the existing contract for 60 days to 12/31/19 to allow for implementation. We expect this extension to cost ~$150K for the 60 day period.



Transfer DRG Background/Current State

- Due to the CMS Post-Acute Transfer rule enacted in 1999, transfer DRGs now have an immense impact on the reimbursement amount hospitals receive
- Inpatient Medicare/Managed Medicare underpayments can result when:
  - Patients are not treated as planned
  - Inaccurate discharge disposition codes are documented
- Regulatory and clinical expertise as well as access to the Medicare claims database is needed to identify and rebill transfer DRG claims correctly
- Transfer DRGs are a new revenue opportunity for H+H.
- The proposed agreement will include 1,400 Transfer DRG claims.
- CRC approved an application to issue solicitation in May 2019.

Request for Proposal Criteria

- Evaluation Committee:
  - Bryce Jenkins, AVP Revenue Initiatives
  - Heather Sewell, Ast. Director Revenue Cycle
  - Maureen McClusky, Sr. VP Post-Acute Care*
  - Megan Meagher, AVP Managed Care
  - Dr. Joseph Rabinovich, Physician Advisor
  - Rachel Raines, Director Care Mgmt
  - Joe Martinez, Associate Director Patient Accts
  - Danica Clarke, ACM Case Mgmt

- Evaluation Criteria:

Fees	25%
Demonstrated Performance	25%
Clearly Defined Work Protocols	20%
Technology and Reporting Capabilities	20%
MWBE Utilization Plan or MWBE Status	10%

- Minimum Criteria
  - MWBE Utilization Plan, Waiver, or MWBE Certification (see Section VIII.B.10)
  - At least 5 years of experience working medical necessity denials
  - Experience working with at least one multi-hospital system
  - Annual revenue in excess of $2,000,000

*Participant Only

Overview of Procurement

- May 28, 2019: CRC approved application to solicit
- July 5, 2019: RFP sent directly to 9 vendors, and posted to City Record
- July 16, 2019: pre-proposal conference, 11 vendors attended
- August 2, 2019: proposal deadline, 14 responsive proposals received
- September 4, 2019: evaluation committee reviewed proposals
  - 6 vendors for each SOW invited for in-person presentations
- October 1, 2019: CRC approval to enter into contract with
  - Washington & West (W&W)
  - Managed Resources
  - JZanus
  - Revint

Financial Summary

- Medical Necessity Denials
  - Vendors will be paid a 12% contingency rate resulting in a cost of $8.9M
  - Overall expected recoupment will be $74M
  - Net earnings will total $65.1M

- Transfer DRG
  - Vendors will be paid a 13% contingency rate resulting in a cost of $2.5M
  - Overall expected recoupment will be $19.3M
  - Net earnings will total $16.8M

NYC HEALTH+ HOSPITALS

Vendor Highlights

- Washington & West (W&W)
  - Founded in 2002, and have partnered with 249 hospitals, including 17 health systems in 26 states
  - Reference checks include:
    - NYU Langone Health
    - Inova Health System

- Managed Resources
  - Founded in 1994, and are comprised of a team of nurses, doctors, financial, and legal professionals with an average of 17 years of applicable experience
  - Reference checks include:
    - Dignity Health System
    - University of Michigan

- Jzanus
  - Founded in 1986, and have been providing healthcare revenue cycle management services in the metro New York area since its formation
  - Reference checks include:
    - Long Island Jewish Medical Center
    - Staten Island University Hospital

- Revint
  - Founded in 1996, and currently provide Transfer DRG services to 1,100 hospitals recovering lost revenues of $166M on an annual basis
  - Reference checks include:
    - NY Presbyterian Hospital
    - RWJ Barnabas Health

Finance Committee Approval Request

We are seeking approval to enter into contract with:

1. Washington & West (W&W) and Managed Resources
   - Medical Necessity Denial appeals
   - Contract Term of 3 years with two 1-year renewals
   - Total contract value of $9M (rounded)
   - Effective date of 11/1/19
   - Washington & West (W&W) is a WBE
     - Announced they were recently acquired by Revint, will confirm implications
   - Managed Resources is a WBE

