NYC HEALTH+ HOSPITALS

125 Worth Street ▪ New York, NY ▪ 10013

BOARD OF DIRECTORS MEETING

THURSDAY, NOVEMBER 21, 2019

A•G•E•N•D•A

CALL TO ORDER - 3:00 PM	**Mr. Pagán**
1. Adoption of Minutes: OCTOBER 31, 2019	**Mr. Pagán**
Chair's Report	
President's Report **Legislative Update**	**Dr. Katz** **Ms. Brown**
>> **Action Items**<<	
2. Authorizing the New York City Health and Hospitals Corporation (the "System") to execute renewal of a revocable five-year license agreement with **Eyes and Optics** (the "Licensee") for the continued use and occupancy of approximately 140 square feet of space on the 8th floor of the "E" Building to operate an optical dispensary at NYC Health + Hospitals/Kings County (the "Facility") at an occupancy fee of $34.78 per square foot for a total annual occupancy fee of $4,869 to be escalated by 3% per year for a total over the five year term of $25,850. (Capital Committee – 11/12/2019) **Vendex: Approved / EEO: NA**	**Mr. Peña-Mora**
3. Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with **Firemaxx Inc**. ("the Contractor") to provide fire alarm preventive maintenance, testing and repair services on pre-determined schedule at various facilities throughout the System over a three years term with an option, exercisable only by the System, for two one-year extensions for an amount not to exceed $8,935,376. (Capital Committee – 11/12/2019) **Vendex: Pending / EEO: Pending**	**Mr. Peña-Mora**
4. Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with **MICO Cooling Corp**. ("the Contractor") to provide refrigeration maintenance services on pre-determined schedule at various facilities throughout the System over a three year term with an option, exercisable solely by the System, for two one-year extensions, for an amount not to exceed $8,507,640 (Capital Committee – 11/12/2019) **Vendex: Approved / EEO: Pending**	**Mr. Peña-Mora**
Committees and Subsidiaries Report	
➢ Governance	**Mr. Pagán**
➢ Strategic	**Mr. Campbell**
➢ Medical and Professional Affairs	**Dr. Calamia**
➢ Equity Diversity and Inclusion	**Ms. Arteaga Landaverde**
➢ Capital	**Mr. Peña-Mora**
➢ Community Relations	**Mr. Nolan**
➢ Physician Purchasing Group/HHC Insurance Company	**Dr. Calamia**
➢ MetroPlus	**Ms. Hernandez-Piñero**
➢ OneCity Health Services	**Israel Rocha**
Executive Session | Facility Governing Body Report ➢NYC Health + Hospitals | Harlem	**Mr. Pagán**
Semi-Annual Governing Body Report (Written Submission Only) ➢NYC Health + Hospitals | Metropolitan	**Mr. Pagán**
>>**Old Business**<< >>**New Business**<<	
Adjournment	

NYC HEALTH + HOSPITALS

A meeting of the Board of Directors of New York City Health and Hospitals Corporation was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 31st day of October, 2019, at 3 P.M., pursuant to a notice which was sent to all of the Directors of New York City Health and Hospitals Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

Mr. José Pagàn
Dr. Mitchell Katz (Matthew Siegler represented until 3:36)
Mr. Scott French
Dr. Vincent Calamia
Ms. Barbara A. Lowe
Dr. Hillary Kunins
Mr. Robert Nolan
Ms. Helen Arteaga Landaverde
Ms. Sally Piñero-Hernandez
Ms. Freda Wang
Mr. Feniosky Peña-Mora
Ms. Anita Kawatra

Mr. Pagán, Chair of the Board, called the meeting to order at 3:09 p.m. Mr. José Pagàn, chaired the meeting and Ms. Colicia Hercules, Corporate Secretary, kept the minutes thereof.

Scott French was in attendance representing Steven Banks. Matthew Siegler represented Dr. Mitchell Katz pending his arrival at the meeting. Both acted in a voting capacity.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on September 26, 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 September 26, 2019, copies of which have been presented to this meeting, be and hereby are adopted.

Mr. Pagán informed the Board in the interest of time he will re-order the agenda to consider the actions items first.

ACTION ITEM 2:

Mr. Pagán read the resolution:

> Authorizing the **amendment of Article VI, Section 9 of the By-Laws** of the New York City Health and Hospitals Corporation (the "System") to remove the requirement that the chairperson of the Community Relations Committee also serve as an ex officio member of the Quality Assurance/Performance Improvement Committee.

This item was presented before the Governance Committee on 10/31/2019

Mr. Pagán informed the Board this By-Law amendment is proposed to ensure the efficient operation of the Board Standing Committees and the removal of this stipulation would not affect any regulatory requirements.

Following discussion, and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 3:

Mr. Siegler read the resolution:

> Adopting, in the name of the name of the Board of Directors of New York City Health and Hospitals Corporation ("NYC Health + Hospitals") **an Implementation Strategy Plan (an "ISP")** for each of its acute care hospitals and the long-term acute care part of NYC Health + Hospitals/Henry J. Carter Specialty Hospital and Rehabilitation Center ("HJC") as a supplement to the Community Health Needs Assessment (the "CHNA").

This item was approved by the Board of Directors in June 2019.

Israel Rocha, CEO, OneCity Health and Dr. Machelle Allen, Chief Medical Director presented on the process of engaging the Community for feedback on how NYC Health + Hospitals should plan to address their specific needs, with some of the implementation already in the process.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 4:

Mr. Peña-Mora read the resolution:

> Amending the resolution adopted in December 2016 by the Board of Directors of New York City Health and Hospitals Corporation (the "System") that authorized requirements contracts with seven architectural and engineering **("AE") consulting firms to provide AE design services; six mechanical, engineering, and plumbing ("MEP")** consulting firms to provide MEP design services; and five Local Law 11 inspection consulting firms to provide Law 11 inspection and filing services and AE services in connection with Local Law 11 compliance

on an as-needed basis at various facilities – all of such contractors being listed in Schedule A attached hereto -- with such amendment increasing the $23 Million not-to-exceed limit by $5 Million to bring the total-not-to exceed limit to $28 Million and extending the term of the contracts through June 30, 2020; and

Further amending the list of consultants to be those listed in Schedule A attached.

This item was presented to the Capital Committee on 10/10/2019

Ms. Christine Flaherty, Senior Vice President Office of Facilities Development and Mahendra Ingra, Senior Director Office of Facilities Development presented on the need to amend the current contract to meet NYC Health + Hospitals' needs.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 5:

The resolution was read by Mr. Peña-Mora:

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with **Fratello Construction Corporation** (the "Contractor") for an amount not to exceed $8,982,904 for pre-construction, demolition, asbestos abatement, and construction services necessary for the heating, ventilation and air conditioning ("HVAC") relocation project (the "Project") at NYC Health + Hospitals / Bellevue ("Bellevue").

This item was presented to the Capital Committee on 10/10/2019.

Ms. Flaherty, Senior Vice President Office of Facilities Development presented on the need for these services. She further clarified that the combined projects is scheduled for completing by April 2021

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 6:

The resolution was read by Mr. Peña-Mora:

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to initiate the renovation of the 10th Floor (the "Project") of the Main Building at NYC Health + Hospitals/Jacobi ("Jacobi") including a construction contract award to **Vanguard**

Construction in an amount not to exceed $5,646,362 and other pre-construction, design, asbestos abatement, and construction management services, including the cost of the Vanguard contract, in an amount not to exceed $9,530,500.

This item was presented to the Capital Committee on October 10, 2019.

Ms. Flaherty, Senior Vice President Office of Facilities Development, Christopher Mastromano, Chief Executive Director of Jacobi and Jordana Bailey, Deputy Executive Director – Jacobi presented.

Ms. Bailey explained to the Board that this construction would integrate primary care into a behavioral health setting in order to realize seamless patient care. The overall project is for $9,530,500 with Vanguard Construction being awarded $5,646,362.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 7:

Mr. Peña-Mora indicated that the below resolution was presented to the Capital Committee; however, an amended resolution is being presented. The resolution as originally presented read as follows:

Amending the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation (the "System") on July 26, 2018 authorizing the execution of a Job Order Contract ("JOC") with **Volmar Construction, Inc. ("Volmar")**, to provide heating, ventilation and air conditioning ("HVAC") services on an as-needed basis with such amendment increasing the $6 Million not to exceed cost by $6 Million to bring the total not to exceed limit to $12 Million. This item was presented to the Capital Committee on October 10, 2019.

The Amended Resolution for Board Consideration reads as follows:

Amending the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation (the "System") on July 26, 2018 authorizing the execution of a Job Order Contract ("JOC") with **Volmar Construction, Inc. ("Volmar"),** to provide heating, ventilation and air conditioning ("HVAC") services on an as-needed basis with such amendment increasing the $6 Million not to exceed cost by $2,340,000 Million to bring the total not to exceed limit to $8,340,000 Million.

Ms. Flaherty, Senior Vice President Office of Facilities Development presented on the need for the requested amendment to ensure that Kings County Hospital EPIC Go-Live implementation and other current and future needs within the System.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the **amended** resolution.

ACTION ITEM 8:

The resolution was read by Mr. Peña-Mora:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a five year revocable license agreement with **New York College of Health Professions ("NY College")** for its use of approximately 3,471 square feet the 7th floor North of the Main Building on the campus of NYC Health + Hospitals/Bellevue ("Bellevue") at an annual occupancy fee payable to the System of $206,350.95 calculated at $59.45/ft. which will be escalated by 2.5% annually resulting in a total occupancy fee payable to the System over the term of $1,084,648.36.

This item was presented to the Capital Committee on October 10, 2019

William Hicks, Chief Executive Officer of Bellevue, Chis Roberson, and Lynn Lombardi, Associated Executive Director presented on the history and continued benefits of this partnership to Bellevue staff and patients.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 9:

The resolution was read by Ms. Freda Wang:

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.

This item was presented to the Finance Committee on October 10, 2019.

Marji Karlin - Chief Revenue Officer, Allison Smith - Director, and Robert Melican – Senior Director of Revenue Cycle provided a history and current state of Managed Care Revenue Consulting Group LLC relationship with Health + Hospitals. They further explained the claim process, procurement process, MWBE status and justification for a best interest renewal request.

Following discussion and upon motion made and duly seconded, the

Board unanimously approved the resolution.

ACTION ITEM 10:

The resolution was read by Ms. Wang:

> 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. This item was presented to the Finance Committee on October 10, 2019.

Ms. Karlin - Chief Revenue Officer and Mr. Melican – Senior Director of Revenue Cycle provided a background and current state of self-pay patient accounts. They further explained the procurement process, MWBE status for each vendor and justification for the approval to enter into contract with each of the selected vendors.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 11:

The resolution was read by Ms. Wang:

> 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.
>
> This item was presented to the Finance Committee on October 10, 2019.

Paul Albertson – Vice President, Supply Chain, Joe Wilson – Senior Assistant Vice President, Supply Chain and Dean Mihaltses – Chief Operating Officer, Queens Hospital presented on the background of the Federal 340B drug program model and pricing, Health + Hospitals current state, procurement process, vendor MWBE status and justification for seeking approval to enter into contract with RxStrategies.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 12:

The resolution was read by Ms. Wang, who notified the Board that due to timing issues this item was not presented to the Finance Committee and is being brought directly to the Board for approval:

> Authorizing New York City Health and Hospitals Corporation (the "System") to sign three year agreements with **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.

Ms. Karlin - Chief Revenue Officer and Bryce Jenkins – Assistant Vice President for Revenue Cycle presented on the definition of medical necessity denials, the background and current state of NYC Health + Hospitals process, procurement process, financial summary of medical necessity denials and transfer DRGs, MWBE status for each vendor and the justification for approval to enter into contract with each vendor.

Following discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

CHAIRPERSON'S REPORT

Mr. Pagán thanked Ms. Arteaga Landaverde for participating in the Elmhurst Joint Commission exit session on September 27th, and requested feedback.

Ms. Arteaga Landaverde expressed how her pride in Elmhurst to have completed a successful survey by the Joint Commission and complemented Elmhurst leadership and staff for their commitment.

Mr. Pagán then referred the Board to Article VI – Section 1(C) of the by-laws that provides

> "**Appointment**. The Chair of the Board shall annually appoint, with the approval of a majority of the Board, members of the Board to the standing committees." In light of the death of Josephine Bolus, a longtime member of the Board of Directors who served on all standing committees of the Board, Mr. Pagán noted, a series of replacements are necessary to maintain the required quorum on such committees. Mr. Pagán therefore, proposed a motion to appoint the following Board members to the indicated standing Committees:

Robert Nolan	-	Chair - CRC
Feniosky Peña-Mora	-	Member IT

Then on motion made and duly seconded, the Board unanimously adopted such appointments to the standing committees.

Vendex Approvals

Mr. Pagán noted that since NYC Health + Hospitals began the process of approving contracts prior to vendex approvals, there are 29 new items on today's agenda requiring Vendex of which 25 have Vendex approval. There are nine items from previous board meetings pending Vendex approval, which are in your Board materials. Since we last met we have received two vendex approvals; we will continue to notify the Board as outstanding vendex approvals are received.

President's Report

Dr. Katz referred the Board to his written report and is attached and incorporated by reference to these minutes.

He highlighted his City Council testimony where he provided an update on the successful rollout of NYC Cares in the Bronx, and NYC Health + Hospitals current positive financials. He also, highlighted the excellent work of OneCity Health under the leadership of Israel Rocha to engage the community regarding the implementation plans for the community needs assessment. He further recognized that Newsweek ranked three of our skilled nursing facilities among the top ten in New York State. There are 22 new NYC Health + Hospital ambulances that are expediting the inter-facility transfers of critical patients. Dr. Katz also complimented MetroPlus for creating a YouTube video to show its impact on patients by addressing their housing needs. He also noted that the Judson center opened a new pride center of care to address the LGBTQ community needs.

Legislative Report

Ms. Deborah Brown presented the legislative report and noted that there is continued conversation with the FQHCs about NYC Cares implementation. On the Federal level, there is continued concerns about Medicaid DSH cuts and there is a resolution that is expected to be passed to delay the cuts until November 2[1]. She said that there is bilateral support for a more permanent solution that we will continue to work on and will keep the Board informed.

COMMITTEE AND SUBSIDIARIES REPORTS

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

EXECUTIVE SESSION

Mr. Pagán then requested the Board's approval to convene an executive session to discuss confidential and privileged quality assurance information and that some of the information may related to proposed or actual litigation and/or confidential medical information of patients.

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/Coney Island Hospital and NYC Health + Hospitals/Sea View Nursing Facility.

The Board received and approved a semi-annual governing body report from NYC Health + Hospitals/ Coler Skilled Nursing Facility and Specialty Hospital, along with NYC Health + Hospitals/Henry J. Carter Skilled Nursing Facility.

