

CALL TO ORDER - 3:00 PM

1. Adoption of Minutes: January 30, 2020

Chair's Report

President's Report

Legislative Update

>> Action Items<<

2. Authorizing New York City Health and Hospitals Corporation (the "System") to sign a ten-year lease extension with the **Mattone Group** (the "Landlord") for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the "Clinic"), operated by NYC Health + Hospitals/Gotham Health ("Gotham Health") at an initial occupancy cost of \$267,278.14 or \$63.37/ft. consisting of an initial base rent of \$203,434.14 per year plus an estimated initial annual common area maintenance ("CAM") charge of \$29,257 and an estimated annual charge for real estate taxes of \$34,587 with the base rental charge increasing from \$48.23/ft. after five-years to \$53.05/ft. and with estimated 2.5% annual increases in the CAM and tax expenses yielding an estimated ten-year occupancy cost total of \$2,851,263.91.

(Capital Committee – 02/06/2020) **Vendex: NA / EEO: NA**

3. Authorizing New York City Health and Hospitals Corporation (the "System") to sign a five-year revocable license with **Ronald McDonald House of New York, Inc.** ("Licensee") for its use of approximately 1,100 square feet on the 5th floor of the S Building at NYC Health + Hospitals/Kings County Hospital Center ("KCHC") and approximately 930 square feet on the 8th floor E Wing of NYC Health + Hospitals/Elmhurst Hospital ("Elmhurst") for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients, with the occupancy fee waived and with the System having authority to extend the license to space at other System facilities provided such extensions are reported to the Board.

(Capital Committee 02/06/2020) **Vendex: NA / EEO: NA**

4. Authorizing New York City Health and Hospitals Corporation (the "System") to sign a five-year lease extension with **Forever Spring Realty, Inc.** (the "Landlord") for the use of approximately 4,186 square feet of ground floor space at 81-06 Baxter Avenue, Queens to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program") managed by NYC Health + Hospitals/Elmhurst Hospital Center (the "Facility") at a rent of \$198,835 per year, or \$47.50 per square foot to be escalated by 2.5% per year for a total of \$1,045,142 over the five-year initial term with an option to be exercised only by the System to renew the lease for an additional five-year term at 2.5% above the rent last due during the initial term. The System shall also pay the real estate taxes on the property which are currently at \$6,000/yr. which are estimated to increase by 2.5%/yr. for a five-year estimated total of \$31,538 which will bring the total five-year occupancy cost to approximately \$1,076,680.

(Capital Committee 02/06/2020) **Vendex: NA / EEO: NA**

5. Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five-year revocable license agreement with **Educational Data Systems, Inc.** (the "Licensee") for its use and occupancy of 312 square feet of space in the Mental Health Building on the campus of NYC Health + Hospitals/Metropolitan Hospital Center (the "Facility") to operate an employment services program at an annual occupancy fee of \$12,000, or \$38.46 per square foot to be escalated by 3% per year for a total of \$63,710 over the five-year term.

(Capital Committee 02/06/2020) **Vendex: NA / EEO: NA**

6. Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a revocable five-year license agreement with **Eyes and Optics** (the "Licensee") for the use and occupancy of approximately 140 square feet of space in the Atrium lobby to operate an optical dispensary at NYC Health + Hospitals/Queens Hospital Center (the "Facility") at an occupancy fee of \$57 per square foot for a total annual occupancy fee of \$7,980 to be escalated by 3% per year for a total over the five-year term of \$42,367.

(Capital Committee 02/06/2020) **Vendex: Approved / EEO: NA**

Mr. Pagán

Mr. Pagán

Dr. Katz
Ms. Brown

Mr. Peña-Mora

Mr. Peña-Mora

Mr. Peña-Mora

Mr. Peña-Mora

Mr. Peña-Mora

Committees and Subsidiary Report

- Governance
- Strategic
- Audit
- Capital
- HHC Centralized Services Organization (CSO Subsidiary)

Executive Session | Facility Governing Body Report

- NYC Health + Hospitals | Lincoln
- NYC Health + Hospitals | Gouverneur Long-Term Care and Rehabilitation Facility

Semi-Annual Governing Body Report (Written Submission Only)

- NYC Health + Hospitals | Queens

>>Old Business<<

>>New Business<<

Adjournment

Mr. Pagán
Mr. Pagán
Ms. Arteaga Landaverde
Mr. Peña-Mora
Mr. Rocha

Mr. Pagán

Mr. Pagán

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

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 January, 2020, 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 Pagán
Dr. Mitchell Katz
Mr. Scott French
Dr. Raul Perea-Henze
Dr. Vincent Calamia
Dr. Oxiris Barbot
Dr. Hillary Kunins
Mr. Robert Nolan
Ms. Helen Arteaga Landaverde
Ms. Sally Hernandez-Piñero
Mr. Feniosky Peña-Mora
Ms. Anita Kawatra
Ms. Freda Wang
Ms. Barbara Lowe

Mr. Pagán, Chair of the Board, called the meeting to order at 3:10 p.m. Mr. Pagán, chaired the meeting and Ms. Colicia Hercules, Corporate Secretary, kept the minutes thereof.

Scott French was in attendance representing Steven Banks in a voting capacity.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on December 19, 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 December 19, 2019, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIR'S REMARKS

Mr. Pagán thanked Ms. Arteaga Landaverde for attending the Joint Commission leadership session at NYC Health + Hospitals/Queens Hospital on January 17 and requested that she provide feedback.

Ms. Arteaga Landaverde reported that the NYC Health + Hospitals/Queens Hospital team was very impressive and showed the Joint Commissioner their commitment to our mission. The surveyors were impressed with the iCare Initiative. She was very proud of the staff for a very successful survey.

Mr. Pagán also noted that Ms. Wang, Ms. Hernandez-Piñero, Mr. Peña-Mora and he conducted a site visit to Metropolitan Hospital and requested that Ms. Wang provide feedback to the Board.

Ms. Wang reported that the NYC Health + Hospitals/Metropolitan team showed a culture of putting the patients first and using innovative thinking to re-enforce the role of NYC Health + Hospitals/Metropolitan as a community hospital offering family medicine, the pride center and express care all under one roof for better patient care.

Mr. Pagán also noted that learning about NYC Health + Hospitals/Metropolitan's work on safety and quality was particularly useful and informative.