2. Managed Resources, Jzanus and Revint
   - Transfer DRG services
   - Contract Term of 3 years with two 1-year renewals
   - Total contract value of $3M (rounded)
   - Effective date of 11/1/19
   - Managed Resources is a WBE
   - Jzanus has submitted a 30% MWBE utilization plan
   - Revint has agreed to meet 30% MWBE utilization plan

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to sign an agreement with RxStrategies ("Vendor") for 340B third party administration services for contracted pharmacies except Walgreens and CVS for a term of three years with two one-year options to renew with the total cost not to exceed $16,075,500 with all payments to be withheld from funds collected by the Vendor.

WHEREAS, Public Health Act Section 340B requires drug manufacturers to provide rebates for, among others, Disproportionate Share Hospital outpatient drug purchases, (the "340B Program"); and

WHEREAS, the rules for the 340 B Program have expanded to become a major subsidy of the cost of care of eligible patients of the hospitals and other providers qualified to participate; and

WHEREAS, the System has greatly increased its participation in the 340B Program such that its net revenue from the program has increased from $14M in FY 17 to $40M in FY19; and

WHEREAS, to collect discounts on prescriptions filled by the System's patients, the System has entered into agreements with approximately 274 unique independent pharmacies, plus 187 Walgreens/ Duane Reade and 151 unique CVS pharmacies whereby the System receives the benefit of the 340B Program discounts and pays such pharmacies a dispensing fee; and

WHEREAS, due to the complexity of the 340B Program, its demanding reporting, tracking and management requirements, healthcare providers participating in the 340B Program use a third party administrator (a "TPA") to identify eligible patients, calculate the appropriate discount, collect such discount after allowing for the retention of administrative fees by contracted pharmacies and arrange to replenish the supplies of the contracted pharmacies of the prescribed medications; and

WHEREAS, a TPA is generally paid a fee per pharmacy relationship plus a fee per 340B approved prescription; and

WHEREAS, the System's contract with its current TPA, Capture Rx, is due to expire on December 31, 2019; and

WHEREAS, after a Contract Review Committee approved Request for Proposals process an evaluation committee selected the Vendor after considering six competing proposals; and

WHEREAS, under the proposed agreement the Vendor will administer the 340B Program, exclusive of CVS and Walgreens, including providing the System with dedicated NYC-based staff; and

WHEREAS, the proposed agreement 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 to execute an agreement with RxStrategies for 340B third party administration services for contracted pharmacies except Walgreens and CVS for a term of three years with the System holding 2 one-year options to renew and with the total cost not to exceed $16,075,500 with all payments to be withheld from funds collected by the Vendor.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH RXSTRATEGIES
FOR 340B THIRD PARTY ADMINISTRATION SERVICES

BACKGROUND: Section 340B of the Public Health Act requires drug manufacturers to provide rebates for drug purchases by outpatients of Disproportionate Share Hospitals, and others (the "340B Program"). The 340 B Program has become a major subsidy of the cost of care of eligible patients of the hospitals and other providers qualified to participate. The System has increased its participation in the 340B Program such that its net revenue from the 340B Program has gone from $14M in FY 17 to $40M in FY19. To collect discounts on prescriptions filled by the System's patients, the System has entered into agreements with about 274 independent pharmacies, plus 187 Walgreens/Duane Reade and 151 CVS pharmacies whereby the System receives the benefit of the 340B Program discounts and pays such pharmacies a dispensing fee. Because of the complexity of the 340B Program, its demanding reporting, tracking and management requirements, healthcare providers use a third party administrator (a "TPA") to identify eligible patients, calculate the appropriate discount, collect such discount after allowing for the retention of administrative fees by contracted pharmacies and arrange to replenish the supplies of the contracted pharmacies of the prescribed medications. The aspect of the 340B Program that deals with external pharmacies extends 340B benefits for the System's 340B-eligible patients who fill prescriptions at external pharmacies.