The Board also received and approved the 2018 performance improvement plan and evaluation written submission from NYC Health + Hospitals/Renaissance Diagnostic and Treatment Center – Gotham Health.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 5:50 P.M.

Colicia Hercules
Corporate Secretary

COMMITTEE REPORTS

GOVERNANCE COMMITTEE - September 26, 2019
As Reported by José Pagán
Committee Members Present: Committee Members – José Pagán; Helen Arteaga Landaverde,
Staff – Andrea Cohen; Yvette Villanueva; Colicia Hercules

The meeting was called to order at 2:45 pm by José Pagán.

Mr. Pagán called a motion to accept the minutes of the Governance Committee meeting held on July 25, 2019. The motion was seconded and the minutes were unanimously approved.

Mr. Pagán then requested a motion to convene an executive session to discuss personnel matters. The motion was seconded and approved.

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

During the Executive Session the Committee considered a nominee to the following corporate officer level position:

1. *Deborah Brown – Senior Vice President, External & Regulatory Affairs*
   Following a discussion conducted by Dr. Mitchell Katz, and the subsequent deliberations by the Committee attendees, Mr. Pagán called for a motion to recommend Deborah Brown, Senior Vice President, External & Regulatory Affairs

The motion was seconded and unanimously approved by the Committee for consideration by the full Board.

There being no further business, the meeting adjourned at 2:45 p.m.

Capital Committee Meeting – October 10, 2019
As Reported by: Feniosky Peña-Mora
Committee Members Present: José Pagán, Sally Hernandez-Piñero, Freda Wang, and Mitchell Katz, MD

CALL TO ORDER

The meeting was called to order by Feniosky Peña-Mora, Chairman of the Capital Committee, at 8:04 A.M.

On motion, the Committee voted to adopt the minutes of the September 12, 2019, Capital Committee meeting.

VICE PRESIDENT'S REPORT

Christine Flaherty, Senior Vice President reported that the team was working hard to ensure there was continuity of services for all existing contracts and was working on getting necessary support for design-build, which was being discussed as an option for Primary Care expansion projects, but was awaiting sign-off by the New York State Governor.

She noted that the system, along with Communilife, was exploring a Phase II development at Woodhull, to provide housing to patients.

Additionally, Mrs. Flaherty stated, that the Minority and Women Owned Business Enterprise (MWBE) participation was very important and that the department was considering adding minimum criteria of MWBE participation on future Requests for Proposal (RFP) to ensure that there would be key buy-in from all vendors tied to MWBE participation moving forward.

Mrs. Flaherty said she looked forward to presenting the various Action Items on the Agenda.

ACTION ITEMS

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

> **Amending the resolution adopted in December 2016 by the Board of Directors of New York City Health and Hospitals Corporation (the "System") that authorized requirements contracts with seven architectural and engineering ("AE") consulting firms to provide AE design services; six mechanical, engineering, and plumbing ("MEP") consulting firms to provide MEP design services; and five Local Law 11 inspection consulting firms to provide Law 11 inspection and filing services and AE services in connection with Local Law 11 compliance on an as-needed basis at various facilities – all of such contractors being listed in Schedule A attached hereto -- with such amendment increasing the $23 Million not-to-exceed limit by $5 Million to bring the total-not-to exceed limit to $28 Million and extending the term of the contracts through June 30, 2020; and**
>
> **Further amending the list of consultants to be those listed in Schedule A attached.**

Mrs. Flaherty noted that the subject contracts were used system-wide for design services. Proposals for the contracts were reviewed by selection committee in December 2016, and final award was made in February 2017. Six (6) Architectural and Engineering firms, five (5) Mechanical firms, and 5 Local Law 11 firms were selected. For those who were not familiar with Local Law 11, Ms. Flaherty explained that it was essentially life safety façade, structural, and/or rehabilitative services. For instance, if there were a structural issue at one of our sites, they would ensure that scaffolding was in place.

Mrs. Flaherty explained that the pool was initially approved under a $15 million not-to-exceed limit, for a term of three years (one base year and two one-year options to renew). As a result of high usage, the not-to-exceed threshold was increased by the Capital Committee and Board of Directors in March 2019, bringing the not-to-exceed threshold to $23 million.

As timelines were reviewed, for the solicitation of new contracts, it was determined that there would likely need to be an extension of the term, as well as an increase of the not-to-exceed threshold, in order to accommodate the lengthy contract award process.

Mrs. Flaherty walked through the associated power point presentation, reviewing the commitments to date against the existing contracts, and the data gathered with regards to Minority and Women Owned Business Enterprise (M/WBE) utilization. Ms. Flaherty noted that based on the summary information gathered from consultants, the pooled contracts were collectively meeting a 13% subcontracting goal.

Ms. Hernandez-Piñero asked if the percentage was based on paid to date information. Ms. Flaherty explained that it was based on dollars paid to date to MWBEs against dollars paid to date to the consultants. She referred Committee members to a breakdown included with the resolution in the package.

Mr. Peña-Mora asked if that breakdown included paid to date information. Ms. Flaherty said yes, the chart shows committed to date, paid to consultant to date, and consultant paid to MWBE to date.

Mrs. Flaherty advised that a meeting had been convened with all consultants to gather data that had not been previously collected over the course of the contract.

Mr. Peña-Mora asked what goals were established during contract award. Mrs. Flaherty said she would like to review the contracts and report back.

Mr. Peña-Mora asked if the data had not been collected to date. Mrs. Flaherty said yes. There was a process for reporting into a system managed by Supply Chain, and that reporting was not being done.

Mr. Peña-Mora asked if by not collecting and reviewing data, when goals were established in the original contracts, were we not giving the impression that this was not important?

Mrs. Flaherty said yes. The reporting was not being captured and we are now working closely with Supply Chain to correct that.

Dr. Katz agreed with Mr. Peña-Mora, that a message was being sent to these consultants that MWBE was not a priority. Mrs. Flaherty said she understood and reiterated her commitment to correct the issue.

Mr. Peña-Mora asked if the extension through June 2020 would allow adequate time for the solicitation of new contracts to be complete, and whether the additional funds would be utilized but not exhausted. Mrs. Flaherty said yes, the solicitation process has begun, with CRC approval of the Request for Proposals (RFP) in place, and the dollars should carry us through with some cushion. We do not want to have to come back before the Capital Committee and Board of Directors with these contracts but we do not want to underestimate possible usage.

Ms. Hernandez-Piñero asked if there were needs identified for the additional $5 million. Mrs. Flaherty said yes, we have Express Care design on-going at various facilities, we have Primary Care expansion projects in the pipeline, ongoing Capital design, and regulatory compliance tied to 797/800 requirements at various facilities. There will undoubtedly be some outliers as well, that cannot be predicted.

Mr. Pagán asked if the new contracts would come before the Committee. Mrs. Flaherty said yes, hopefully by April 2020.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee approved the resolution for the full Board's consideration.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

> **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with Fratello Construction Corporation (the "Contractor") for an amount not to exceed $8,982,904 for pre-construction, demolition, asbestos abatement, and construction services necessary for the heating, ventilation and air conditioning ("HVAC") relocation project (the "Project") at NYC Health + Hospitals / Bellevue ("Bellevue").**

Mrs. Flaherty narrated the associated Power Point presentation. She explained that of the $1.723 awarded to NYC Health + Hospitals under the Federal Emergency Management Association (FEMA) 428 grant, $498.69 was awarded to Bellevue.

The project being presented was to relocate three (3) air handling units from the ground floor mechanical room to the Northwest and Southwest mechanical rooms, elevating the units to a safe level to minimize risk of being affected during weather events.

Mrs. Flaherty noted that the construction contract being presented was sourced via public bid. Fratello Construction was the lowest responsible bidder and they had submitted an MWBE utilization plan of 33%.

Mr. Peña-Mora asked what the completion date would be. Mrs. Flaherty said the contract would be for a term of 24 months.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee approved the resolution for the full Board's consideration.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to initiate the renovation of the 10th Floor (the "Project") of the Main Building at NYC Health + Hospitals/Jacobi ("Jacobi") including a construction contract award to Vanguard Construction in an amount not to exceed $5,646,362 and other pre-construction, design, asbestos abatement, and construction management services, including the cost of the Vanguard contract, in an amount not to exceed $9,530,500.

Mrs. Flaherty was joined by Jordana Bailey, Chief Financial Officer, NYC Health + Hospitals Jacobi.

Mrs. Bailey explained that the goal of this project was to integrate Behavioral Health into a Primary Care setting. Services would be relocated from the 4th and 5th floors of building #4 into 19,980 square feet of space on the 10th floor of building #1. The projected was funded by Capital Restructuring Financing Program (CRFP) funds and was anticipated for completion by December 2020 with occupancy by 2021.

Ms. Wang asked if there were completion requirements associated with receiving the grant funds. Mrs. Flaherty said yes, grant funds were dependent on completion but a grant extension could be requested if needed.

Mrs. Bailey outlined the project budget, shown in the associated Power Point, and summarized the construction contract procurement, which was awarded to Vanguard Construction as lowest responsible bidder, for $5,646,362. Vanguard had submitted an MWBE utilization plan of 35.8%.

Ms. Wang asked if there were any penalties built into the contract in the chance that there were delays on Vanguards part. Mrs. Flaherty said that she did not believe that liquidated damages were built into the contract but said that the system had resources in place to manage the project and ensure that Vanguard stayed on track. She added that Vanguard was completing projects at other sites within the system, and had been performing on time.

Dr. Katz asked if NYC Health + Hospitals ever structured contracts with incentives (a term he preferred to penalties). Mrs. Flaherty said she had not seen an H+H construction contract drafted with incentives or liquidated damages but they could absolutely be drafted with those and is something we will be investigated, especially with time sensitive projects.

Ms. Wang said if it would be appropriate in a situation such as this, where funding was dependent on on-time completion. Mrs. Flaherty said absolutely, however that was not the condition of the bid itself and at this point it is possible that it would affect the bid price if added. She said it had been made clear to the contractor what the timeline was.

Ms. Hernandez-Piñero asked where the relocated services were being moved to. Mrs. Bailey said the 4th and 5th floors (Behavioral Health) would be moved to the 10th floor of the main building to be collocated with Primary Care.

Ms. Hernandez-Piñero asked what the vacated space would be used for. Mrs. Bailey said it would be used for business occupancy or administrative functions.

Mr. Peña-Mora asked if the contingency was adequate. Mrs. Flaherty said yes, she believed so. The budget was tied closely to the grant funds. Mrs. Flaherty explained that the $362,910 project contingency listed in the Power Point presentation covered for all aspects of the project, construction, furniture, fixtures and equipment (FF&E), etc.

On motion by the Chairman of the Committee, the Committee approved the above amended resolution for the full Board's consideration.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

> **Authorizing the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation (the "System") on July 26, 2018 authorizing the execution of a Job Order Contract ("JOC") with Volmar Construction, Inc. ("Volmar"), to provide heating, ventilation and air conditioning ("HVAC") services on an as-needed basis with such amendment increasing the $6 Million not to exceed cost by $6 Million to bring the total not to exceed limit to $12 Million.**

Ms. Flaherty explained that this requested increase was similar to one presented in September to double contract capacity for a Job Order Contract (JOC) requirements contract. She noted that the reason for increase was based on similar needs as well, noting the extensive work required at Kings County in order to complete necessary work related to EPIC.

This specific contract, with Volmar Construction, was solicited through public bid, whereby contractors bid on a pre-priced itemized list, establishing a multiplier on which the bids will be based.

Mrs. Flaherty advised that there were currently two JOC contracts in place for Heating, Ventilation, and Air Conditioning (HVAC) services, one with Volmar Construction and one with AWL Industries, Inc. Volmar has been used throughout the system for EPIC make-ready work required to support Information Technology (IT) requirements. They had been doing all acute and ambulatory care electronic patient record software. AWL was being used for construction work associated with 797/800 pharmacy work moving forward.
The contracts were awarded in June 2018 with a multiplier of 1.0510 for Volmar and 1.0848 for AWL. Volmar has presented a plan to meet 30% MWBE utilization goals.

Volmar has a scope of work with current commitments to date of $2.4 million, for which MWBE utilization had totaled 31%, 30% and 22% against individual work orders.
Mrs. Flaherty explained that the main driver for contract increase was the pending work at Kings County. Once the proposed work was outlined and separated by project it was determined that based upon response rate and assurance on performance, Volmar would be the most appropriate to perform the upcoming work. They have demonstrated the speed and willingness necessary.

Mrs. Flaherty advised that Volmar was still in process of providing a proposal for the upcoming work, which was estimated to be approximately $5 million. Within that proposal Volmar was asked to incorporate a minimum of 30% MWBE participation, which Mrs. Flaherty was working closely with them to ensure.

Mrs. Flaherty stated that the request was being made for an additional $6 million with the contract in effect through June 2020. She noted that the combination of work in the pipeline, unforeseen jobs, and the remaining time on the contract should provide for continuity of service until a new solicitation was performed.

Mrs. Flaherty advised that as a result of the Capital Committee briefing, a call had been scheduled with the New York City Comptroller’s Office to get their perspective on substantial contract increases, and the call was scheduled for the coming Friday. We shared the details of the contracts, the scope of services, the reason the scope was not anticipated, and that we did not believe the results of the bid would have changed based on this information and all of that will be discussed.

Ms. Hernandez-Piñero asked why assessments for EPIC rollout related work did not anticipate the volume of work needed at Kings and how that cost compares to other sites. Mrs. Flaherty said Kings County was by far the largest cost of all, infrastructure was very old in many locations, and in some locations entirely new wiring was being laid in order to accommodate new systems and/or equipment.

Ms. Hernandez-Piñero asked if that could not be viewed as a benefit to the system in some ways. Mrs. Flaherty agreed that in some cases necessary infrastructure upgrades were being completed as a result of the EPIC related work. She noted that unfortunately the upgrades were not carrying over to clinical areas for the most part.
Dr. Katz commented that EPIC estimates seem to have been largely based on the cost of EPIC and some of the related support work was not pulled into the scope. For example, you cannot plug in a router without an electrical outlet.

Mr. Peña-Mora asked if there was a timeline for when the final proposal and MWBE plan would be provided and noted that any approvals would be contingent upon discussions with the Comptroller’s Office. Mrs. Flaherty said the subcontractor information was being gathered and finalized. She hoped that information would be provided prior to the Board of Directors meeting.

Mr. Peña-Mora asked if the contract would require an extension. Mrs. Flaherty said no, we anticipate new bids going at as usual, in the coming months, to replace the existing contracts.
Mr. Peña-Mora asked if the dollars included in the increase were expected to be committed prior to the end of the contract. Mrs. Flaherty said yes, we believe so, but we did not want to under budget, we wanted to be sure that as projects roll out there is a contractor available.