Vendex Approvals

Mr. Pagán noted that since NYC Health + Hospitals began the process of approving contracts prior to vendex approvals, there are two new items on the agenda requiring Vendex approval of which both have such approval. There are five items from previous board meetings pending Vendex approval, which are in the Board materials. Since the last meeting, two Vendex approval has been received; the Board will be notified as outstanding Vendex approvals are received.

LEGISLATIVE REPORT

Ms. Deborah Brown, Senior Vice President for External and Regulatory Affairs reported to the Board that the Medicaid DSH cuts continue to be delayed until May 22, 2020 and there are some workforce bills that NYC Health + Hospitals are continuing to monitor.

Ms. Brown also reported that the State is looking at a \$6 billion deficit fueled largely by Medicaid. While the State has introduced its preliminary budget with these cuts included, the convening of a Medicaid Redesign Team will create a chance for stakeholders to provide the legislature with a proposal to resolve the deficit. NYC Health + Hospitals will continue to monitor this process closely and keep the Board informed.

President's Report

Dr. Katz notified the Board that his full report is included in the Board materials and posted on-line. However, he highlighted that NYC Care was launching that day in Brooklyn and Staten Island. He further assured the Board that NYC Health + Hospitals will continue to work closely with NYC Department of Health and Mental Hygiene to address the corona virus epidemic and assured the Board that our facilities are fully prepared to respond to any potential patient needs.

Dr. Katz mentioned a number of leadership changes: Svetlana Lipyanskaya will become Chief Executive Officer of NYC Health + Hospitals/Coney Island; Chris Roker will replace Alina Moran as Chief Executive Officer of NYC Health + Hospitals/Metropolitan; Israel Rocha will become the Chief Executive Officer for both NYC Health + Hospitals/Elmhurst and Queens Hospitals; and Matthew Siegler will take on the additional role of Chief Executive Officer of OneCity Health.

Mr. Pagán thanked Dr. Katz and directed the meeting to the action items for consideration.

ACTION ITEM 2:

Ms. Wang read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with **RightSourcing Inc.** (the "Contractor") to provide supplemental staffing to the System by managing the services of temporary staffing companies over a three year term with two one-year options exercisable solely by the System, for an amount not to exceed \$700,000,000.

This item was presented to the Finance Committee - 01/09/2020

Yvette Villanueva, Vice President, Human Resources and Diversity/Inclusion; Natalia Cineas, Senior Vice Present, Chief Nurse Executive; Fred Covino, Vice President, Financial Planning; and Joe Wilson, Senior Assistant Vice President, Strategic Sourcing presented on the background of using temporary agency personnel to provide supplemental staffing. They also reported to the Board the size and qualifications of the current staff, the need for these services and the financial trend of decreasing utilization of temporary services. An overview of the procurement process and the MWBE utilization plan was also discussed along with information about the selected vendor including its references and contract scope.

The Board requested that there be further analysis of the MWBE utilization including what percentage are minority owned in the MWBE

utilization plan.

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

ACTION ITEM 3:

Dr. Calamia read an Amended resolution:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with **Draeger, Inc.** ("Draeger") to supply the System's needs for medical anesthesia equipment and associated programmatic support (clinical, operational, biomedical, IT) over a ten year period commencing March 1, 2020 and ending February 28, 2030 at a total cost not to exceed \$18.6 Million subject to funding availability.

This item was presented to the Medical and Professional Affairs Committee - 01/09/2020

Dr. Gregory Girshin, Chair of the Anesthesia Sub-Committee; Mei Kong, Chief Operation Officer and Chief Nurse Office, NYC Health + Hospitals/Coney Island Hospital; and Joe Wilson, Senior Assistant Vice President, Strategic Sourcing presented. Dr. Girshin presented an overview of the current state of anesthesia equipment across the system and its value to patient care along with the benefits of standardizing anesthesia equipment across the System. The procurement process and MWBE utilization plan were discussed.

The Board commended the team for being innovative thinkers with a MWBE utilization plan for 100% of the non-manufacturer equipment spend.

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

ACTION ITEM 4:

Dr. Calamia read the resolution:

Authorizing New York City Health and Hospitals Corporation (the "System") **to establish an Independent Practice Association (an "IPA")** through the formation of a subsidiary New York not-for-profit corporation, currently anticipated to be named NYC Health + Hospitals IPA, Inc. (hereinafter referred to as "NYC H+H IPA"), consistent with applicable regulations, which will be controlled by the System in its capacity as the sole member of NYC H+H IPA. NYC H+H IPA shall enter into agreements with various providers ("Participating Providers")

pursuant to which NYC H+H IPA will (a) seek to negotiate favorable reimbursement rates from third party payors for services to be performed by such Participating Providers, (b) facilitate and promote the coordination of care where appropriate, (c) engage in shared savings programs and (d) structure value-based payment and/or risk sharing arrangements approved by the Boards of Directors of NYC H+H IPA and the System according to the general rules established by each of such boards of directors for the review and approval of contracts. Should there be any conflict, restriction or other issue that prevents the formation of NYC H+H IPA under such name, the System may select another name at the discretion of the System's management.

This item was presented to the Medical and Professional Affairs Committee on 01/09/2020

Israel Rocha, Chief Executive Officer, OneCity Health and Grace Wong, Chief Operating Office of OneCity Health presented.

Mr. Rocha explained to the Board that an Independent Practice Association (IPA) would allow NYC Health + Hospitals to create a network of independent physicians, medical groups and private practices in alignment with our System to enhance quality, while reducing healthcare costs. Mr. Rocha further explained that an IPA will achieve greater patient satisfaction thorough greater coordination of care and improved quality.

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

COMMITTEE AND SUBSIDIARIES REPORTS

Mr. Pagán noted that the Committee and Subsidiary reports are in the Board folders and will be included in the meeting record. 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 stated 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

The Board received and approved governing body reports from NYC Health + Hospitals/Kings County Hospital and NYC Health + Hospitals/Susan Smith McKinney Nursing and Rehabilitation Center.

The Board received and approved semi-annual governing body reports (written submissions) from NYC Health + Hospitals/Elmhurst Hospital.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:15 P.M.