The System's contract with its current TPA, RX Capture, expires 12/31/2019.

Authorization is sought for the System to contract with RxStrategies to provide services for its 340B Program.

PROCUREMENT: The System issued a RFP on April 24, 2019. An optional pre-proposers conference was held on May 6, 2019, which five prospective vendors attended. Six proposals were received, evaluated and scored. The three highest rated proposers were invited to present before the Selection Committee. Vendor presentations were held on July 9, 2019, followed by a final evaluation and scoring. Through this process the Selection Committee evaluated the proposals and presentations on the basis of technical capabilities/approach, cost, availability of NYC-based staff, experience, fiscal responsibility to customer. RxStrategies was selected.

BUISNESS TERMS: The cost of the proposed agreement will not exceed $16,075,500 over potential 5 year term. The fee paid to RxStrategies will be $250 per contract pharmacy relationship per month plus $4.75 per 340B approved claim. This differs from current vendor which receives 14% of the insurance reimbursement for each approved 340B claim (after pharmacy dispensing fee and the drug cost). RxStrategies is expected to increase 340B approved claims by a minimum of 12% thereby increasing net revenue to $44.8M in FY20 while keeping the costs associated with their services budget neutral as compared to current vendor.

TERM: 3 years with 2 one-year options to renew solely exercisable by the System.

MWBE: Has filed approved 30% MWBE utilization plan.

NYC HEALTH+ HOSPITALS

Keith Tallbe
Senior Counsel, Office of Legal Affairs
160 Water Street, 13th Floor
New York, NY 10038
Keith.Tallbe@nychhc.org
646-458-2034

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

From: Keith Tallbe KT
Senior Counsel
Office of Legal Affairs

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

Vendor: RxStrategies, Inc.

Date: October 1, 2019

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

Vendor Responsibility	EEO	MWBE
Approved	Approved	30% utilization

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.

340B Third Party Administrator

Application to Enter into Contract

Finance Committee Meeting
October 10, 2019

Dean Mihaltses, RPh, MPA
Chief Operating Officer
Queens Hospital

Joe Wilson, SAVP
Supply Chain Services

Federal 340B Drug Program

Congress created the 340B program in November 1992 through the enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act (created under Section 602 of the Veterans Health Care Act of 1992).

The intent of the 340B Program is to enable covered entities to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.

Manufacturers participating in Medicaid agree to provide outpatient drugs to covered entities at significantly reduced prices.

Statutorily requires pharmaceutical manufacturers to provide outpatient drugs to certain qualified covered entities at reduced pricing.