Mr. Peña-Mora asked if there were a contingency plan in place, if the Comptroller's Office did not approve of the $6 million increase or if the resolution did not move forward as planned. Mrs. Flaherty said yes, the work can be split between; 1) urgent critical work required for EPIC to be online; and, 2) larger projects for permanent long-term fixes. The smaller "band aid" work would be completed under the current contract, within the approved $6 million, while the larger more permanent fixes could be funneled through other available contracts. Mrs. Flaherty noted that there were other options, and they did not all require coming before the Capital Committee and Board of Directors but this was determined to be the most efficient solution.

Ms. Wang asked if the amount needed solely to complete the work related to Kings County was the $7,241,637 referenced in the presentation. Mrs. Flaherty said yes. Ms. Wang noted that perhaps another avenue could be requesting increase of that specific amount, in order to complete that work but not necessarily double the contract value. Mr. Peña-Mora agreed. Mrs. Flaherty said that would be dependent on the Comptroller's feedback but explained that since the contract was in effect through June 2020 the vendor would like the opportunity to work through the term.

Mr. Peña-Mora asked for confirmation that there was a plan B that did not require any emergency declaration from the Board of Directors. Mrs. Flaherty said yes, but we maintain that we would like to keep the contract active through term and solicit new contracts as scheduled over the coming months, as long as determined fair and reasonable by all parties.

Mr. Peña-Mora asked Colicia Hercules for confirmation on the best way to move forward with the resolution, being that there were some outstanding questions. Ms. Hercules said if all regular avenues were unavailable then, per NYC Health + Hospitals bylaws, and Executive Session could be convened.

Mr. Peña-Mora thanked Ms. Hercules and acknowledged that Mrs. Flaherty did not believe that would be necessary but it was an available option. Mrs. Flaherty agreed.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee conditionally approved the resolution for the full Board's consideration, pending the outcome of the scheduled discussion with the NYC Comptroller's Office.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record. Ms. Flaherty was joined by Michael Rawlings, Chief Operating Officer, NYC Health + Hospitals / Bellevue and Lombardi, PhD, Associate Executive Director, NYC Health + Hospitals / Bellevue.

> **Authorizing New York City Health and Hospitals Corporation (the "System") to execute a five year revocable license agreement with New York College of Health Professions ("NY College") for its use of approximately 3,471 square feet the 7th floor North of the Main Building on the campus of NYC Health + Hospitals/Bellevue ("Bellevue") at an annual occupancy fee payable to the System of $206,350.95 calculated at $59.45/ft. which will be escalated by 2.5% annually resulting in a total occupancy fee payable to the System over the term of $1,084,648.36.**

Mr. Rawlings explained that NY College of Health Professions had been providing services to Bellevue staff for years, and the facility was now seeking to expand the program by offering services to patients. The services would allow for potential use of integrative wellness services instead of prescription medications. NY College would incur all cost for any renovations or updates to the proposed space.

Mr. Rawlings noted that NY College, accredited by the NY Board of Regents, was founded in 1976. All educational programs were approved by New York State Department of Education and accredited by the Commission for Acupuncture and Oriental Medicine. The College, which offered accredited undergraduate and graduate degrees in Massage Therapy, Advanced Asian Bodywork, Acupuncture, and Oriental Medicine, would also be offering onsite training for their students.

Mr. Rawlings noted that facility leadership and staff saw this as an opportunity to provide integrative wellness services including; massage therapy, meditation, yoga, nutrition counseling, acupuncture, Tai-Chi and Qi-Gong all of which could be used to treat various conditions, such as; nausea, pain management, allergies, anxiety, addition and depression, among others.

The program would treat patients and staff, using students or licensed practitioners, at varying rates, and NY College would bill insurance while Bellevue would pay for the uninsured.

Mr. Rawlings said the working relationship to date had been great and the facility saw this expansion as a great opportunity to provide these services to patients and continue to provide existing services to the staff.

Ms. Hernandez-Piñero noted that contract was for a small space but she was concerned that the program was promising a lot. She asked how long NY College had a presence at Bellevue. Mr. Rawlings said they had been providing massages to staff for approximately two years. He explained that Bellevue staff call to make appointments and get free massages while the trainees get practice and working experience.

Ms. Hernandez-Piñero asked if Bellevue had confirmed that NY College could handle the cost of the license agreement. Mr. Rawlings said yes.

Ms. Wang asked if they were paying an occupancy fee at present. Mr. Rawlings said no, they currently occupied only about 500 square feet of space, one or two days per week, so this would be a significant expansion.

Ms. Hernandez-Piñero asked how much was paid for uninsured under the present agreement. Mr. Rawlings said they did not currently provide services to the patients, just the staff, but the model included in the power point showed the rates for services.

Mr. Rawlings noted that insurances were beginning to cover services such as acupuncture and massage therapy.

Ms. Hernandez-Piñero asked if there were acupuncture services available by Bellevue. Mr. Rawlings said there was a small acupuncture clinic at the facility with one part-time acupuncturist but access was very limited.

Ms. Wang asked if Bellevue referred patients to the acupuncturist presently on site. Mr. Rawlings said yes.

Ms. Wang asked if there were plans to expand these types of alternative services throughout the system. Dr. Katz said it was not presently a part of training but it could be added.

Ms. Wang asked for clarification between lease and license agreements. Jeremy Berman, Deputy Counsel, Legal Affairs, explained that a license agreement was terminable without cause on short notice and is therefore not considered to be a real estate disposition and so it does not require a public hearing or approval of the City Council.

Mr. Peña-Mora asked if it would be clear to patients that this was not a Bellevue service but an outside organization. Mr. Rawlings explained that just recently the Capital Committee had approved a sleep center to be operated on the seventh floor at Bellevue and this program would be located on that same floor, next to the sleep center. This was a very similar model, the entity was licensing space within our facility to provide services to our patients. The Chief Medical Officer and many Bellevue physicians were interested in developing relationships and having the ability to refer for services. Both sites have clearly marked signage, indicating that a patient is entering a space where they will be receiving care from an outside entity and not NYC Health + Hospitals / Bellevue.

Mr. Rawlings noted that it was similar to dialysis services, provided under contract by River Renal at Bellevue. There was a very clear line of demarcation when a patient gets off the elevator, he said. Patients get on a Bellevue elevator but get off at the River Renal Dialysis Center.

NY College will be running their own program, processing their own insurance but partnering with us for services that we do not currently have available, said Mr. Rawlings, and Bellevue staff is very excited to continue the relationship.

Mr. Peña-Mora asked if staff would now have to pay for services. Mr. Rawlings said that was dependent on the type of service. Staff will continue to receive massages at no cost but if a staff member wanted to try acupuncture for smoking cessation then that would be outside of the original scope and they would pay for that.

Mr. Pagán said he was pleased that the system was expanding its ability to provide these services and asked if Medicare covered the charges.

Mr. Rawlings said they frequently do but for limited sessions, which can be difficult on patients.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee approved the resolution for the full Board’s consideration.

There being no further business, the meeting was adjourned at 9:02 A.M.

AUDIT COMMITTEE Meeting – October 10. 2019
As Reported by Helen Arteaga Landaverde
Committee Members Present: Helen Arteaga Landaverde; Feniosky Peña-Mora; Freda Wang; Sally Hernandez-Piñero

The meeting was called to order at 9:08 A.M. by Ms. Helen Arteaga Landaverde, Audit Committee Chair. Ms. Arteaga Landaverde asked for a motion to adopt the minutes of the Audit Committee meeting held on June 13, 2019. A motion was made and seconded with all in favor to adopt the minutes.

Fiscal Year 2019 Draft Financial Statements
Ms. Arteaga Landaverde introduced the information item regarding the Fiscal Year 2019 Draft Financial Statements and Related Notes. Mr. Weinman, Corporate Comptroller, reported on the result of the 2019 financial statement.

Net deficit position improved by $138 Million.

Revenue – Increased $136 million

- **A.** Net patient service revenue decreased by $177 million mostly as a result of lower DSH/UPL allocations of $196 million
- **B.** Appropriations increased $277 million primarily to fund collective bargaining increases
- **C.** Grant revenue overall remained constant from year to year (decrease of $2M)
- **D.** Other revenue increased $39 million due to increased 340b revenue and the St. George’s agreement

Expenses – Increased $168 million

- **E.** Personal services decreased $223 million as the prior year contained $356 million increase for multi-year collectively bargained structured payments offset by increases to FTE’s and vacation and sick liabilities
- **F.** Other than personal services increased $64 million or 4.1% for $26 million in pharmaceutical expenses and other expense increases of about 2%
- **G.** Fringe benefits increased $65 million or 7.8% due to health benefits increased $87 million or 17%
- **H.** Pension increased $119 million as published by the NYC Office of the Actuary. Pension costs are impacted by differences between the current year’s portion of projected and actual investment earnings
- **I.** Postemployment benefits, other than pension (i.e. Retiree Health Benefits) increased $38 million as calculated by the NYC Office of the Actuary
- **J.** Affiliation contracted services increased $85 million or 8% for additional services and estimates for prior year settlements

Other changes in net position – Increased $165 million

- **K.** Capital contributions funded by The City increased $165 million

Significant Financial Ratios Comparison

			2018	
	2019	2018	State-Wide Avg*	NYC Avg*
Current ratio	1.04	1.02	2.03	2.25
Days cash on hand	37.16	36.16	57.00	56.00
Net days revenue in patient receivables	72.78	65.16	67.00	67.00

* Source: 2018 Institutional Cost Reports as compiled by Greater New York Hospital Association (latest data available)

Current Ratio: measures the ability to pay short-term obligations. (Current Assets / Current Liabilities).
Days cash on hand: the number of days that an organization can continue to pay its operating expenses, given the amount of cash available.
Net days revenue in patient receivables: length of time it takes to clear Patient Receivables (collection).
Grant Thornton has completed its audit of the Corporation’s 2019 financial statement and will be issuing an unmodified opinion. An unmodified opinion states that the financial statements are presented fairly, in all material respects.

Grant Thornton Audit Report

Tami Radinsky, Lead Engagement Partner introduced herself and the team introduced themselves as follows: Dana Wilson, Insurance Audit Partner; Lou Feuerstein, Relationship Partner; Steven Dioguardi, Lead Audit Senior Manager.

Ms. Radinsky presented by outlining the audit process and its various stakeholders.

Our Responsibilities

- Performing an audit under US GAAS and *Government Auditing Standards* of the financial statements prepared by management, with your oversight
- Forming and expressing an opinion about whether the financial statements are presented fairly, in all material respects in conformity with US GAAP
- Forming and expressing an opinion about whether certain supplementary information is fairly stated in relation to the financial statements as a whole
- Communicating specific matters to you on a timely basis; we do not design our audit for this purpose

Management

- Preparing and fairly presenting the financial statements in conformity 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

Those Charged with Governance

- Those charged with governance are responsible for:
- Overseeing the financial reporting process
- Setting a positive tone at the top and challenging the company’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 related oversight responsibilities

- Your views regarding our current communications and your actions regarding previous communications

Audit Scope

- Perform 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*:
- New York City Health + Hospitals Corporation (“NYC Health + Hospitals") for the fiscal year ended June 30, 2019
- HHC Accountable Care Organization Inc. annual financial statements for the fiscal year ended June 30, 2018 and June 30, 2019
- Metro Plus Health Plan’s annual financial statements under GAAP for the fiscal year ended June 30, 2019
- Metro Plus 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

Perform the following audits, as applicable, of cost reports for the year ended June 30, 2019 and issuance of certifications and attestation reports:

- Annual Report of Ambulatory Health Care Facility (AHCF-1)
- Annual Report of residential Health Care Facility (RHCF-4)

Internal control communications:

- Issue management letter describing significant deficiencies and material weaknesses identified during the audit

Summary of Audit Process (A five step process)

Planning	Reviewing our understanding of your operations, internal controls, accounting procedures and information systems.
Risk Assessment	Using our understanding of your internal controls and operations to identify the inherent risks and strengths of your business and information systems. After assessing risks, our approach will be customized to focus on your key cycles.
Testing & Evaluation of Controls	Evaluate the operations and controls of each significant internal control system. Based on the results of this evaluation, the extent of substantive testing will be determined.
Substantive Testing	Perform year-end procedures, when appropriate audit software will be used to perform substantive testing. This software will enable us to retrieve information from your data files without affecting the integrity of the data.
Concluding & Reporting	Concluding your audit promptly. The drafts of the financial statements and management advisory comments were reviewed with those charged with

	governance and management prior to final issuance.

Fraud Considerations and Risk of Management Override
As auditors, we are responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or by fraud (SAS No. 99, *Consideration of Fraud in a Financial Statement Audit*). We consider, among other things:

- Code of conduct policy/ethics
- Effective and independent oversight by those charged with Governance
- Process for dealing with whistle-blower allegations
- Internal audit/corporate compliance activities
- Entity's risk assessment processes

Role and oversight responsibilities of Those Charged with Governance:

- Management's assessment of the risks of fraud
- Programs and controls to mitigate the risk of fraud
- Process for monitoring multiple locations for fraud
- Management communication to employees on its views on business practices and ethical behavior

Internal Control Matters
Obtain reasonable assurance about whether the financial statements are free of material misstatement

- Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate, in the circumstances, for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NYC Health + Hospitals' internal control
- We express no opinion on the effectiveness of internal control
- Control deficiencies that are of a lesser magnitude than a significant deficiency were communicated to management
- Control deficiencies are defined in three levels: ***control deficiency***, ***significant deficiency*** and the most severe ***material weakness***. We are happy to report that they are no material weakness at NYC H+H.

Ms. Radinsky stated that during this year's audit, they identified one significant deficiency in the area of grants revenue that was recorded in 2019 but relates to 2018. While the accrual method was being applied consistently in Central Office, it was not being applied consistently across the facilities. Therefore subsequently it was not being reported to Central Office for complete recording in the financial statements. Our recommendation is that significant deficiency relates to revenue recognition to be applied consistently across the facilities and also reported accurately and in a timely way to Central Office as well as enhancing the communication between the facilities and Central Office. This is an $8 million error that was not recorded in the financial statements, it was not materially significant to impact the financial statements, but it warrants the attention of a control finding.