Colicia Hercules
Corporate Secretary

COMMITTEE REPORTS

GOVERNANCE COMMITTEE - DECEMBER 19, 2020

As Reported by José Pagán

Committee Members - José Pagán; Helen Arteaga Landaverde; Vincent Calamia; Mitchell Katz

The meeting was called to order at 1:42 pm by José Pagán.

Mr. Pagán called a motion to accept the minutes of the Governance Committee meeting held on October 31, 2019. The motion was seconded and the minutes were unanimously 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. Danielle DiBari - Senior Vice President, Chief Pharmacy Officer
2. Svetlana Lipyanskaya - Chief Executive Officer - Coney Island Hospital

Following a discussion conducted by Dr. Mitchell Katz, and subsequent deliberations by the Committee attendees, Mr. Pagán called for a motion to recommend Danielle DiBari - Senior Vice President, Chief Pharmacy Officer and Svetlana Lipyanskaya, Chief Executive Officer, Coney Island Hospital.

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 1:59 p.m.

COMMUNITY RELATIONS COMMITTEE - JANUARY 7, 2020

As Reported by Robert Nolan

Committee Members Present: Robert Nolan, José A. Pagán, and Mitchell Katz, M.D.,

Mr. Nolan noted that a quorum had been established and called the meeting to order at 5:36 p.m. He requested a motion for the adoption of the minutes of November 12, 2019. A motion was made and seconded. The minutes were adopted.

CHAIRPERSON REMARKS:

Mr. Nolan stated that when the Governor Andrew Cuomo presents the State of the State address on Wednesday, January 8,.

Mr. Nolan reported that the Community Relations Committee and the entire Board values the commitment of the Community Advisory Boards (CAB) and would like to hear about the CAB's highest priority item or

items that you would like of the Committee and the Board to be aware of.

Mr. Nolan concluded his remarks by stating on tonight's agenda we will hear from three (3) of NYC Health + Hospitals' Community Advisory Boards/ Kings County/East New York and Sea View.

Mr. Nolan moved the agenda and invited Dr. Katz to give the President's Report.

PRESIDENTS REMARKS:

Dr. Katz reported that the NYC Care program, since being inaugurated in the Bronx August 1st, thanks particularly to our CBO partners, has enrolled 10,000 members two months before the targeted deadline. Dr. Katz added that all are receiving appointments with a primary care physician; 3,000 prescriptions was filled in the first two months of the program during extended hours at pharmacies. Dr. Katz continued and noted that we are now on track to launch NYC Care in Brooklyn and Staten Island early in 2020. He informed all that it had been reported that there are "strong proposals" from CBOs in those boroughs in response to the RFP for outreach partners who can replicate the same great work the Bronx CBO partners have achieved.

Dr. Katz reported that on Thursday, November 21, Mayor de Blasio announced Outreach NYC; an integrated outreach effort of all relevant City agencies that will better serve homeless New Yorkers. He noted that this would remain a critical area of focus for the health care system and City partners.

Dr. Katz concluded his remarks by informing members of the Committee, CAB Chairs and invited guests that in November he signed a joint statement with the Mayor's Office of Immigrant Affairs, DC37, NYSNA and Doctors Council commending the federal court for halting the Presidents' Proclamation regarding preventing denying visas to low-income immigrants, based on their ability to obtain health insurance upon arrival to the United States. Dr. Katz continued and stated "NYC Health + Hospitals doors are open to everyone and that we would not be swayed from our mission to deliver quality health care to all New Yorkers no matter their insurance status, their income, or where they come from."

NYC Health + Hospitals/Kings County

Mr. Nolan introduced Mr. Warren Burke, Chairperson of NYC Health + Hospitals/ Kings and invited him to present the CAB's annual report.

Mr. Burke began his presentation with a warm welcome and commendation for Sheldon McLeod, Chief Executive Officer and introducing Alexis Davis, Associate Director Public Affairs.

Mr. Burke reported that the leadership continues to make positive changes at NYC Health + Hospitals Kings that meets the needs of the community. Mr. Burke continued and stated, "whether it's Urgent Care,

Home visits being re-implemented, Epic system, or putting together group practices for diabetes" these programs, services and education is an improvement on the patient experience. Mr. Burke added that Kings County was identify as one of the top 10 Hospitals in US Newsletter Report.

Mr. Burke reported that there is a very high level of transparency at Kings County. Mr. Burke continued and commended NYC Health Kings County leadership on their motivation, dedication and innovation. Mr. Burke noted that the leadership at Kings County cares.

Mr. Burke concluded his presentation and reported that currently the Kings CAB is in the process of rebuilding. Mr. Burke added that the CAB mission is to be the conduit for the hospital to listen very carefully to the community stakeholders and hospital personnel. Mr. Burke continued and added that the CAB want to develop actionable response for challenges jointly by the hospital staff and the CAB, and implement these responses. Mr. Burke ended by stating the CAB recruited two (2) new members: a young attorney for the LGBTQ community and a retired nurse.

NYC Health + Hospitals/East New York

Mr. Nolan introduced Ms. Vera Gibbs, Chairperson of NYC Health + Hospitals/ Gotham Health/East New York and invited her to present the CAB's annual report.

Ms. Gibbs began her presentation by acknowledging Trina Jones, CAB member and Cheryl Jones, CAB Liaison.

Ms. Gibbs reported the most significant health care service needs and concerns are HIV, Diabetes, Hypertension, Food insecurities, Asthma and Youth Health. Ms. Gibbs added that Community Board meetings, Community Health Profile Data and Reports from Community Organizations, identified these needs and concerns. Ms. Gibbs continued and noted that the facility leadership is addressing the community needs/concerns by community outreach programs, Treat to Target and collaborating with MetroPlus and other Community Based Organizations.

Ms. Gibbs reported that the facility's priorities includes staff and patient engagement. Ms. Gibbs explained that staff and patients engagement includes improved communication, training and education opportunities for staff, and leads to improved rate of diabetes control among patients and improving patient education. Ms. Gibbs added that the ENY CAB provides input with the development of the facility's strategic priorities.

Ms. Gibbs reported the most frequent complaints raised by patients are wait-time to see a provider and the need for new elevators. Ms. Gibbs continued and noted that the most frequent compliment by patients are staff engagement with patients and culturally competent staff.

Ms. Gibbs reported that the current the CAB has fifteen (15) members with one (1) vacancies. Ms. Gibbs added that recruitment efforts by the CAB resulted in five (5) new members who terms began September 20 19.