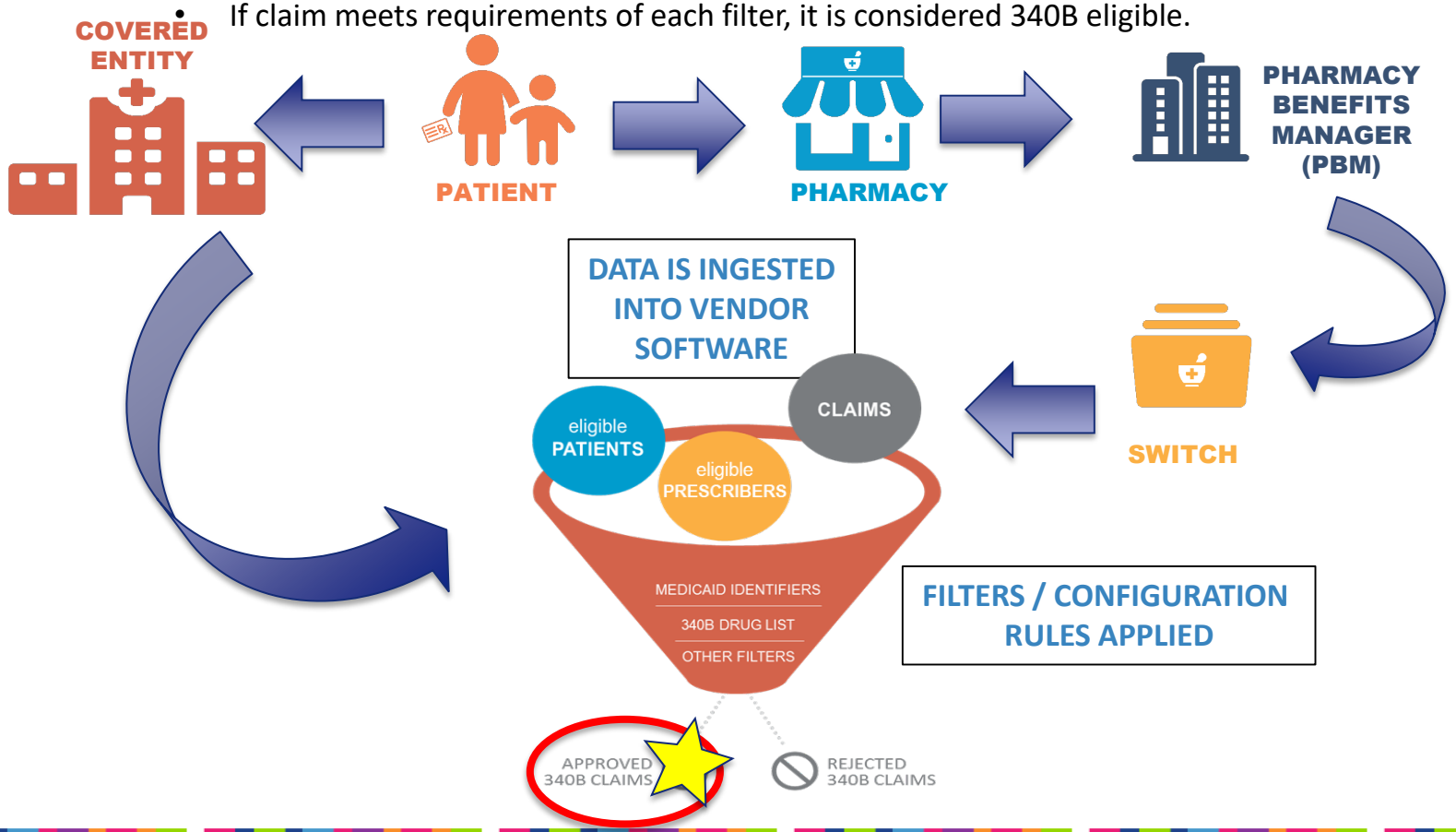
340B Price Calculation

By statute, the 340B ceiling price for a covered drug is equivalent to the drug's average manufacturer price (AMP) in the preceding calendar quarter reduced by a rebate percentage (Unit Rebate Amount). CMS provides the ceiling price. Health Resources and Services Administration (HRSA) will publish and update the 340B ceiling price rounded to two decimal places.

340B pricing is generally 25 -50% LESS THAN AWP pricing

The 340B Contract Pharmacy Model

- Health + Hospitals sends e-prescription and encounter data to Third Party Administrator (TPA) – Rx Strategies.
- RxStrategies also obtains data from Pharmacy Benefit Manager (PBM) clearinghouse (Switch Provider) for all prescriptions adjudicated at contract pharmacies.
- Data is matched based on 340B eligibility criteria (filters).
- If claim meets requirements of each filter, it is considered 340B eligible.



Background / Current State

- NYC Health + Hospitals is seeking an experienced vendor to provide services for its 340B Contract Pharmacy Program including but not limited to identification of contracting opportunities with community pharmacies, virtual inventory management, transaction management, and maintenance of ongoing contract pharmacy relationships.