Areas of Emphasis
Mr. Dioguardi address the accounts receivable from patients, net patient service revenues. This is one of the most significant line items on the financial statements of the organization. It is also an area that has a significant component that is a management estimate. Anytime there is a management estimate, it requires additional high sensitivity from an audit perspective through viewing the assumptions that goes into these estimates and also additional testing to ensure that those assumptions are reasonable in coming up with ending balances. As part of the audit procedures, we review management's calculations, their assumptions and do a substantial amount of testing over those assumptions, ultimately coming to the conclusion that we are in agreement with management assumptions, their methodology for determining their receivables, net patient service and revenue balances. In addition, as part of our detail testing of the assumptions and the information going into it, we reviewed detailed transactions at the patient level. We selected a pretty sizable sample of patient records, we reviewed the patients' records from initiation (in-take) all the way through billing and ultimately collection. As result of the testing, we agree with management's assumptions and there are no significant exemptions or material findings related to the accounts receivables and the underlining testing.

As it relates to estimated amounts to and from third-party payors. This is another area that relies heavily on management's estimates. As part of our procedures, we obtained management's calculations and, their underline assumptions that we use for the calculations. In this area, in particular, we bring in specialists who specialized in this area of third-party payer settlements that deal heavily with Medicaid, Medicare issues and various hosts of third-party payors issues. They took a deep detail look at management's assumption calculations and again we agree with management's estimates and had no significant exemptions or material findings.

Long-term debt, compliance with debt covenants, and debt transaction. We confirmed all material long-term balances, reviewed debt compliance calculations prepared by management and reviewed the financial statement presentation and disclosure.

Other post-employment benefit ("OPEB") liabilities. Performed detailed testing of underlying data provided to the Actuary for OPEB liability. Documented our reliance on the Actuary in accordance with SAS 73.

Net Pension Liability - obtained the actuarial valuation report. Performed procedures to ensure that the amounts in the actuarial valuation report of pension amounts agree to amounts reported in the NYC Health + Hospitals' financial statements. Performed detailed testing of underlying data provided to the Actuary for pension liability and actuarial assumptions used in the actuarial reports were reviewed by subject matter professional for reasonableness.

Mr. Wilson reported on MetroPlus and stated that there are three primary areas of significant risk:

Claims Payables Reserve (IBNR)
A higher estimation uncertainty, a critical area that we focus large amount of efforts. In this specific case we outsourced to an actuarial firm. A review of the actuarial firm found their credentials as well as the assumptions used are satisfactory for Health + Hospitals processes and us. The actuary evaluation, is an opinion that states that the numbers they projected and determined are fair and accurate if the data they received from management is complete and accurate. As the auditor, we have to close that gap in order to use their work so we issue a disclaimer.

The process we go through is making sure that the data they received is complete and we do that by tying it to different sources within the organization both from the cash side and the process side and in a large part to the general ledger. Once we determined that is complete, we have a homogeneous and full population, we then select a sample of 30 medical claims covering the current fiscal year and performed substantive test of details over the selection. In this case we found no exemption both on the completeness and accuracy testing and determined that assumption used and methodology used were fair and concluded that the IBNR section is fairly stated.

Risk Transfer Adjustment
It has a very similar process as it relates to completeness and accuracy. Considered the experience, objectivity and capability/competence of the external actuarial specialist, Wakely. Tested the inputs related to the Risk Transfer calculations along with getting support from third party actuaries and industry data. Tested, with internal actuary, the methodologies and assumptions used by Wakely in the calculation for reasonableness. Completed a look back analysis to compare the prior year estimates to what was settled in 2019 related to the prior year reserves. We concluded that the amount Wakely determined is a fair amount.

Premium Revenue Recognition
High risk area, mainly because of its susceptible to fraud. We have tested numerous new transactions throughout the year and have concluded that they are fairly stated as well.

Ms. Radinsky addressed additional key required communications:
Subsequent Events - Held discussions with Management and reviewed subsequent to year end documents to determine if Management had disclosed all significant subsequent events. Reviewed available financial information subsequent to June 30, 2019 to identify any significant subsequent events. Included representation from Management regarding the completeness of the subsequent event information provided in the annual representation letter.

Financial reporting and Financial Statement Presentation - Reviewed consolidating and eliminating entries and ensured they were accurate and properly determined by Management. Reviewed the applicability of new accounting pronouncements and their potential impact to NYC Health + Hospitals.

Fraud procedures - Reviewed estimates made by Management for reasonableness and consistency. Made fraud inquires with the audit committee chair, key members of the executive management team, and key members of the finance management team. Performed existence testing for a sample of material fixed asset additions through physical observation during site visits.

Auditor's responsibility under Generally Accepted Auditing Standards (GAAS) - These items have been communicated to you in our engagement letter. We are prepared to issue an unmodified opinion on the financial statements of NYC Health + Hospitals.

Significant accounting policies, alternative treatments within generally accepted accounting principles (GAAP), and the auditor's judgment about the quality of accounting policies including modifications to the auditor's report - We are not aware of any significant alternative accounting treatments, policies, and unusual transactions, controversial or emerging areas for which there is a lack of authoritative guidance that NYC Health + Hospitals has recorded or used.

Materiality - Financial statement items greater than materiality are within our audit scope. Other accounts or classes of transactions less than materiality may be in our scope if qualitative risk factors are present (for example, related party relationships or significant unusual transactions).

Use of the Work of Others - Grant Thornton Valuation Services Group ("VSG"). Utilized to review the assumptions used in the valuation of NYC Health + Hospitals' Health and Postretirement Benefit Plans.

Management's consultation with other accountants - None of which we are aware.

Other material written communications - Engagement letter and Representation letter.

Lou Feuerstein reported on the selected pronouncements effective for the year ending June 30, 2019 or subsequent periods – GASB. The three that became effective for this year did not have any impact on the financial statements.

- GASB 87 – Leases, effective year ending June 30, 2021
- GASB 89 - Accounting for Interest Cost Incurred before the end of a Construction Period, effective year ending June 30, 2021.

Ms. Arteaga Landaverde asked if there were questions and asked for motion to accept the financial statements and it was seconded and duly approved.

Internal Audits Update

Mr. Telano reported on external audits by outside regulatory agencies. The first one is Compliance with Federal Tax Requirements – Internal Revenue Service. The objective of the audit was to ensure compliance with federal tax requirements as an exempt organization, the audit found no exceptions. On June 24, 2019 we received a letter from the IRS stating that NYC Health + Hospitals continued "to qualify for exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The second is the Children of Bellevue Auxiliary – NYC Comptroller's Office. This audit is already 6 months old. 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.

Mr. Telano moved onto an audit conducted by Internal Audits, Terminal Leave Payments – System-wide (Final Report Issued 05/30/19). This audit was of payments issued to employees upon their separation from the System for unused accrued Annual, Sick, Vested and/or Holiday hours. The Vice President of Human Resources has revised the policy for Payroll to use so they can consistently and accurately calculate terminal leave payments.

Other activities within Internal Audits - Four anonymous letters, received from the President's Office, are currently being or have been investigated since the last meeting. The first letter was about NYC Health + Hospitals/Gouverneur and two accusation letters were regarding MetroPlus.

One other anonymous letter is still being investigated at NYC Health + Hospitals/Elmhurst.

CORPORATE COMPLIANCE UPDATE

Ms. Patsos began her update with Monitoring Excluded Providers – As required by the Federal and state regulations, and consistent with the recommendations of the NYS Office of the Medicaid Inspector General ("OMIG")1 and the U.S. Department of Health and Human Services Office of Inspector General ("OIG"), each month the Office of Corporate Compliance ("OCC") reviews the exclusion status of the System's workforce members, vendors, and New York State Department of Health ("DOH") Delivery System Reform Incentive Payment ("DSRIP") Program Partners.

We only had a few individuals/entities that were excluded and have been assured that they will no longer provide any services to H+H.

Privacy Incidents and Related Reports

During the period of June 1, 2019 through September 20, 2019, forty-one (41) incidents were entered in the System's RADAR Incident

Tracking System. Of the forty-one (41) incidents entered in the tracking system, seventeen (17) 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; nineteen (19) were found not to be a violation of NYC Health + Hospitals' HIPAA Privacy and Security OPs; and five (5) are still under investigation.

Of the seventeen (17) incidents confirmed as violations, twelve (12) were determined to be breaches. Those breaches resulted from incidents where providers inappropriately accessed patients' medical records not under their care; discharge summaries or billing information were provided to the wrong patient; medical records were sent by the System's medical record retrieval vendor to the wrong patient or an incorrect address; medical records were uploaded to the wrong MyChart account; and PHI was uploaded to the internet.

In response to breaches caused by the System's medical record retrieval vendor, the System published a request for proposals to solicit other vendors. Three vendors, including the current vendor responded, and the selection committee has chosen a new vendor, with which it is negotiating the terms of service.

Office for Civil Rights ("OCR") Reports Regarding HIPAA Incidents
The first inquiry, dated July 12, 2019, concerned a complaint by an attorney who stated that Bellevue failed to provide the medical records of his client, who was allegedly a patient of Bellevue. The OCC investigated and found no record of the patient ever having been treated at Bellevue. On September 6, 2019, the OCC responded to the OCR explaining the actions taken by the OCC to investigate the complaint, and that the individual was never a patient at Bellevue.

The second inquiry, dated July 18, 2019, concerned a patient's complaint that Bellevue failed to provide the patient's complete medical records. The OCC investigated the matter and concluded that, due to a misunderstanding on the part of a staff member of the System's medical records retrieval vendor, only part of the records were sent to the patient. Upon discovery of the error, the complete medical record was sent to the patient. On September 6, 2019, the OCC sent a response to the OCR explaining the circumstances of the complaint and the actions taken to remediate the issue.

In addition, as previously reported, 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 to discuss NYC Health + Hospitals' ability to comply with HIPAA, and in particular, to safeguard its ePHI from inappropriate use or disclosure. During this meeting, 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. On July 2, 2019, we had a conference call with the OCR to follow up on the Commitment Letter and the follow-up documentation. Based on the discussion during that call, the OCC sent the OCR further explanation of the previously submitted documents, and provided additional information requested by the OCR.

Compliance Reports

For the period June 1, 2019 through September 20, 2019, there were one hundred two (102) compliance reports, one (1) (1%) of which was classified as Priority “A,”[2] twenty-eight (28) (27.5%) were classified as Priority “B,” and seventy-three (73) (71.6%) were classified as Priority “C” reports. For purposes here, the term “reports” means compliance-based inquiries and compliance-based complaints. The one priority “A” report did not come from a NYC Health + Hospitals facility; but was a misdirected complaint from an unaffiliated hospital.

Of note, there were two reports concerning the use and attempted use of physicians’ NPI and DEA numbers to prescribe controlled substances from several pharmacies for individuals who were not patients of the physicians. Only one of the pharmacies filled a prescription, and it was filled as an emergency prescription. The OCC referred both reports to NYC Health + Hospitals’ Office of Inspector General.

Status Update on OneCity Health

In September, Agio, a third-party auditor, completed an assessment to validate that the security controls to which the OneCity Health had attested to the State, were correctly implemented and operating as intended. The assessment findings were shared with and accepted by the State’s Security and Privacy Bureau. The resulting outcome is that OneCity Health is authorized to access the State’s Medicaid Confidential Data to perform population health management activities tied to the goals of the DSRIP program. OneCity Health will send quarterly updates to the State on the implementation of a subset of the controls. This represents a large step in validating that the System’s data storage environment meets the State’s security requirements for both current and future data sharing needs.

Status Update - HHC ACO, Inc.

As previously reported, HHC ACO, Inc. (“HHC ACO”) submitted its application to renew its contract with CMS for the 2019-2024 agreement period. HHC ACO applied 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. On June 20, 2019, HHC ACO’s application as an Enhanced Track MSSP received final approval from CMS.

As previously reported, HHC ACO has been awarded status by the state as an All Payor Accountable Care Organization ("APACO"). On August 28, 2019, during a Value Based Care ("VBC") meeting, HHC ACO shared a draft strategic plan that delineated the next steps for its APACO, which included contracting with HealthFirst and Metroplus Medicare Advantage ("MA") plans, and exploring new arrangements with other MA plans. In addition, its APACO will assess the best timeline to engage managed care organizations for management of Medicaid beneficiaries.

HIPAA Risk Analysis and Security Assessment
To ensure the System's compliance with the requirements of HIPAA and HIPAA regulations, the System has engaged a third party vendor to conduct a HIPAA enterprise-wide Risk Analysis and Security Assessment. The vendor conducted its corporate review in April 2019, and began conducting facility on-site reviews in May 2019. It conducted 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 also conducted virtual reviews of fourteen (14) other Gotham clinics.

FY2019 Risk Assessment and FY2020 Corporate Compliance Work Plan
The OCC then finalized the Risk Assessment by identifying the impact, vulnerability, and current controls associated with the identified risks, and assigning a severity rating to each risk on a scale of 1 – 5, with 5 being the risks having the greatest impact. The OCC utilized a *Table of Risk Assessment Scoring Parameters,* adopted and derived, in pertinent part, from the Health Care Compliance Association, to score and prioritize the risks.

Once all the risks were prioritized, the OCC developed a Draft FY2020 Corporate Compliance Work Plan ("Draft FY2020 Work Plan"), which included the risks from the Risk Assessment with the highest risk prioritization scores. On September 20, 2019, the ECW met to discuss Draft FY2020 Work Plan, and finalize the FY2020 Corporate Compliance Work Plan.

EXECUTIVE SESSION:
At this point, the Chair requested a motion to convene an executive session to discuss confidential and privileged matters that may be related to anticipated or actual litigation, as well as certain personnel matters.

Second, opposed, the motion is carried
Thank you everyone and asked that only those specifically invited remain in the Boardroom.

OPEN SESSION:

The Committee re-convened in open session.
There being no other business, the meeting was adjourned at 10:20 A.M.

Finance Committee Meeting – October 10. 2019
As Reported by Freda Wang
Committee Members Present: Freda Wang, Sally Hernandez-Piñero, José Pagán, Dr. Mitchell Katz

Ms. Freda Wang called the meeting to order at 10:33am. The minutes of the June 13, 2019 meeting were approved as submitted.

SENIOR VICE PRESIDENT'S REPORT
Mr. John Ulberg began his report by reviewing the close out of Fiscal Year (FY) 2019. He reported that the closing cash balance was $776M, which is $51M greater than 2018 and the highest closing cash balance in five years. He reported that H+H achieved a $36M net positive margin with receipts exceeding disbursements and beating the budget by more than one percent. He further reported that patient care receipts came in $30M higher than 2018. He stated that the overall transformation plan was on track and that H+H has closed 65% of the original $1.8B structural gap due to revenue cycle initiatives, expenditure reductions, managed care negotiations, and enrolling the uninsured. Mr. Ulberg outlined the key investments made in nursing positions and revenue cycle operations.