Ms. Gibbs concluded her presentation by reporting the ENY CAB held an Annual Legislative Breakfast, convened an Annual Public Meeting, and participated in the facility's annual Turkey Giveaway, Annual Toy Drive, and Partnership with the local PAL and a joint presentation at the local precinct council and Community Board #5 meetings. Ms. Gibbs noted that the ENY CAB look forward to a continued partnership with the Administration and Community Affairs.

Mr. Nolan recommended that the ENY CAB attend and participate at the NYC Board of Directors Annual Public Meeting.

Due to unforeseen circumstances, the Sea View CAB and Staff was unable to be present, therefore their report will be postponed until the next meeting of the Community Relations Committee.

Old Business - New Business:

Ms. Rosanne DeGennaro, CAB Chair for Coney Island, introduced Ms. Sveltiana Lipyanskaya, newly appointed CEO of NYC Health + Hospitals/Coney Island.

Adjournment: Mr. Nolan adjourned the meeting at 6:05 p.m.

MEDICAL AND PROFESSIONAL AFFAIRS COMMITTEE - JANUARY 9, 2020

As Reported by Dr. Vincent Calamia

Committee Members Present- José Pagán, Vincent Calamia, Mitchell Katz, Barbara Lowe, Hillary Kunins, Sally Hernandez-Piñero.

Dr. Vincent Calamia, Chair of the Committee, called the meeting to order at 9:01 AM. On motion made and duly seconded the Committee voted to adopt the minutes of the November 7th, 2019 Medical and Professional Affairs Committee.

CHIEF MEDICAL OFFICER REPORT

Machelle Allen MD, SVP/System Chief Medical Officer, reported on the following initiatives.

FLU

Seasonal Influenza has been declared prevalent in NY State by State Health Commissioner on 12/5/2019. This puts into effect a regulation requiring that healthcare workers who are not vaccinated against influenza wear surgical or procedure masks in areas where patients are typically present. A system-wide notification was released on 12/6 to ensure the systems vax or mask policy is adhered to. In addition, on 12/9/2019 Central Office Emergency Management began its System Seasonal Influenza Activation to maintain appropriate level of vigilance on a system-level to manage any flu related impacts across the enterprise. Employee vaccination rates as of November 12 across

NYC Health + Hospitals is at 61.9% with 23,744 NYC H+H employees with seasonal flu vaccination. As of November 30, 2019, influenza activity in NYC has been increasing with influenza-like illness (ILI) visits accounting for 3.2% of all weekly visits. Widespread influenza activity is being reported by New York State, with a 73% increase over the last week in patients hospitalized with laboratory-confirmed influenza. Across a nation, the Centers for Disease Control and Prevention is reporting 3.5% of visits to healthcare providers were for ILI, above the national baseline of 2.4%. Flu activity in the U.S. is continuing to increase and expected to pick up in the coming weeks. Activity is being caused mostly by influenza B/Victoria viruses, which is unusual for this time of year. H1N1 viruses are the next most common, followed by H3N2 viruses, which are decreasing in proportion. Influenza activity is likely to increase and remain above baseline over the next few weeks. Per the CDC, influenza activity will likely peak between December and February. The employee flu campaign continues the competition is moving forward with Queens in the lead with above 80 percent of the staff vaccinated.

BEHAVIORAL HEALTH

1. OPWDD (Developmental Disabilities) unit at Kings County: This unit will provide specialized services to this population with developmental disabilities and mental illness. Currently these patients are seen in all of our acute facilities, but this will focus specialized, expert treatment in one unit located at Kings County. H+H is partnering with OMH to develop and operate this unit. This unit is scheduled to open the first week of January 2020.
2. Extended Care unit for homeless individuals: This unit will be located at Bellevue (changed from previous identified location at Woodhull) and will provide inpatient treatment on an extended basis to this population who often need a longer hospitalization to achieve the level of stability and recovery needed to live and participate in community living situations. Focus is on rehabilitation, recovery, and social support to find more stable housing for this special population. The goal is to have this unit open during January 2020.

The Office of Behavioral Health in collaboration with the Office of Population Health and Collaborative Care will assume the operation of the Mental Health Service Corp (Thrive) in January 2020. This program provides training and experience for recent social work, psychology graduates in order to achieve certification in the field of mental health. This is an excellent workforce development program important for H+H to develop and retain mental health clinicians.

The Office of Behavioral Health continues to operate the following programs:

1. Family Justice Centers (domestic violence mental health centers) in all 5 boroughs

2. Maternal Depression Screening occurring in all maternal health and pediatric facilities
3. Behavioral health/primary care presence in Meyer shelter
4. Expansion of primary care screening for substance use disorders (SUD)
5. Establishment of CATCH teams to identify SUD at risk in general care areas, especially for opiate use and potential overdose in six hospitals with high opioid use rates.
6. 6.Establishment of ED Leads teams in Emergency Department to screen, identify, and engage those at risk for Opiate overdose and other SUD.
7. Expansion of buprenorphine prescription in EDs, Primary Care, and behavioral health, including establishment of Buprenorphine/Bridge clinic for buprenorphine prescription.
8. Use of ECHO project to mentor primary care, ED, and behavioral health providers is use of buprenorphine.

System Chief Nurse Executive Report

Dr. Natalia Cineas, System Chief Nurse Executive referred the Committee to her full report in the materials and highlighted the System's initiatives to improve nurse retention, such as Increased the Nurse Practitioner Base Salary; Provided an Early Year Retention Bonus; Provided Educational Differentials ranging from Baccalaureate; Masters, Doctors and PHD in Nursing; Established Clinical Ladder Programs to foster retention and Professional Development; Increased Certification Differentials in key areas with high turnover such as Emergency Department; Critical Care, Surgical Services, Med-Surgical/Dialysis and Correctional Health.

She also informed the Committee that the System has reached tentative NYSNA agreement.

MetroPlus Health Plan, Inc.

Talya Schwartz, MD, Executive Director, MetroPlus Health Plan referred the Committee to the full report included in the materials and highlighted:

Urgent Care Utilization:

The Plan is seeing consistent increase in use of urgent care in the past 18 months. Approximately 10% of the membership has utilized urgent care at least once in 2019. Members had a PCP visit within 2 weeks of an urgent care visit in 12% of the time when attributed to H+H PCP and 19% when attributed to non-H+H PCP. Of particular note is the use of urgent care 5 or more times by close to 2,000 members. Of those, 40% had a PCP visit within two weeks prior to their urgent care visit.