- The 340B Contract Pharmacy program extends 340B benefits for NYC Health + Hospitals' 340B-eligible patients with third-party pharmacy benefits who fill prescriptions at external contract pharmacies. This results in NYC Health + Hospitals being able to appreciate the financial benefit of the difference between the Pharmacy Benefit Manager (PBM) reimbursement and 340B cost of drugs

- This project excludes Walgreens and CVS Pharmacies

- Current vendor = Capture Rx

- Historical spend = Average $3.8M per year

- Current contract expiration = 12/31/2019

RFP Criteria

- Minimum criteria:
  - Must be in business as a provider of 340B program services to 340B eligible entities for at least the past five years;
  - Must have a minimum of 100 clients, of which, a minimum of 40% must be Disproportionate Share Hospitals (DSH);
  - Must have a minimum gross annual revenue of $20 million

- Evaluation committee
  - Dean Mihaltses - Committee Chair
  - Catherine Patsos – Chief Corporate Compliance Officer
  - Galit Fouks - Finance
  - David Mancher - EITS
  - Victor Cohen, - M&PA
  - Tarun Suri - M&PA
  - Sheila Brocavich - Queens
  - Nasir Iqbal - Lincoln
  - Danielle Sestito - Supply Chain
  - Min Than - Supply Chain

- Evaluation Criteria:

Category	Weight %
Cost	25
Technical Capabilities/Approach/Design	30
Availability of NYC-based staff	10
Experience	15
MWBE	10
Fiscal Responsibility to customer	10

Overview of Procurement

- April 16, 2019: CRC approved an application to issue solicitation.
- April 24, 2019: RFP was sent directly to 12 vendors and posted to City Record. No MWBE firms were identified for direct distribution.
- May 6, 2019: pre-proposal conference
- May 29, 2019: proposal deadline, 6 proposals received
- July 9, 2019: evaluation committee reviewed proposals
  - 3 vendors invited for in-person presentations based on natural break of proposal scoring
- September 17, 2019: CRC approval to enter into contract with RxStrategies

Vendor Highlights – Rx Strategies

- Technologically advanced platform with dynamic dashboard and metrics
- Ability to carve-in Managed Medicaid at Point-of-Sale
- Will support marketing and education efforts during transition away from incumbent and will maintain ongoing relationships with current independent pharmacy network
- Will use proprietary data analytics to ascertain new pharmacy opportunity
- Reference checks from these clients were very favorable
  - Adventist Health System
  - Ochsner Health System
  - Mosaic Life Care
- During negotiations, RxStrategies has committed to hiring 4 FTEs on-site and dedicated to NYC Health+Hospitals.
  - Account Manager (1.0 FTE)
  - Data Analyst (1.0 FTE)
  - Contract Pharmacy Support (2.0 FTEs)
- Negotiated new fee structure which will result in cost savings
  - Moved away from percentage-based fee per approved claim to flat-fee model

Cost Structure

- Following extensive cost modeling and price negotiations, both parties agreed to a hybrid pricing model whereby:
  - $3,000 annual ($250 per month per contract pharmacy relationship)
  - $4.75 per 340B approved claim
- Current state: 500 contract pharmacy relationships and 102,000 340B approved claims per year (commercially insured claims only).
- Assume growth of approval rate to 12% due to RxStrategies' ability to carve-in Managed Medicaid Claims (unable to accomplish with current vendor).

	Quantity	Rate	Annual Cost
Independent Contract Pharmacies	500	$3,000	$1,500,000
Assume # 340B Approved Claims	361,200	$4.75	$1,715,700
			$3,215,700

- During 5 year contract, expectation is to collect $156.8M (net) on fees of $16.1M
  - *Excludes Walgreens and CVS

Finance Committee Approval Request

- We are seeking approval to enter into contract with RxStrategies for 340B Third Party Administrator services
  - 3 year contract with two 1-year renewals at the discretion of NYC H+H
  - Go-live on January 1, 2020
  - Cost over lifetime of agreement is $16,075,500
  - Net benefit = $156.8M
  - With their ability to carve-in Managed Medicaid, RxStrategies will qualify three times the number of 340B claims which will create additional revenue while maintaining equal or lesser cost.