Mr. Ulberg continued his report by discussing the FY20 budget. He emphasized the importance of the new budget process establishing facility-based ownership of budget planning. Central Office established a two-phase budget approach to accomplish this: Phase 1 established a base-level budget and phase 2 layered in new opportunities and policy development. Key features of the budget include increasing the plan's transformation targets related to growth initiatives, contract negotiations, and continued expenditure savings and efficiencies.

Ms. Sally Hernandez-Piñero asked if the facility solutions include capital solutions.

Mr. Ulberg confirmed.

Mr. Ulberg reported on how H+H is managing financial risks and opportunities. He outlined the risks as policy changes from the State and Federal governments as well as fulfilling critical staffing needs. Opportunities exist from Medicare Disproportionate Share Hospital (DSH) payments, safety net hospital funding, and restoration of Medicaid DSH.

Ms. Freda Wang asked if some of the payments are for FY20.

Ms. Linda Dehart confirmed the payments are from prior years but roll into FY20.

FINANCIAL REPORT
Ms. Michline Farag began her report on the overall financial performance. She reported on the overall $36M net positive impact, which is receipts outpacing the disbursements for FY19 close. She

continued her report nothing overall receipts came in at $65M greater than planned and disbursements closed at $24M better than budgeted. She emphasized that this was largely because facilities started implementing gap-closing plans in FY19 Quarter 4 (Q4) and that those plans will continue in FY20.

Ms. Farag continued by reporting on Global Full Time Equivalents (GFTEs) closing FY19 year at 45,031, which is slightly higher than reported in Q3.

Dr. Mitchell Katz said H+H is not seeking to drop staffing levels or increase them, that 45K is approximately the right place for H+H staffing to be.

Ms. Farag reported on corporate-wide revenue performance, stating FY19 revenue is $365M higher than FY18 actuals, and $62M above FY19 target.

Ms. Krista Olson reported on inpatient volume decline of four percent. Over one-half of the decline in discharges vs. FY18 are associated with H+H risk-based health plans, MetroPlus and Healthfirst, which help to drive improved risk pool revenue. Ms. Olson reported that the previous uptick in self-pay was converted to insurance.

Ms. Wang asked why self-pay was converted into insurance.

Ms. Olson said it was an increase in the efforts to enroll the uninsured and increase the amount of applications for insurance.

Ms. Olson continued by reporting on increased case mix index (CMI) following revenue cycle improvements, 8.7 percent increases from FY18 and that length of stay is moving closer to what we expect it to be.

Ms. Olson reported that revenue cycle targets have increased over time in accordance with the transformation plan and that actuals ($216M) have exceeded targets ($190M).

Ms. Marji Karlin reported on the impact of the Epic implementation (H2O) is showing positive results, especially related to higher CMI and higher payments per case. The average change in CMI pre and post H2O ranges from 12 percent to 21 percent and the change payment per paid discharge has increased by 8%.

Ms. Wang asked if this was attributed to more accurate CMI.

Ms. Karlin confirmed.

Ms. Karlin continued her report on H2O payments exceeding baseline performance. Wave 1 sites collected $28.6M more than baseline through June 30. Wave 2 sites that were in the negative through June 30 are now positive. H+H exceeds other Epic clients at one-year of implementation.

Ms. Karlin continued to report on H2O work focusing on process improvement, especially related to denial reduction. The approach had three prongs: 1. Prevent denials from occurring, 2. create a denial task force, and 3. resolve denials received. Medicaid managed care has the highest denial rate and even though commercial is a small amount of our business it is a disproportionate share of denials. Information Technology, managed care, and revenue cycle services are working together to figure out what the root causes of denials are and are working to implement solutions.

Ms. Hernandez-Piñero asked if this is a percentage of claims or if they are percentage of dollars.
Dr. Katz said it is the percentage of claims.

Mr. Ulberg said it is a goal to attach dollars to this. Mr. Ulberg also noted that part of this work is changing the relationships with payers.

Mr. Pagán noted that documentation is important to convey a patient’s complexity that translates into paid claims.
Dr. Katz said he is not aware of existing literature that says better coding leads to better care but he believes it does. Documentation is not just about money.
Dr. Katz reviewed the overall corporate-wide revenue again to emphasize the impressive growth year-over-year.

Ms. Olson reported on progress on the transformation plan. She began by reporting that revenue-generating initiatives ended close to target, with some missing targets related to timing of VBP-QIP, FQHC, and managed care settlements. Revenue cycle improvement exceeded target by $26M. Expense reducing initiatives also finished higher than target, with personnel initiatives on target, which included strategic investments in nursing, revenue cycle, and clinical growth strategies. The 340b contract pharmacy initiative is forecasted to exceed target by $10M.

MANAGED CARE REVENUE CONSULTING GROUP ACTION ITEM

Ms. Marji Karlin, Chief Revenue Officer, presented a 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.**

Ms. Karlin introduced the action item by outlining why health plans systematically underpay claims for services provided because of adjudication errors, incorrect contract terms, billing errors, and contract misinterpretations. MCRC reviews $0 balance and denied claims against H+H contract terms to identify underpayments and then negotiates on H+H’s behalf to resolve underpayments and inappropriate technical and administrative denials. Claims review began October 2017 with a net earnings of $26M to date.

Ms. Karlin continued by providing an overview of the current state. MCRC has identified numerous issues related to incorrect payer loaded rates, incorrect values to services, incorrect denials due to authorization, identification of outlier payments, and reconsideration of claims denied for untimely filing. Ms. Karlin continued that MCRC is negotiating with five large contracted payers where there is a high volume of claims denied for similar reasons. The potential settlement value of these claims is $30M.

Ms. Hernandez-Piñero asked if it is a net payment.

Ms. Karlin said it is a gross payment.

Ms. Karlin outlined the current claims workflows for three categories of claims: high dollar claims, high-volume low-dollar claims, and specialty claims and where MCRC fits into the process.

Ms. Wang asked if the paid claims go to review.

Ms. Karlin said most claims go to review, but one of the findings from paid claims is that they are underpayments.

Ms. Hernandez-Piñero asked if they are insurance companies.

Ms. Karlin said they are all insurance claims.

Ms. Karlin reported that H+H implemented a claims process workflow in 2019 with a new set of vendors and that MCRC is now the last stop in the claims review process for contracted payers. H+H revenue cycle is building a payment variance team and settlement team to identify reasons for over-and-under-payments on claims.
Mr. Robert Melican, Senior Director, Revenue Cycle Services, reported on the history of procurement. MCRC responded to the request for proposals (RFP) in December 2016 for the Mayor’s transformation plan. 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.

Mr. Melican outlined that this is a best interest renewal. MCRC is performing well, earning $26M in the last two years for H+H. He also outlined that it is difficult to switch vendors due to H+H having three legacy systems that require extensive set-up to allow systems to exchange data. He further outlined that there are significant work efforts currently underway with MCRC that another vendor would not readily assume the work.

Mr. Melican reported that MCRC submitted a MWBE application to NYC Small Business Services on September 12, 2019 and the application is currently pending.

Ms. Wang asked how long the MWBE time would take.

Ms. Andrea Cohen said usually a couple of weeks.

Dr. Katz requested that the Board have the MWBE application.

Ms. Cohen said she would try to get a copy of the application.

Ms. Colicia Hercules suggested if not approved by the board approval date, there could be a rider requiring MCRC to subcontract with a percentage of minority-owned businesses.

Ms. Wang asked if they could also submit a backup plan or contingency plan.

Ms. Cohen said she would work to get it by the full Board meeting.

Mr. Melican outlined the Finance Committee approval request, which asks for an increase to the contract term from $5M to either a NTE of $23M or 5 years, whichever comes first.

Ms. Wang brought the resolution for motion, seconded, and the motion carried.

SELF-PAY COLLECTION VENDORS ACTION ITEM

Ms. Karlin, presented a 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.**

Ms. Karlin reviewed H+H’s self-pay patient liability regulations. H+H treats all patients regardless of their ability to pay. H+H prioritizes billing and revenue from insurance companies, but also has to collect balances due from patients who can afford to pay to sustain operations. Ms. Karlin continued by defining self-pay patient liability as a combination of patient balances after insurance, financial assistance balances, and self-pay charge amounts for patients who are not eligible for financial assistance.

Ms. Karlin continued by outlining the background and current state of self-pay collections. She provided an overview of the pre-service, point of service, and post services processes. During pre-service financial counseling is used to figure out if a patient is eligible for insurance or H+H Options. If H+H is unable to do the financial counseling pre-service, during the point of service H+H refers patients to onsite financial counselors. Post-service outreach is done via messaging on patient statements and flyers that outline the options.

Ms. Karlin continued that H+H has historically utilized the services of vendors for a limited scope of patient balances due and that

currently H+H has contracts with four vendors for inpatient self-pay collection services that were selected in 2013. The current agreement only covers inpatient accounts. She continued by reporting that annually vendors generate $6M to $8M.
Ms. Wang asked if the dollars were in aggregate.

Ms. Karlin confirmed.

Dr. Katz asked if this is really more about high-dollar claims. He asked what types of claims the vendors are working on.

Ms. Karlin said dollars generated come from two places: a collection agency that works on claims after a patient has not responded to H+H efforts and the other category are other large liability claims.
Dr. Katz asked how a car accident claim works in court vs. collection agencies.

Ms. Cohen said the claim could be pending for years.

Ms. Karlin said New York is a no-fault State and that H+H bills insurance companies directly. If H+H has a lien for future judgements those claims would be included here.

Ms. Cohen said the vendor follows H+H policy – they do not control the process.

Mr. Melican detailed the request for proposal criteria. The new vendors will follow H+H's mission. H+H will only permit liens and lawsuits on a claim in extraordinary circumstances and with the review and approval of H+H's Office of Legal Affairs. The proposed agreements will expand the scope of services to include coverage for outpatient accounts, Gotham Health's FQHCs, and Home Care. Mr. Melican continued to describe that H+H's billing department and vendors will engage patients for payment and pursue insurance for a 30-120 day period, and the vendors will make the final effort to realize payment after 120 days. The current contract expires November 30, 2019.

Mr. Melican continued by detailing the evaluation committee, evaluation criteria, and minimum criteria.
Dr. Katz asked if the MWBE percentage is standard for all of H+H.

Mr. Melican confirmed.

Dr. Katz asked Ms. Cohen if we are trying to incentivize MWBE then we should consider a higher percentage than 10%.

Ms. Cohen said she could review the policy.

Mr. Melican provided an overview of the procurement process. Seventeen vendors submitted proposals and the evaluation committee picked four finalists after a series of interviews and reference checks. The four vendors include RTR Financial Services Inc, ARStrat LLC, Nationwide Credit and Collection, and USCB America.

Ms. Hernandez-Piñero asked about the references for the four vendors selected and wondered how they do with debt collecting.

Mr. Robert Sargenti stated that he conducted the reference check and had no complaints from the references.

Mr. Melican provided an overview of how the vendors will be meeting MWBE requirements through sub-contractors. All four vendors committed to 30% of the contract value to MWBE qualified firms.

Mr. Melican continued by outlining the financial summary. The contingency rate on the expiring contracts averages 17.8 percent. Proposed contingency rates, pre-negotiation, are substantially lower than the current. The rates range from 8.4 percent to 12.75 percent. Each vendor has a different contingency rate that is constant across all lines of business.

Ms. Wang asked if the rates are different for each vendor and asked how bills will be assigned to different vendors.

Mr. Melican said it would be patient name alphabet split.

Ms. Wang asked if H+H would track net return.

Mr. Melican said yes.

Mr. Melican outlined the financial committee approval request, which asks to enter into contract with the four self-pay collection vendors. The contract term is 3 years with two 1-year extensions. Based on the contingency rates supplied by the proposed vendors, the estimated expense is $5.9M for a recovery of $53M. H+H expects to earn a net recovery of $47.7M over 5 years. The target start date is December 1, 2019.

Ms. Wang asked if it was a not-to-exceed.

Dr. Katz said it is a contingency.

Ms. Wang brought the resolution for motion, seconded, and the motion carried.

MEDICAL NECESSITIES DENIALS MANAGEMENT ACTION ITEM

Ms. Freda Wang introduced this contract action item and stated that per her understanding there was a request to withdraw this action item from consideration. Mr. Ulberg confirmed it should be removed from the agenda.

Ms. Wang agreed to remove and proceeded to the next contract action.

340B THIRD PARTY ADMINISTRATOR ACTION ITEM

Mr. Paul Albertson, Senior Vice President of Supply Chain Services presented a 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.

Mr. Dean Mihaltses outlined the federal 340B drug program history, which was created by Congress in 1992 to enable covered entities to stretch scarce Federal resources as far as possible. Manufacturers participating in Medicaid agreed to provide outpatient drugs to covered entities at significantly lower prices.

Ms. Hernandez-Piñero asked if outpatient meant drugs purchased.

Mr. Mihaltses said its retail pharmacy, outpatient pharmacy, and independent pharmacies.

Ms. Hernandez-Piñero asked if the insurance company pays the actual price, and the patient get charged the discount.

Mr. Mihaltses confirmed that this is how the 340b pricing works. That the patient would pay their copay.

Mr. Mihaltses continued by outlining how 340B prices are calculated. By statute, 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. 340B pricing is generally 25-50 percent less than AWP pricing.

Mr. Mihaltses provided an overview of the current vendor, Capture Rx. Historical spend per year is $3.8M and the current contract expires December 31, 2019. These contracts have allowed H+H to recoup $29M per year. This excludes Walgreens and CVS because H+H has separate agreements with them, which has come in around $10M per year. In total, these contracts amount to $40M.

Mr. Mihaltses provided an overview of the RFP criteria, including the minimum criteria, evaluation committee members, and evaluation criteria.

Ms. Wang asked if the $40M is expected to be a growing number.

Mr. Mihaltses said yes.

Mr. Mihaltses continued to overview the procurement process, which included an RFP that resulted in six proposals submitted. After selecting vendors for in-person interviews, RxStrategies was selected as the vendor to enter into contract with.

Mr. Mihaltses outlined RxStrategies highlights, including that they were technologically advanced with dynamic dashboards and analytics. They have the ability to carve-in managed Medicaid at point-of-sale.

They also will support marketing and education efforts. Finally, they negotiated new feed structure which will result in cost savings, moving away from percentage-based fee per approved claim to flat-fee model.

Mr. Mihaltses outlined the cost structure. After extensive cost modeling and price negotiations, both parties agreed to a hybrid-pricing model whereby $3,000 annual and $4.75 per 340B approved claim was decided-upon.

Ms. Hernandez-Piñero asked if this was outpatient only.

Dr. Katz confirmed, stating that there is no 340B inpatient.

Mr. Mihaltses continued to report that the current state has 500 contract pharmacy relationships and 102,000 340B approved claims per year. The new relationship with RxStrategies has the potential to grow to an approval rate of 12% due to the ability to carve-in Managed Medicaid claims.