In analyzing diagnosis codes for the visits, we have identified non-urgent care reasons the members are utilizing urgent care for, including immunizations and pre-employment screenings, to name a few.

Increase in urgent care services is occurring in addition to a concomitant increase in emergency room utilization. The Plan has developed educational materials on appropriate use of urgent care, deployed care management for members with over utilization and is re-negotiating its terms with urgent care vendors to drive more appropriate utilization to urgent care centers.

ACTION ITEMS:

Joachim Wilson, Senior Assistant Vice President, Supply Chain, Gregory Girshin, MD, Chairman of Anesthesiology, Mei Kong, Chief Nurse Office/Executive Administration, Coney Island Hospital, present to the committee on the following:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement **with Draeger, Inc.** ("Draeger") to supply the System's needs for medical anesthesia equipment and associated programmatic support (clinical, operational, biomedical, IT) over a ten year period commencing March 1, 2020 and ending February 28, 2030 at a total cost not to exceed \$18.6 Million subject to funding availability

The resolution was duly seconded, discussed and unanimously adopted by the Committee for consideration by the full board.

Israel Rocha, Vice President, OneCity Health, present to the committee on the following:

Authorizing New York City Health and Hospitals Corporation (the "System") **to establish an Independent Practice Association (an "IPA")** through the formation of a subsidiary New York not-for-profit corporation, currently anticipated to be named NYC Health + Hospitals IPA, Inc. (hereinafter referred to as "NYC IPA"), consistent with applicable regulations, which will be controlled by the System in its capacity as the sole member of NYC IPA. NYC IPA shall enter into agreements with various providers ("Participating Providers") pursuant to which NYC IPA will (a) seek to negotiate favorable reimbursement rates from third party payors for services to be performed by such Participating Providers, (b) facilitate and promote the coordination of care where appropriate, (c) engage in shared savings programs and (d) structure value-based payment and/or risk sharing arrangements approved by the Boards of Directors of NYC IPA and the System according to the general rules established by each of such boards of directors for the review and approval of contracts. Should there be any conflict, restriction or other issue that prevents the formation of NYC IPA under such name, the System may select another name at the discretion of the System's management.

The resolution was duly seconded, discussed and unanimously adopted with an amendment of the IPA name to NYC Health + Hospitals IPA referred to as NYC H+H IPA by the Committee for consideration by the full board.

There being no further business, the meeting was adjourned 9:53 AM.

FINANCE COMMITTEE - JANUARY 9, 2020

As Reported by Freda Wang

Committee Members Present: Freda Wang, Sally Hernandez-Piñero, José Pagán, Dr. Mitchell Katz (and Matthew Siegler - representing Dr. Katz from 10:30 in a voting capacity), and Barbara A. Lowe

Ms. Freda Wang called the meeting to order at 10:07am. The minutes of the October 10, 2019 meeting were approved as submitted.

SENIOR VICE PRESIDENT'S REPORT

Mr. John Ulberg began his report by stating that as of December 2019, the cash balance was \$221M with \$150M in expected payments in early CY2020. Mr. Ulberg stated patient care receipts closed at \$87M stronger than the same period last year, largely due to Epic implementation, revenue cycle efforts, and improved Managed Care rates. Mr. Ulberg summarized that there has been continued strategic investments in workforce through FY20 Q1, especially related to temp staff conversions, RNs, and nursing support. Mr. Ulberg praised the NYSNA Contract, highlighting efforts to improve staffing rations, recruitment and retention bonuses, and collective bargaining patterns. In response to questions from the Committee, staff explained that the City collective bargaining in the long-term is an investment that will be offset by retention, since the trend has been that it takes 8-12 months to train a new nurse and that many leave after training. While other systems hire new nurse, H+H is the leader in the industry in New York.

Mr. Ulberg continued providing an overview of the transformation strategic investments, emphasizing successes with NYC CARE, Express Care, and other strategic clinical projects.

Mr. Ulberg continue his report by outlining the external risks and opportunities. Key risks include Medicaid DSH, which Congress delayed until May. Another is the State's Medicaid Global Cap payment delays. Dr. Katz asked if the growth that lead to the deficit is the home care program.

Mr. Ulberg agreed that it is the home care program, the minimum wage increase, and the growth of the Managed Long Term Care (MLTC) program at 12-15%. The Governor mentioned a second phase of the Medicaid Redesign Team (MRT) in his State of the State address.

Dr. Katz discussed his experience in California with managing the growth of personal care services.

Ms. Hernandez-Piñero wondered how to monitor abuse in that program. Dr. Katz mentioned how the PACE program in California does not enable hiring of family members so therefore enrollment in the program is not as robust.

Mr. Ulberg continued his report identifying a 1% cut across the board cut in the Medicaid program. There is a law that enables the State to make cuts if the Global Cap is exceeded. This cut will hit when the State implements the rates.

Ms. Hernandez-Piñero asked how the rolling payments will look going forward.

Mr. Ulberg replied that it is supposed to provide a two-year period overview to enable better planning. However, there is an annual cap and a formula that allows for growth.

Mr. Ulberg continued by outlining that critical staffing needs are a new cost.

Mr. Ulberg outlined opportunities related to Safety Net Hospital Funding, restoration of Medicaid Disproportionate Share Hospital (DSH), and Upper Payment Limit (UPL) conversion.

Ms. Wang asked how much the UPL amount could be.

Mr. Ulberg estimated that the amount could be over \$100M.

Mr. Ulberg also reported there was good news out yesterday on public charge.

FINANCIAL REPORT

Ms. Michline Farag began her report providing an update that overall receipts came in \$41M greater than planned, \$24M of which is in patient care revenue. Patient care revenue closed at \$87M higher than prior year. Disbursements are \$28M over the budget projection for Q1, of which \$16M are relate to staffing and the remaining \$12M with other disbursements.

Ms. Farag reported that overall expenses came in \$28M over budget primarily due to overtime (\$12M) in nursing support positions, housekeeping, and facility maintenance needs and in OTPS disbursements (\$13M) due to timing of pharmacy payments made in an effort to get H+H current with invoices.

Ms. Hernandez-Piñero asked if this includes agency nurses.

Ms. Farag replied no, this is H+H only. And that this overtime is expected and in line with facility plans.

Ms. Farag reported on staffing growth for Q1, which is up 505 from the start of the fiscal year, primarily from the nursing and nursing support titles in addition to temporary staff conversions. Temporary staff decreased by 138 positions in Q1, for an overall reduction of 680 since the start of FY19, of which 235 were converted to full time staff. Increase in Full Time Equivalents (FTEs) for Q1 includes 100 converted Temporary staff, of which 45 are associated with Rev Cycle.

Ms. Hernandez-Piñero asked if there is a plan to control the nursing and nursing-support hires after a certain point.

Mr. Covino replied that H+H is implementing a nurse-staffing model. Ms. Farag replied that the changes we are seeing in temporary workers, overtime, and FTEs are to meet the nurse-staffing model.

Ms. Lowe replied that if you look at this year-over-year the model demonstrates the benefit of these investments.

Mr. Ulberg commented that there is a glide path for each facility on how to grow nursing and reduce overtime.

Ms. Lowe emphasized the need for an appropriate nurse-staffing ratio, especially on the inpatient side and to do better on preventative primary care.

Ms. Farag continued her stating overtime is up in nursing and nursing support, but there are also increases in technicians/therapists, clerical associates, housekeeping, and other areas in line with facility plans to enhance patient care and stabilize targeted hires.

Ms. Wang asked if the chart is translating the \$12M in overtime spend into FTEs. She further asked if there is a plan to reduce overtime. Ms. Farag said yes.

Ms. Farag continued by reporting on corporate-wide revenue performance, which is \$41M above FY20 target. Overall, patient care revenue is up by \$87M vs. FY19 actuals due to enhanced performance on revenue initiatives.

Ms. Krista Olson reported that inpatient volume decline, which is at 1% from FY19 Q1. In-patient discharges continue to trend down, but the pace of volume loss has slowed. FY19's Q1 volume loss from FY18 was 4%. Over one-half of the decline in discharges vs. FY19 is associated with H+H risk-based health plans, MetroPlus and Healthfirst. A large share of the uptick in self-pay will be converted to insurance. Areas that have experienced increased volume are Heart and Vascular services (primarily Elmhurst, Harlem, Kings, and Queens) and Digestive Health (Bellevue, Elmhurst, and Queens).

Ms. Hernandez-Piñero repeated that of the 1% decline in inpatient volume, one-half the discharges are in risk volume. She asked if when discharges were down by 4%, if one-half of that was also risk volume. Ms. Olson said she would have to check.

Ms. Olson continued stating case mix index (CMI) increased by 3.3% year-to-date over FY19.

Ms. Olson reported length of stay, has stayed the same this year compared to last year and revenue cycle growth is on track to exceed the FY20 targets.

Ms. Marji Karlin reported on the positive trajectory of the H2O implementation, outlining that all sites after go-live have increased cash collections significantly compared to their baseline. H+H has exceeded other Epic customers in cash collections after implementation.

Ms. Karlin continued stated that CMI has increased for each facility at varying rates, resulting in an increase between 2-6% in payment per paid discharge.

Ms. Karlin reported that H2O implementation has enabled a closer look into denials by payer. The majority of denials are related to medical necessity, claim configuration, and pre-authorization.

Ms. Hernandez-Piñero asked what the loss figure is or if H+H expects to be made whole.

Ms. Karlin replied that roughly 20% are denied at first pass.
Ms. Lowe asked where we stand with Medicare Advantage plans.
Ms. Karlin replied that she would have to look at data to see how Medicare vs. Medicaid denials tally.

Mr. Ulberg replied that H+H is looking at denials as an opportunity to have a new relationship with payers. In addition, there might be administrative simplification at the State to the denials process.

Ms. Karlin's team is working to better understand the denials data and how to strengthen processes across the System going forward.

Ms. Olson reported on transformation initiatives. Revenue generating initiatives are projected to be within 3% of the FY20 revenue target of nearly \$900M. Revenue cycle continues to be successful due to the implementation of Epic and continued enrollment of individuals in insurance. Additional opportunities are being explored to make up for slight delays in managed care settlements and the rollout of retail pharmacy.

Ms. Olson continued to report on expense reducing initiatives. Progress continues to be made on supply chain initiatives and remains on track. 340-B contract pharmacy is projected to exceed the FY20 target. The system is working on a gap-closing plan to manage overtime and monitor strategic hiring investments. The DSH cut delay will also obviate the need for a large portion of additional FTE savings.

SUPPLEMENTAL STAFFING SERVICES ACTION ITEM

Mr. Paul Albertson, Vice President of Supply Chain, presented a resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with **RightSourcing Inc.** (the "Contractor") to provide supplemental staffing to the System by managing the services of temporary staffing companies over a

three year term with two one-year options exercisable solely by the System, for an amount not to exceed \$700,000,000.

Mr. Albertson provided an overview of the RFP to identify a Master Services Provider ("MSP") to provide and manage its contingent labor force through a vendor management system that provides: 1. Qualified staffing where and when necessary; 2. Efficient and auditable timekeeping and invoicing with adaptable workflow processes; 3. Effective executive management tools and dash-boarding for stakeholder business units. The MSP will provide the following staff types: nursing, allied health, finance/revenue management, non-clinical support staff, and information services/technologist staff.

Ms. Natalia Cineas emphasized the need to use supplemental staffing to reduce overtime and help aid in progress in our nurse-staffing glide path.

Mr. Albertson provided background on the contract action.

Approximately 10 years ago, NYC Health + Hospitals developed a RFP to solicit for a Master Services Provider to act as an umbrella agency for the 30-40 staffing agency services each Network had previously contracted with individually. The agreement was awarded to Broadlane, which was subsequently purchased by MedAssets, and in turn was purchased by Vizient, with whom the contract currently sits. In 2017 the System consolidated all invoicing and payments for each of the staffing agencies through Vizient to streamline invoice tracking and payments. The current Vizient contract expires 06/30/20. As more permanent staff are hired the annual spend has reduced from about \$210M in FY15 to about \$140M in FY19.