Dr. Katz asked what the current contract has as the rate per claim.

Mr. Joe Wilson replied that it is 14% of the recovery.
Dr. Katz said $4.75 is not a trivial amount to be paying per prescription.

Mr. Wilson said this is approved claims.

Mr. Albertson said they receive upwards of one million scripts but only 102,000 will pass through the filters. The filters include ensuring that H+H will actually make money on the transaction. In the future, the hope with this vendor is to have 400,000 claims pass through the filters because H+H will be able to include the Managed Medicaid claims.

Dr. Katz stated that the only reason one would look at a generic prescription is if there is instances in which the 340B discount for the medication is cheaper than the generic. Dr. Katz stated if this is true, the vendor would not need to process the generic claims. He raised a question related to the value-add of the vendor filtering through prescriptions that have more obvious outcomes of whether they are 340b eligible or not since they are recouping $4.75 for each prescription which can add up to a lot of money.

Mr. Albertson replied that a value-add to using them is that they ensure that we are compliant with 340B regulations.
Dr. Katz asked how the $4.75 assessed for it being a good price or not.

Mr. Wilson replied that each vendor submitted proposals and most asked for percentages of a prescription so this has been an effort to standardize a dollar value across all prescriptions and not inappropriately incentivizing ourselves to work towards larger dollar prescription.

Dr. Katz agrees with this methodology.

Ms. Wang asked if there is an incentive to go after higher-dollar prescriptions.

Dr. Katz said no and the vendor’s work is the same whether it is an expensive prescription or not, which is why it makes sense to charge per prescription instead of percentage of total cost. Dr. Katz asked how they know if $4.75 is a good price or not?

Mr. Mihaltses said not for cheaper generic drugs but for more expensive drugs it makes it a reasonable number.

Ms. Wang asked if there is an average price.

Mr. Mihaltses said yes and that the vendor has strong analytics.

Ms. Wang asked if we know what the average price was before.

Mr. Wilson replied that it is based on prescribing patterns.

Ms. Wang asked if we are still paying less in aggregate than before.

Mr. Mihaltses said yes.

Mr. Ulberg asked if we could have baseline math done to know what the guidepost should be.

Mr. Mihaltses said yes they can go back and do that math and reassured that this vendor has strong analytics.
Dr. Katz wants to be able to justify the $4.75 to know whether it is a good price or not.

Ms. Olson raised what H+H paid before for $3.8M divided by 100,000 claims equals $37.00 and this is not just the dispensing fee or management fee but includes in total what H+H paid per claim. The $3.2M divided by the 361,000 equals $8.90. In total H+H gets a better deal with this contract. This is an average.

Mr. Mihaltses stated that during 5-year contract, expectation is to collect $156.8M on fees of $16.1M.

Ms. Wang asked for the comparison and math to be demonstrated for the full board. Ms. Wang asked if H+H would roughly get $30M per year.

Ms. Olson said this is a conservative estimate and the expectation is that it will likely be greater.

Dr. Katz said that in other cities the CVS and Walgreens have pushed out the independent pharmacies and is curious to see what happens in NYC.

Mr. Wilson said CVS and Walgreens are always percentage based which are double-digit percentages.

Dr. Katz said this reiterates the need for having our own retail pharmacies.

Mr. Mihaltses requested the Finance Committee approval to enter into contract with RxStrategies for 340B third party administrator services for a 3-year contract with two 1-year renewals at the discretion of H+H. The go-live is slated for January 1, 2020 and the lifetime cost of the agreement is $16.1M.

Ms. Wang requested that for the full-board presentation the presentation include a MWBE utilization plan.

Mr. Wilson said there are four firms they will be using to satisfy MWBE requirements and will include this in the revised plan for the full board meeting.

Ms. Wang brought the resolution for motion, seconded, and the motion carried.

ADJOURNMENT

There being no further business to discuss, Ms. Wang adjourned the meeting at 12:14pm.

Mitchell H. Katz, MD - NYC HEALTH + HOSPITALS
PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
October 31, 2019

CITY/STATE/FEDERAL UPDATE

City

This morning, I was joined by Marielle Kress, Executive Director of NYC Care, to present testimony at a City Council hearing regarding NYC Care and to discuss the City Council's interest in direct access. We highlighted the successes of NYC Care since the launch in August, and our planned rollout to remaining boroughs before the end of 2020.

On October 8, Rebecca Linn-Walton, Ph.D., NYC Health + Hospitals Assistant Vice President in the Office of Behavioral Health, answered questions at a City Council Committee on Immigration hearing on addressing the mental health needs of immigrants in New York City. Dr. Linn-Walton emphasized that during this adversarial climate emanating from Washington, DC, NYC Health + Hospitals remains committed in our guarantee of health care, including mental health services, for immigrant New Yorkers.

State

On October 23, I testified at a joint hearing of the State Assembly and Senate Health Committees on the New York Health Act and single-payer systems. As I have done before, I spoke in favor of a single-payer system, emphasizing that such a system would advance healthcare as a universal right and allow physicians like myself to focus more on patient needs than on administrative burdens. The hearing provided me with an opportunity to again partner with Senate Health Chair Gustavo Rivera and Assembly Health Chair Richard Gottfried, both supporters of NYC Health + Hospitals.

OneCity Health, NYC Health + Hospitals, and MetroPlus are collaborating, along with NYC DOHMH and the Mayor's Office, to submit comments in support of the State's draft 4-year Delivery System Reform Incentive Payment (DSRIP) program 1115 waiver extension/renewal application. We plan to submit our comments by November 4. The continued financial support for the goals of DSRIP remains a key priority for our health system.

Federal

Medicaid Disproportionate Share Hospital (DSH) cuts were again delayed as part of the President's continuing resolution (CR) to fund the government until November 21. Initial discussions have begun on Capitol Hill regarding a subsequent CR through or perhaps beyond the end of the year. While the ongoing impeachment-related activity raises unique timing and process questions, there continues to be broad bipartisan support for ongoing and perhaps permanent delay of the Medicaid DSH cuts. We remain confident that the cuts will not take effect this year or next.

On October 23, Deborah Brown, Senior Vice President for External and Regulatory Affairs presented Representative Elliot Engel (D-NY) with the America's Essential Hospitals Congressional Leader Award in recognition of his leadership in the fight against Medicaid DSH cuts. Congressman Engel, along with Texas Republican Rep. Pete Olson, recently led a bipartisan Dear Colleague letter and a bill to delay the cuts for at least two years. NYC Health + Hospitals is grateful for his advocacy.

NYC CARE UPDATE

NYC Care is making guaranteed care a reality in New York City and setting a nationwide model of what it means to provide low-cost, affordable health care. I'm proud to report that we are already more than half-way to our goal of 10,000 NYC Care members in the Bronx since our August launch. In just the first two months of the program, we were able to connect more than 5,000 people in the Bronx to primary care, low-cost prescriptions, and a new member experience. In addition, 100 percent of members enrolled in NYC Care who are new to our system continue to be offered a first appointment with a primary care provider within two weeks of enrollment, and we have filled nearly 3,000 low-cost prescriptions during the new extended pharmacy hours made possible through NYC Care. We are excited to bring these same benefits to Brooklyn and Staten Island early next year and have the program in place citywide by the end of 2020.

Our success is in great part due to the support of community partners that have been conducting culturally appropriate outreach to prospective NYC Care members in the Bronx. I want to thank these community-based organizations for their support: BronxWorks, Emerald Isle Immigration Center, Mekong NYC, Northwest Bronx Community and Clergy Coalition, and Sauti Yetu Center for African Women. We are now seeking Requests for Proposals from Brooklyn and Staten Island community-based organizations to help us replicate this successful outreach model when we launch in those boroughs early next year. The RFP can be found on the NYC Care website at www.nyccare.nyc. Responses are due Nov. 8.

HEALTH SYSTEM NEWS

NYC Health + Hospitals Meeting and Exceeding Financial Targets

I was pleased to report earlier this month that our public health system's financial turnaround is on track. Patient revenue is up, expenditures down, and our investments in nurses and other initiatives are ensuring quality patient care. Fiscal year end 2019 shows an on-budget performance with a $36M net positive margin with receipts exceeding disbursements and beating the budget by more than one percent. Patient care revenue was $30M higher than FY18; and, cash on hand grew to $776M -- $51M greater than the previous year and the highest in five years. Additionally, at fiscal year end, the health system was able to close 65 percent of its $1.8B structural gap through additional revenue, savings, managed care negotiations, and getting New Yorkers enrolled into insurance. Our investments included the hiring of 426 registered nurses, 229 nursing support, and hiring revenue staff to bill insurance companies for patient procedures.

Financial stability is a critical part of our transformation plan and our fiscal year end shows that we are on the right track – we are achieving our goals and exceeding our budget expectations. We could not have accomplished this significant financial turnaround without the hard work and commitment of our amazing mission-driven workforce, and the support of labor partners and city and state elected officials who are equally invested in the success of this vital public health care system.

Stakeholder Support of Financial Turnaround

Our budget good news generated some positive feedback from a number of stakeholders. We won praise from the New York Daily News Editorial Board who reported on our success with the headline: Prognosis positive? City hospital system improves its act. News headlines in the Wall Street Journal, Crain's and Politico noted that the city's public health system is "regaining financial footing" and "in the black after years of financial woes." And fiscal watchdogs took notice – a representative of the Citizen's Budget Commissioner said to Crain's: "They deserve credit for making substantial progress."

Community Health Needs Assessments

As New York's public safety net system, our mission is to improve the health of all patients in the communities we serve, without exception. This means not only providing excellent clinical care, but also designing the health care system and providing services in such a way that addresses the whole person. Not only offering our patients access to our high-quality doctors and programs like NYC Care which unlocks those services to our patients, but also removing or helping them to overcome the everyday challenges that make it hard for them to get and stay healthy. Earlier this year, I asked OneCity Health, our DSRIP PPS to assist us in conducting our Community Health Needs Assessment. They facilitated an inclusive process leading to an assessment that was approved by the Board in June 2019.

Since June, they have been working with stakeholders including our DSRIP network of partners, city agencies and NYC Health + Hospitals leadership and front-line staff to design and identify solutions to address the communities' priority health needs. OneCity Health, our clinicians and our partners will all play a critical role in implementing these solutions. OneCity Health will also provide ongoing evaluation leadership and support of our progress. With that, I am pleased to have Mr. Rocha and Dr. Allen present the Implementation Strategy Plan for your consideration and approval today.

Newsweek Ranks NYC Health + Hospitals Skilled Nursing Facilities as "Best Nursing Homes" in the Country

Newsweek has ranked four NYC Health + Hospitals post-acute care facilities on its list of "Best Nursing Homes" – and three of our facilities ranked among the top 10 in New York State. The rankings were based on recommendations from medical experts and nursing home performance outcomes from the U.S. Centers for Medicare and Medicaid Services. The rankings are designed to assist patients and their families in making informed decisions about where to receive the best long-term care and post-acute care services. We are incredibly proud of our long-term care facilities and our staff teams who are setting an example of excellence and compassion. Newsweek's ranking underscore the quality of care we provide to residents who rely on our top quality rehabilitation or long-term care services. Here's how our facilities ranked as Newsweek's Top Nursing Homes:

- NYC Health + Hospitals/Gouverneur – ranked #2 in NY
- NYC Health + Hospitals/Coler – ranked #5 in NY
- NYC Health + Hospitals/Sea View – ranked #6 in NY
- NYC Health + Hospitals/Carter - ranked #32 in NY
-

NYC Health + Hospitals Redesigns Patient Transportation System

We rolled out the new inter-facility transport system this month, which features 26 new ambulances and will transport patients faster, make it easier for staff to order transport services, and ensures patients can be seamlessly transferred to the appropriate facility to improve patient retention. The new patient transportation system streamlines the logistics of transferring patients between hospitals and from hospital-to-home by consolidating from multiple transportation companies to one single vendor agreement with the medical transportation company Hunter Ambulance. The new system is expected to generate $21M in new insurance revenue through patient retention and complete more than 30,000 ambulance trips a year. The transition to a single transportation vendor is a win for our patients, health care providers, and facilities. Patients will notice reduced wait-times for transport to a nearby facility, and our physicians can be assured that their patients will get to a facility in a specific time window. The new system knits our facilities together like never before, creating an inter-facility network that is convenient, reliable and of the highest quality.

NYC Health + Hospitals Invests $224M to Upgrade Medical Imaging Tech System-Wide

This month we announced an investment of $224 million over ten-years to upgrade medical imaging technology system-wide. Across the NYC Health + Hospitals system, there are 470 imaging machines, and they are used to screen, diagnose, and treat numerous disease states. With this new investment, we will be able to update 230 medical imaging machines over the next four years. That will include MRI, CT, nuclear cameras, X-ray machines, catheterization labs, PET/PETCT machines, and fluoroscopy units. The new equipment, supplied under contract with GE Healthcare, will support our public health system's goal of standardizing care and providing patients modernized, state-of-the-art technology that will produce faster and better image quality, and lead to quicker diagnoses and treatment for patients.

Accountable Care Organization Earns Medicare Shared Savings for 6th Consecutive Year

The NYC Health + Hospitals Accountable Care Organization (ACO) – a group of doctors and other providers who coordinate care for patients under the Medicare Shared Savings Program (MSSP) – earned nearly $3 million from the federal government for reducing costs and meeting high standards of quality care for patients. The health system's ACO is the only MSSP ACO based in New York State to earn shared savings for six consecutive years and one of only 18 ACOs around the country to have earned that distinction. The federal MSSP was created to change the payment structure for the Medicare fee-for-service beneficiary population. It holds participants accountable for the cost and quality of care delivered to a defined patient population over time. There are over 500 ACOs in the MSSP serving over 10.5 million beneficiaries across the country. We have consistently demonstrated that our ACO can provide better care for patients while lowering the growth of health care costs. We achieved these goals through the hard work of our physicians, nurses, and all the frontline staff who care for our patients.

NYC Health + Hospitals Hosts Free Health Insurance Workshops Ahead of Open-Enrollment

We will be hosting a series of free health insurance workshops in collaboration with the Centers for Medicare & Medicaid Services (CMS) to prepare New Yorkers for the upcoming open-enrollment periods. The workshops will help community partners, faith-based organizations, caregivers, and community members understand health insurance options available to them as they prepare for the open-enrollment periods for Medicare and New York State of Health, the State's official online marketplace. This is the seventh consecutive year NYC Health + Hospitals and CMS are partnering to bring free workshops to communities across New York City. You can only make the right decisions on health insurance for you and your family if you have all the information. There are many factors that one should consider before selecting health insurance, from family needs to individual health needs, so I encourage New Yorkers to take advantage of this free information. For those looking to apply for health insurance, our staff can help you get connected with information, and for those not eligible for coverage or unable to afford it, we can help you get enrolled in NYC Care or NYC Health + Hospitals' Options. Visit our website to learn more about the health insurance workshop dates and locations.