Ms. Wang asked what percent of the contract is for nursing.

Mr. Covino replied that it used to be 50/50, and now it is a little bit more than half in nursing.

Mr. Albertson continued to report on annual trends. FTE utilization has decreased 37% between FY16 and FY19. Thru October of FY20, Temporary FTEs are down 8.9% compared to FY19. Monthly spending has been below the proposed NTE threshold (\$11.7M/month) for the last 7 months (April - October). We continue to work with union partners to reduce reliance on supplemental staff.

Mr. Albertson continued to report on the procurement process, outlining vendor minimum criteria, evaluation criteria, and stakeholders on the evaluation committee. He continued to report on the procurement timeline. In June the CRC approved an application to issue solicitation and the RFP was sent to nine vendors. Seven proposals were received, three vendors were invited for interview. The committee scored and evaluated vendors in November.

Mr. Albertson reported on the MWBE utilization plan RightSourcing has provided a list of 60 vendors who will be leveraged for contingent staffing who are certified in NYS or NYC. RightSourcing has provided a

utilization plan that commits to 30%. The allocation is 15% to WBE, and 15% to MBE.

Mr. Covino stated that MWBE for them is different than other vendors because they have automated reports that can track MWBE spend. Mr. Albertson reviewed the sample MWBE spend report.

Ms. Lowe asked a question about credentialing tracking and if the vendor provides reports.

Ms. Cineas mentioned this was something that the references said the vendor does well.

Ms. Hernandez-Piñero asked how we evaluate temporary personnel performance.

Ms. Yvette Villanueva said that temporary agency personnel are evaluated and assessed just like H+H employees are and if they are not performing how we would like them to be corrective actions are taken. Ms. Cineas said we have the ability to flag temporary workers in their system if we have had previous issues with that person so other facilities know not to hire.

Ms. Wang asked if the rates are consistent across vendors.

Mr. Albertson confirmed the rates are consistent across vendors because RightSourcing is vendor neutral.

Mr. Albertson continued to report on the vendor's references. Ms. Cineas said that Sutter Health mentioned that RightSourcing has dynamic reporting and rate adjustments. Mayo Clinic and Universal Health Services further emphasized RightSourcing's reporting abilities were excellent and praised their timeliness with placements. Mount Sinai also praised their credentialing process. Mr. Albertson said Sutter Health praised RightSourcing for helping to move temporary workers to full time staff where desired.

Mr. Albertson continued by stating that the vendor agreed to meet H+H process needs, including a phased-in transition with nursing personnel first.

Mr. Albertson reviewed the finance committee request, stating that H+H seeks approval to enter into contract with RightSourcing for temporary staffing services. The contract would be 3 years with two 1-year extensions, a not-to-exceed cost of \$140,000,000 per year, a target effective date of April 1, 2020, and a 30% MWBE commitment plan. Mr. Jose Pagan asked if RightSourcing is the largest player in the market.

Mr. Albertson said this is one of a handful.

Ms. Wang asked how big their contract was with Mount Sinai.

Ms. Cineas said she knows they are at three locations.

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

ADJOURNMENT

There being no further business to discuss, Ms. Wang adjourned the meeting at 11:20 a.m.

SUBSISIARY REPORTS

HHC - CAPITAL CORPORATION - JANUARY 9, 2020 As Reported by Freda Wang
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HHC Outstanding Bond Portfolio - Page 1 of the presentation provides a snapshot of NYC Health + Hospitals' current outstanding bonds portfolio, including the distribution between variable and fixed rate bonds, as well as details of the letters of credit supporting the variable rate bonds. Ms. DeHart noted that through November 2019, these variable rate bonds are estimated to have generated approximately \$60 million of savings compared to what the cost would have been if these bonds had been issued as fixed rate. Ms. DeHart also noted that since preparation of the presentation, the variable interest rates were reset to 0.88% - 0.91% by Morgan Stanley and 0.90% by Citi Bank.

HHC Bonds - Issuance History (page 2):

Ms. DeHart noted that the table format was revised from previous presentations to provide more insight into the performance of the financings. The information presented now includes the interest cost for each of the issuances, as well as savings associated with refundings at the time they were done. Over the course of our issuance history, we have generated \$84.4 million savings related to refundings. Ms. DeHart also noted that we anticipate refunding two of our outstanding bond series this spring.

There was a discussion of the system's planning and decision-making processes related to capital finance needs.

Construction Fund Balance on the 2010 Bonds (page 3):

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

Short Term Financing Program (pages 4-6):

Ms. DeHart pointed out that the short term financing program was created for the purpose of providing "just-in-time" borrowing to address some of the hospitals' short term needs, which focused primarily on equipment and other short-term projects. She presented an overview of the two agreements (with JPMorgan and Citibank) entered under this program, including terms, amounts vouched, and outstanding balance.

Adjournment:

There being no further business before the Board, Ms. Wang adjourned the meeting at 11:40 a.m.

HHC ACO INC. ANNUAL SOLE MEMBER MEETING December 19, 2019
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The 2019 Annual Sole Member Meeting of HHC ACO Inc., NYC Health + Hospitals' subsidiary not-for-profit Accountable Care Organization ("ACO"), convened on December 19, 2019 at 2:10 p.m. Mr. José Pagán, Chair of the NYC Health + Hospitals Board of Directors called the meeting to order to discuss historical program performance and governance matters.

Among other matters, the Board discussed the following:

Dr. Dave Chokshi, Chief Executive Officer of HHC ACO Inc., and Dr. Adam Aponte, Chief Medical Officer of HHC ACO Inc., provided an overview of current quality performance and quality improvement initiatives. They also explained how HHC ACO Inc. will plan on growing its attribution of Medicare Fee-for-Service Beneficiaries and explore collaborating with additional payors.