MetroPlus Health Plan Redesigns Its Website to Support Members

Our health plan, MetroPlus, this month launched a redesigned and more member-friendly website that features mobile-first design and new architecture that allows users to readily find what they most want to do, see or search on the site. The new website builds on recent technology upgrades to support MetroPlus' members, providers, and the City's push to guarantee access to affordable, quality health care for eligible members. Visitors to our new site will discover that it's now much easier to find a doctor, pay a premium, check their eligibility for health insurance, and just get in touch with our top ranked health plan. The website features access to the many support services offered to MetroPlus members, which includes coordination of care for members with complex issues, connection to available social services, large selection of member rewards, and a robust new Health Library with helpful healthy living tips. There is also an easy-to-use way for people to find MetroPlus locations in their neighborhoods, where they can receive a full gamut of health insurance services.

Gotham Health, Judson Opens New Pride Health Center for LGBTQ Youth

This month we celebrated the opening of a new comprehensive Pride Health Center dedicated to lesbian, gay, bisexual, transgender, and queer/questioning (LGBTQ) adolescent and emerging adult patients. The new health center at NYC Health + Hospitals/Gotham Health, Judson will focus on providing comprehensive, effective, and affirming patient-centered and culturally sensitive health services to adolescent LGBTQ communities. NYC Health + Hospitals/Gotham Health, Judson is home to the Bridge Program, which helps continuity of care between adolescents and adults ages 13 to 35. The new Pride Health Center is the public health system’s fifth, building on a commitment to LGBTQ New Yorkers that has earned the system national recognition by the Human Rights Campaign Foundation as “Leaders in LGBTQ Healthcare Equality.” Judson is also a part of First Lady Chirlane McCray’s NYC Unity Project, the City’s first-ever, multi-agency strategy to deliver unique services to LGBTQ youth. It is an important milestone for NYC Health + Hospitals to announce a new health center that targets a population that is often overlooked and underserved. We’re proud of the innovative programs we’re developing to engage adolescent LGBTQ patients, further illustrating our commitment to engage all New Yorkers and provide access to inclusive, culturally responsive, high-quality health care.

NYC Care Health + Hospitals/Correctional Health Services Art Exhibit

NYC Health + Hospitals/Correctional Health Services opened its fifth annual art exhibit, “Where I’m From.” The exhibit ran at the School of Visual Arts Gallery until last week. It featured the powerful narratives of incarcerated individuals, displaying the work of the Creative Arts Therapy Program participants – the oldest and largest jail based arts therapy program in the nation. This year’s exhibit included approximately 40 collaborative pieces, ranging from visual art to music and poetry, developed during the course of the past year with instruction from creative art therapists. Creative arts therapy, a therapeutic intervention that has proved effective in correctional settings, uses art, music, movement, poetry, or drama with the goal of supporting patients’ mental health and coping skills through the encouragement of self-expression. The program’s creative art therapists are part of the Correctional Health Services clinical mental health team, and coordinate with other staff on mental health care and treatment planning.

NYC Health + Hospitals Honors 16 Nurse Professionals at Annual Nursing Excellence Awards

As part of our annual Nursing Excellence Awards celebration, NYC Health + Hospitals this month honored 16 nurse professionals from across the public health care system. The honorees were selected by a panel of nurse leaders to highlight the diverse clinical service areas and serve as great representatives of the more than 8,000 nurses who are the backbone of our health system. They not only reflect the diversity of our city but also reflect the mission, vision and ICARE values of integrity, compassion, accountability, respect and excellence. The 2019 Nursing Excellence Award honorees are:

Doris Amalu, BSN, RN, NYC Health + Hospitals/Harlem
Kimberly Campbell-Taylor, RN, BSN, MSN, NYC Health + Hospitals/Simulation Center
Erwin B. Ceniza, RN, NYC Health + Hospitals/Jacobi
Jude Coye, RN, NYC Health + Hospitals/Metropolitan
Soosy Joseph, RN, BSN, NYC Health + Hospitals/North Central Bronx
Francine Keogh, RN, BC, NYC Health + Hospitals/Community Care, Associated Director of Nursing
Maureen Daly Maroney, MS, MSN, RN-BC, CCRN, NYC Health + Hospitals/Coney Island
Nabiha Minhas, RN-BC, BSN, NYC Health + Hospitals/Kings County
Lorna Mullings, RN, MSN/MPH, WCC, NYC Health + Hospitals/Woodhull
Marilou Omoyon-Perham, BSN, MSN, RN, MNP-BC, NYC Health + Hospitals/Elmhurst
Shila Pandya, BSN, RN, NYC Health + Hospitals/Bellevue
Queenie Joy Papa, BSN, RN, MN, NYC Health + Hospitals/Lincoln
Jasmine Pascual, RN, NYC Health + Hospitals/Gotham Health, Gouverneur
Trichelle Phillips, RN, BSN, NYC Health + Hospitals/Queens
Nenita Premian, RN, BSN, NYC Health + Hospitals/Sea View
Abiola Salami, RN, BSN, FNP, NYC Health + Hospitals/Correctional Health Services

Nicole Jordan-Martin Appointed Executive Director for NYC Health + Hospitals/Community Care

Nicole Jordan-Martin, MPA, has been appointed Executive Director of NYC Health + Hospitals/Community Care, the public health system’s program to deliver services to patients at home and in the community – and a major part of our broad approach to improve population health. She will be responsible for overall strategic priorities, including patient growth, clinical integration, care management, quality improvement, and financial sustainability. Ms. Jordan-Martin served as a Senior Assistant Vice President, Executive Director for Implementation and the Brooklyn Hub Executive Director at OneCity Health, NYS’s largest Performing Provider System (PPS). She also previously worked with NYC Health + Hospitals’ sponsored partnerships of organizations and healthcare professionals, collaborating to meet community needs by transforming healthcare delivery. Nicole Jordan-Martin is the right leader for this exciting transformation, as we expand and strengthen services, particularly for our most vulnerable patients.

Deborah Brown Appointed Senior Vice President for External and Regulatory Affairs

Deborah Brown has been appointed NYC Health + Hospitals Senior Vice President for External and Regulatory Affairs. Brown will guide the System's external partnerships and manage complex regulatory and policy matters, defining and executing strategies to advance NYC Health + Hospitals' local, state, and federal priorities. She will lead our Government and Community relations teams. Deborah Brown has nearly two decades of experience representing, advocating for, and leading hospital systems. She joins the public health system from her position as the Chief Strategy and Innovation Officer for Health in the NYC Mayor's Office. She also served in a senior staff position in the Montefiore Health System, where she led policy, regulatory, and advocacy initiatives to advance the system's expansion of value-based care. Her extensive knowledge of health policy and health systems will be an incredible asset to NYC Health + Hospitals. From her service at the Mayor's Office to her years representing New York's hospitals and long-term care facilities, Ms. Brown stands as a true leader in the field.

Update to Ambulatory Care Bylaws

Collaborative Drug Therapy Management (CDTM) Pharmacists are clinical pharmacists we have hired to partner with primary care providers under a Collaborative Practice Agreement to optimize the management of specified disease states, such as diabetes. In order for the pharmacists to practice, they need to be credentialed as CDTM pharmacists at NYC Health + Hospitals/Gouverneur. This process requires adding the role of CDTM pharmacist to the definition of Allied Health Professionals in the Gouverneur Ambulatory Care Bylaws. The credentialed staff have already voted to add the CDTM pharmacists to their bylaws. The NYC Health + Hospitals Board bylaws (Article IX) delegates this authority to the President. Therefore, at the recommendation of the medical staff, and in my official capacity as President, I am approving this bylaw change on behalf of the Board.

# # #

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute renewal of a revocable five-year license agreement with Eyes and Optics (the “Licensee”) for the continued use and occupancy of approximately 140 square feet of space on the 8th floor of the “E” Building to operate an optical dispensary at NYC Health + Hospitals/Kings County (the “Facility”) at an occupancy fee of $34.78 per square foot for a total annual occupancy fee of $4,869 to be escalated by 3% per year for a total over the five year term of $25,850.

WHEREAS, the Facility’s Ophthalmology Department, located on the 8th floor of the Ambulatory Care Center, performs vision screenings, diagnostic tests and ophthalmic procedures for its patient population, and the department’s outpatient visits continue to trend upward; and

WHEREAS, in June 2014 the Board of Directors of the Corporation authorized the System to execute a five year revocable license agreement with Eyes and Optics; and

WHEREAS, the Licensee has been successfully operating an optical dispensary at the Facility since the 2014 providing approximately 1,500 patients per year with low cost eyewear; and

WHEREAS, the Facility has adequate space to accommodate the Licensee’s needs and desires to continue to offer optical dispensary services to its patients.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to execute renewal of a revocable five-year license agreement with Eyes and Optics for its continued use and occupancy of approximately 140 square feet of space on the 8th floor of the “E” Building at NYC Health + Hospitals/Kings to operate an optical dispensary at an occupancy fee of $34.78 per square foot for a total annual occupancy fee of $4,869 to be escalated by 3% per year for a total over the five year term of $25,850.

EXECUTIVE SUMMARY

LICENSE AGREEMENT
EYES AND OPTICS
NEW YORK CITY HEALTH + HOSPITALS/KINGS COUNTY

The New York City Health and Hospitals Corporation (the "System") seeks authorization from the Board of Directors to execute renewal of a revocable five-year license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of space to operate an optical dispensary at NYC Health + Hospitals/ Kings County ("Kings County").

The Ophthalmology Department at Kings County, located on the 8th floor of the Ambulatory Care Center, performs vision screenings, diagnostic tests and ophthalmic procedures for its patient population, and the department's outpatient visits continue to trend upward. Since 2008 Eyes and Optics has operated an on-site ophthalmic dispensary at NYC Health + Hospitals/Gouverneur pursuant to resolutions of the Board of Directors adopted in 2008 and again in 2012. In 2018, the System authorized the Licensee's operation of an optical dispensary at NYC Health + Hospitals/Woodhull. In June 2014, the Board of Directors authorized the System to execute a five year revocable license agreement with Eyes and Optics for space at Kings County. Since 2014, the Licensee has successfully operated its optical dispensary providing low cost eyewear to approximately 1,500 patients per year. Kings County desires to continue its relationship with Eyes and Optics and has adequate space to accommodate the Licensee's needs.

Eyes and Optics shall have the use and occupancy of approximately 140 square feet of space on the 8th floor of the "E Building" (the "Licensed Space"). Eyes and Optics shall pay an occupancy fee of $34.78 per square foot for a total annual fee of $4,869. The occupancy fee represents a 3% increase over the current rate and is considered to be the fair market value of the space. The cost of electricity shall be included in the occupancy fee. The occupancy fee will be escalated by 3% per year and will total $25,850 over the term of the agreement.

Eyes and Optics will indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the licensed space and will also provide appropriate insurance naming each of the parties as additional insureds.

The term of this agreement shall not exceed five years without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on ninety days' notice.

Kings Eyes and Optics

Years (2014 - 2019)	Annual	Monthly	PSF
1	$4,200	$350	$30.00
2	4,326	361	30.90
3	4,456	371	31.83
4	4,589	382	32.78
5	4,727	394	33.77
	$22,298		

Years (2019 - 2024)	Annual	Monthly	PSF
1	$4,869	$406	$34.78
2	5,015	418	35.82
3	5,165	430	36.90
4	5,320	443	38.00
5	5,480	457	39.14
	$25,850		

note: escalation 3% per year

SAVITT PARTNERS

November 4, 2019

Mr. Dion Wilson
Legal Affairs – Office of the General Counsel
NYC Health + Hospitals Corporation
125 Worth Street
New York, 10013

Re: Fair Market Value/Appraisal of optical dispensary within Kings County Hospital
Located at 541 Clarkson Avenue, Brooklyn, NY in the East Building, 8th Floor, Suite C
On behalf of NYC Health + Hospitals Corporation

Dear Dion:

You have asked that I comment on the value of the referenced premises for the rental renewal. The original valuation report dated June 2, 2014 describes the referenced premises and gives a valuation of $28.00-30.00 per rentable square foot (RSF) at that time. This shall serve to update that report and its valuation.

Pursuant to your request, the referenced property was initially inspected on April 16, 2014 in order to assess the Fair Market Value (FMV) of the designated office/retail space. This assessment is inclusive of the value of the Tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, repairs and maintenance, etc. As the owner is designated as a not for profit (501 (c)(3)) real estate taxes may not be applicable, however this expense will be considered when evaluating the value of the space in order to provide a comprehensive FMV. This appraisal will assess the estimated value of the base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The optical dispensary space is appropriately zoned for the use (office/retail) within the medical facility.
- The current lease expires 6/1/2020.
- The Landlord, in accordance with the terms of the original lease, has proposed a five year renewal term with 3.0% escalations per annum, compounded.
- The unit is approximately 140 RSF.
- This evaluation is for the purpose of a lease extension/renewal.

The ability to access the space and the provision of services without interruption is an amenity that benefits this retail tenant. This retail tenant, however, remains viable only as long the Ophthalmology practice remains present at the premises. The minimal expense for tenant improvements was a variable that was evaluated as well.

For the purpose of this appraisal, we shall assume that all operating expenses, i.e., security, refuse removal, utilities, repairs and maintenance, service contracts, etc. are provided by the Landlord.

In addition to the base rent of $22, which we previously described as net, you would add in approximately $3.50/sf for utility services, $2.25/sf for cleaning services and as much as $5/sf for IT and telephone services depending on the level of sophistication provided. In addition to these services, the tenants occupying the spaces do not have to maintain service contracts or maintenance of AC, communications or office equipment etc. That can be value-added into the cost of the space as well. Accordingly, we value the space at a gross rent of approximately $34.75/rsf with services provided, which would be consistent with this use, within this use structure.

In conclusion this analysis finds that the FMV for this space is essentially a hybrid due to the location of the space, proposed use and lack of opportunity to promote a true retail operation. However, it also provides the user with an immediate client base.

It is our professional opinion that the value of the referenced space is $32-36 per RSF (140rsf). It would not be appropriate to provide a tenant with a construction concession of rent abatement given the size of the unit.

Based on my review of the proposed lease term (5 years), the starting base rent and escalations, $34.78 per square foot with 3.0% annual increases plus other Landlord cost pass-throughs as outlined in the initial lease, represents an increase from the current rent of 3.0% in addition to continuing to give the Landlord 3.0% annual escalations as was in place from the time of the initial lease.

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

Very truly yours,

Michael Dubin
Partner

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: Eyes and Optics

Date: November 6, 2019

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

Vendor Responsibility	EEO	MWBE
Approved	NA	NA

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.

Eyes and Optics
License Agreement – NYC H+H Kings County

Board of Directors Meeting
November 21, 2019

Presented by Vincent Mulvihill
Deputy Executive Director
NYC H+H Kings County

Current State

➢ In operation at Kings County since 2014

- The Eyes and Optics Dispensary has served both patients and staff of NYC H+H Kings County since 2014, as a one-stop-shop to fill prescriptions for eye glasses, protective goggles, contact lenses and other related products.

- With an approximate discount rate of 25%, they offer a range of moderate-to-low cost options for children and adults, making it's products available for all income levels.

➢ Also located at other NYC H+H Facilities

- Located at Gouverneur since 2008

- Located at Woodhull since 2018

Benefits to Patient and Staff

- They serve between 120 to 140 patients and staff per month.
- Located adjacent to the Ophthalmology Practice so its very convenient for our patients.
- They have a 5 year track record of exemplary customer service towards our patients and staff.
- Rental fees provide a modest source of revenue for Kings County.

History of Rental Cost

Years (2014 - 2019)	Annual	Monthly	PSF
1	4,200	350	30.00
2	4,326	361	30.90
3	4,456	371	31.83
4	4,589	382	32.78
5	4,727	394	33.77
	22,298		
Years (2019 - 2024)	**Annual**	**Monthly**	**PSF**
1	4,869	406	34.78
2	5,015	418	35.82
3	5,165	430	36.90
4	5,320	443	38.00
5	5,480	457	39.14
	25,850		

Board of Directors Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a renewal of a revocable five-year licenses agreement with Eyes and Optics (the "Licensee") for the continued use and occupancy of approximately 140 square feet of space on the 8th floor of the "E" Building to operate an optical dispensary at NYC Health + Hospitals/Kings County (the "Facility") at an occupancy fee of $34.78 per square foot for a total annual occupancy fee of $4,869 to be escalated by 3% per year over the five-year term of $25,850

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a contract with Firemaxx Inc. (“the Contractor”) to provide fire alarm preventive maintenance, testing and repair services on pre-determined schedule at various facilities throughout the System over a three years term with an option, exercisable only by the System, for two one-year extensions for an amount not to exceed $8,935,376.

WHEREAS, the facilities of the System will require fire alarm testing services to ensure compliance with The Joint Commission and Fire Department of New York City regulations; and

WHEREAS, the System has determined that such needs can best be met by utilizing an outside firm, through a maintenance contract; and

WHEREAS, the System selected the Contractor through a request for proposals (“RFP”) process for fire alarm testing services, which was approved by the Contract Review Committee as required;

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents; and

WHEREAS, the administration of the proposed agreement shall be the responsibility of the Senior Vice President for Facility Administration.

NOW, THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with Firemaxx Inc. to provide fire alarm preventive maintenance, testing and repair services on pre-determined schedule at various facilities throughout the System over a three year term with an option, exercisable only by the System, for two one-year extensions, for an amount not to exceed $8,935,376.

EXECUTIVE SUMMARY

FIRE ALARM PREVENTIVE MAINTENANCE, TESTING & REPAIR SERVICES

FIREMAXX INC.

OVERVIEW: The New York City Health and Hospitals Corporation (the "System") seeks to execute a contract for a term of three years, with an option for two one-year renewals for amount not-to-exceed $8,935,376, to provide fire alarm preventive maintenance, testing and repair services at various NYC Health + Hospitals facility. The total authorized to be spent under this contract is $8,935,376. Previously these services were provided by JCI Fire Protection and Firemaxx Inc. for a total of $1,196,036 annually. The new contract would provide these services at an annual cost of $1,031,229, for an annual savings of $164,807.

NEED: Throughout the System, fire alarm systems are required to ensure fast detection and notification of a fire to ensure patient and staff safety. Fire alarm systems are also required to comply with NYC, The Joint Commission, National Fire Protection Association, and Center for Medicaid Services regulations. To ensure the operation and full functionality of the fire alarm systems, quarterly, semi-annual, and annual tests are needed.

TERMS: The maintenance services will be provided via a contract with a three year term, with the System holding an option for two one-year extensions for an amount not to exceed $8,935,376. For any new sites within the System that become operational after this contract is executed, the Contractor will complete an inventory of the System and develop a proposal for the annual cost of testing. Once that proposal is finalized, an amendment will be drafted to add the new site to the list of sites where testing will be required. The proposed resolution includes an annual allowance for integration and maintenance of system expansion to cover additional testing required as a result of new construction or new sites.

COSTS: Not-to-exceed $8,935,376 over three years and two one year options solely exercisable by the System.

FINANCING: This contract will be funded through the System's operating budget.

MWBE: MWBE 30% 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: Firemaxx, Inc.

Date: November 14, 2019

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

Vendor Responsibility	EEO	MWBE
Pending	Pending	30% Utilization Plan

Firemaxx, Inc. has agreed to a utilization plan as follows:

Vendor	Status	Percentage	Scope
Falcon Fire and Security, LLC	NYC MBE	25%	Labor
NRM	Pending	5%	Parts

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.

FIREMAXX - Fire Alarm Preventive Maintenance, Testing and Repair

Board of Directors Meeting
November 21, 2019

Christine Flaherty
Senior Vice President
Office of Facilities Development

NYC HEALTH+ HOSPITALS

Background / Current State

- Mandated inspection & testing for Fire Protection Testing systems

- H+H requires vendors to perform fire safety services across all acute care and post-acute care facilities. Services include:
  - Preventative Maintenance & Testing
  - Repairs

- FY 2018 Preventative Maintenance & Testing Spend - $1.2 MM
- FY 2018 Repair Spend - $550K
- FY 2018 Total = $1.75M

- The current agreements with FireMaxx Systems, FireCom and Johnson Controls will expire 12/31/19

- The CRC approved an application to issue solicitation 8/20/19

- Two responsive proposals reviewed on 10/23/19

Current Service Providers by Facility

FIREMAXX	JCI	FIRECOM
Elmhurst	Bellevue	Gouverneur
Harlem	Coney Island	
Henry J. Carter	Cumberland	
Kings County	East New York	
Jacobi	Kings County	
Lincoln	McKinney	
Metropolitan	Woodhull	
Queens		
Renaissance		
Belvis		
Seaview		

- Firemaxx currently provides testing and maintenance services at 60% of H+H facilities
- Firecomm maintains a proprietary system at Gouveneur

RFP Criteria

- Minimum criteria:
  - A minimum of 5 years performing Fire Safety Maintenance and Repair Services in a hospital environment.
  - Appropriately licensed and certified in the state/city of New York to perform this service
  - $1 million in annual gross sales. The System reserves the right to modify this criterion for MWBE vendors.
- Evaluation Criteria
  - 35% - Agreement to SOW Terms
  - 20% - Appropriateness and Quality of Firm's Experience
  - 30% - Cost Proposal
  - 15% - Status as MWBE or MWBE Utilization Plan Percentage and Quality
- Evaluation Committee:
  - OFD staff and representation from all facilities where service will be utilized

Vendor Selection

- Firemaxx scored 40% higher than second vendor in quality, understanding of the scope of services and experience
- Firemaxx is one of the current vendors providing Fire Alarm preventive maintenance, testing and repairs to H+H
  - Firemaxx received good reviews for responsiveness at specific facilities
  - Contractor performance is continually discussed at monthly Director of Engineering meetings.
- Firemaxx provided the most competitive and comprehensive cost proposal

Contract Pricing

FISCAL YEAR	PREVENTIVE MAINTENANCE (PM) & TESTING	ALLOWANCE FOR PM + TESTING DUE TO EXPANSION	REPAIR ALLOWANCE	TOTAL
FY 2020	$515,615	$103,123	$275,000	$893,738
FY 2021	$1,031,229	$206,246	$550,000	$1,787,475
FY 2022	$1,031,229	$206,246	$550,000	$1,787,475
FY 2023	$1,031,229	$206,246	$550,000	$1,787,475
FY 2024	$1,031,229	$206,246	$550,000	$1,787,475
FY 2025	$515,615	$103,123	$275,000	$893,738
TOTAL	**$5,156,145**	**$1,031,229**	**$2,750,000**	**$8,935,376**

MWBE Plan

- Firemaxx has presented a plan to commit 30% of contract value to MWBE by sub-contracting

VENDOR	SERVICE	% MWBE
Falcon Fire and Security*	Labor	25%
NRM**	Parts	5%

*Falcon Fire and Security is a NYC Certified MBE.

**NRM is currently in the process of obtaining their MWBE certification

Board of Directors Approval Request

- We are seeking approval to enter into contract with FireMaxx Systems Corp. for Fire Alarm Preventive Maintenance, Testing, and Repairs.
  - 3 years with two 1-year extensions
  - Effective 1/1/20
  - MWBE utilization plan of 30%
  - Total Contract value - $8,935,376

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with MICO Cooling Corp. ("the Contractor") to provide refrigeration maintenance services on pre-determined schedule at various facilities throughout the System over a three-year term with an option, exercisable solely by the System, for two one-year extensions, for an amount not to exceed $8,507,640.

WHEREAS, the facilities of the System require refrigeration maintenance services for refrigerators storing medication, blood supplies, lab reagent supplies and food; and

WHEREAS, the System has determined that such needs can best be met by utilizing an outside firm, through a maintenance contract; and

WHEREAS, the System selected the Contractor through a request for proposals (an "RFP") process for refrigeration maintenance services, which was approved, as required, by the Contract Review Committee; and

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents; and

WHEREAS, the proposed contract will be administered by the Senior Vice President for Facility Administration.

NOW, THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with MICO Cooling Corp. to provide refrigeration maintenance services on pre-determined schedule at various facilities throughout the System over a three-year term with an option, exercisable solely by the System, for two one-year extensions, for an amount not to exceed $8,507,640.

EXECUTIVE SUMMARY

REFRIGERATION MAINTENANCE SERVICES

MICO COOLING CORP.

OVERVIEW: The New York City Health and Hospitals Corporation (the "System") seeks to execute a contract for a term of three-years, with an option for two one-year renewals for amount not-to-exceed $8,507,640, to provide refrigeration maintenance services at various NYC Health + Hospitals facility. MICO Cooling Corp. previously provided these services to the System at an annual cost of $1,867,064. Under the proposed agreement, these services will be provided at an annual cost of $1,701,600 for an annual savings of $165,464.

NEED: Throughout the System commercial refrigerators are used to store medication, blood supplies, lab reagent supplies, and food until needed for patient use. To ensure the operation and full functionality of these refrigeration systems, quarterly, semi-annual, and annual preventive maintenance are needed.

TERMS: The maintenance services will be provided via a contract within a three year term, with an option exercisable solely by the System for two one-year extensions for an amount not to exceed $8,507,640. The System will have the option to add or remove units at an agreed upon per unit cost with MICO Cooling Corp. If items are removed from the inventory, the System's overall cost will decrease by the per-unit cost multiplied by the number of units and if items are added the system's overall cost will increase by the per unit cost multiplied by the number of units. For any new sites that become operational after this contract is executed, a baseline inventory of devices that would be managed by the Contractor will be collected and the per-unit cost will be used to determine the new facility's annual maintenance cost.

COSTS: Not-to-exceed $8,507,640 over three-years and two one year options solely exercisable by the System.

FINANCING: This contract will be funded through the System's operating budget.

SCHEDULE: Upon contract execution this contract will be in effect for three-years with the System have the option to exercise two one year renewals.

MWBE: Vendor is a NYC certified WBE

NYC HEALTH + HOSPITALS

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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: Mico Cooling Corp. KA

Date: November 14, 2019

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

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

Mico Cooling Corp. is a NYC certified WBE.

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.

MICO Cooling Corp.
Refrigerator Service and Maintenance

Board of Directors Meeting
November 21, 2019

Christine Flaherty
Senior Vice President
Office of Facilities Development

Background / Current State

- The System has an existing contract with Mico Cooling for the maintenance of 1,643 refrigeration units
- The contract includes PM, Labor, and Emergency Repair with an annual spend of $2.12M
  - PM & Stationary Labor at Bellevue (2), Queens (1), Lincoln (1), Harlem (1) - $1.6M
  - Emergency Repairs system wide - $520,000
- The contract with Mico Cooling will expire on 12/31/19
- The CRC approved an application to issue solicitation on October 3, 2018
- 3 responsive proposals received on June 21, 2019
- Vendor presentations and scoring of two final vendors occurred on October 29, 2019

RFP Criteria

- Minimum criteria:
  - A minimum of 5 years performing Refrigeration Maintenance, Repair and Inspection Services in a hospital environment.
  - Appropriately licensed and certified in the state/city of New York to perform this service.
  - $5 million in annual gross sales. The System reserves the right to modify this criterion for MWBE vendors.
- Substantive Criteria
  - 35% Ability to meet SOW deliverables
  - 35% Cost Proposal
  - 20% Appropriateness and quality of firm's experience & qualifications of proposed staff
  - 10% Status as an MWBE or MWBE utilization plan
- Evaluation Committee:
  - OFD & facility representation where services will be utilized

Vendor Selection

- MICO Cooling scored 30% higher than second vendor in quality, understanding of the scope of services and experience
  - Vendor currently provides services to the following facilities;
    - Bellevue
    - Queens
    - Lincoln
    - Harlem
    - Henry J. Carter
    - Morrisania
    - Belvis
- MICO Cooling provided the most competitive and comprehensive cost proposal
- Based on current facilities serviced, MICO Cooling Corp. has demonstrated it has resources to support our system
  - Contractor performance is continually discussed at monthly Director of Engineering meetings, issues were addressed and resolved.
- MICO Cooling Corp. is a WBE and will be self-performing all work related to this contract.

Pricing

- Markup on materials: 20%

FISCAL YEAR	PRVENTIVE MAINTENANCE + LABOR	ALLOWANCE FOR EXPANSION	TOTAL
FY 2020	$708,850	$141,770	$850,260
FY 2021	$1,418,000	$283,600	$1,701,600
FY 2022	$1,418,000	$283,600	$1,701,600
FY 2023	$1,418,000	$283,600	$1,701,600
FY 2024	$1,418,000	$283,600	$1,701,600
FY 2025	$708,850	$141,770	$850,260
TOTAL	**$7,089,700**	**$1,417,940**	**$8,507,640**

Board of Directors Approval Request

- We are seeking approval to enter into contract with MICO Cooling Corp. for Refrigerator Service and Maintenance
  - 3 years with two 1-year extensions
  - Effective 1/1/20
  - Total Contract Value - $8,507,640
  - Mico Cooling Corp. is a NYC certified WBE