The Board considered the following resolution:

*Authorizing that each of the following persons be elected, effective immediately, to **serve as a Director of HHC ACO Inc. ("ACO") Board of Directors** in accordance with the laws of the State of New York, until such person's successor is duly elected and qualified, subject to such person's earlier death, resignation, removal, or termination of his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement:*

- Mitchell Katz, M.D.;
- Dave Chokshi, M.D.;
- John Ulberg, Jr., M.P.H.;
- Andrea Cohen, Esq.;
- Israel Rocha, Jr., M.P.A.;
- Hyacinth Peart, a Medicare beneficiary Director;
- A Director who shall be the Chief Executive Officer of Physician Affiliate Group of New York, P.C. ("PAGNY");
- A Director to be named by NYC Health + Hospitals to represent physicians employed by New York University School of Medicine and providing services in NYC Health + Hospitals facilities, as specified in a writing by NYC Health + Hospitals that is delivered to the Chairman of the ACO;
- A Director to be named by the Icahn School of Medicine at Mount Sinai, doing business as Mt Sinai Elmhurst Faculty Practice (the "Elmhurst FPP"), as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of the ACO;
- A Director to be named pursuant to a designation by a majority in number of the Presidents of Coney Island Medical Practice Plan, P.C., Downtown Bronx Medical Associates, P.C., Harlem Medical Associates, P.C., and Metropolitan Medical Practice

- Plan, P.C. (the "PAGNY FPPs"), as specified in a writing signed by such majority that is delivered to the Chairman of the ACO; and
- A Director to be named pursuant to a designation by a majority in number of the members of the ACO Advisory Committee, as specified in a writing signed by such majority that is delivered to the Chairman of the ACO.

The motion was duly made, seconded and unanimously approved by the Board.

ADJOURNMENT

There being no further business, Mr. Pagán adjourn the meeting at 2:53 p.m.

Mitchell H. Katz, MD
NYC HEALTH + HOSPITALS
PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
January 30, 2020

CITY/STATE/FEDERAL UPDATE

City

On January 21, Dr. Machelles Allen, Senior Vice President and Chief Medical Officer for NYC Health + Hospitals, and Dr. Wendy Wilcox, Chair of OB/GYN at Health + Hospitals/Kings County and Clinical System Lead for Maternal Mortality Reduction and Women's Health, jointly testified at the City Council's Hospitals Committee oversight hearing on prenatal care in NYC hospitals. Their testimony focused on our system's progress in implementing several initiatives to improve pregnancy and birth outcomes, including our partnership with the Mayor's Office and the NYC Department of Health and Mental Hygiene to address pregnancy-related morbidity and mortality for women of color. Through this partnership, we have implemented a maternal medical home, simulation-based programs that train providers on the highest risk emergencies in labor and birthing suites, interval pregnancy optimization and mother-baby coordinated visit programs. They also discussed the implementation of implicit bias training for our staff, programs to reduce preterm birth and maternal depression, our midwifery services, and how we work with community-based organizations to connect patients to doula services.

State

On January 8, the NYS Legislature commenced the 2020 Legislative session. It is an election year for all state assembly and senate seats, with primaries slated for April for the first time. On January 21, the Governor outlined the 2021 State fiscal year \$178 billion dollar budget, which includes a plan to address the projected \$6.1 billion Budget deficit by reconvening the Medicaid Redesign Team to identify cost-containment measures that will provide approximately \$2.5 billion in gap closing actions. The Governor has already implemented a 1% across the board cut to Medicaid reimbursement rates, which represents a \$30m annual reduction in NYC Health + Hospitals revenue. With further cuts and potential cost shifts to local governments under consideration by the State, NYC Health + Hospitals, in consultation with the Mayor's Office, agreed to temporarily pause administrative hiring until the full impact of the budget becomes more clear. The health system will continue to invest in clinical positions and revenue generating positions during the pause. NYC Health + Hospitals continues to work with the State and City to develop long-term, structural solutions to protect our patients and to continue to improve the system's financial sustainability.

On January 22, Dr. Wendy Wilcox joined the American College of Obstetricians and Gynecologists to provide an update on maternal health to the NYS Bi-Partisan Pro-Choice Legislative Caucus. Her testimony reiterated Health + Hospitals commitment to this work.

Federal

In December, there was an additional delay of the pending Medicaid DSH cuts until May 22 of this year. NYC Health + Hospitals continues to work with our Federal representatives and advocacy partners to stave off these cuts, ideally on a more permanent basis. There continues to be widespread bipartisan opposition to the Medicaid DSH cuts.

NYC CARE UPDATE

- NYC Care now available in Brooklyn and Staten Island -- Starting today, New Yorkers in both Brooklyn and Staten Island will have much-needed access to high quality, affordable, preventive care. I was joined by Deputy Mayor Perea-Henze, staff and community partners at two events this morning to launch NYC Care -- our new health care access program that fundamentally changes the way our healthcare system connects with New Yorkers without insurance, regardless of immigration status or ability to pay, to the high-quality healthcare we deliver every day. New Yorkers who enroll in Brooklyn and Staten Island will gain access to a dedicated primary care provider, receive preventive care and routine screenings, enhanced access to pharmacy services and specialty care services, and the ability to make appointments and navigate their health care needs through a new 24/7 customer service center. All services and care are provided by the dedicated team of health care professionals at NYC Health + Hospitals, and all information about patient care and treatment is kept private and confidential. Eligible New Yorkers in Brooklyn and Staten Island are able to begin the enrollment process today by calling 646-NYC-CARE, and they will receive a personalized NYC Care welcome packet in the mail, including their new membership card. Our goal is to enroll 15,000 NYC Care members in Brooklyn and Staten Island in the first six months of the program.
- NYC Care a success in the Bronx - More than 13,000 New Yorkers have already enrolled in the program since its launch in August in the Bronx and they have had more than 27,000 visits with their primary care and specialty care providers. All new members have been offered a primary care appointment within the first two weeks of enrollment. Through the program's extended pharmacy hours, members have filled close to 20,000 prescriptions in the program's extended pharmacy hours in just the first five months, most commonly for prescriptions to treat diabetes and hypertension, conditions that require timely medication management and adherence.
- CBO Partners -- In an effort to reach more New Yorkers eligible for NYC Care, nine community-based organizations will receive

seven-month contracts through a partnership between NYC Health + Hospitals, the Mayor's Office of Immigrant Affairs (MOIA) and the Mayor's Fund to Advance New York City to conduct culturally appropriate outreach to prospective NYC Care members in Brooklyn and Staten Island. The nine community-based organizations: African Refugee, Brighton Neighborhood Association, Arab-American Family Support Center, Council of Peoples Organization, Jewish Community Council of Greater Coney Island, Make the Road New York, Mixteca Organization, Project Hospitality, and Single Stop. They were selected through a request for proposal process and will have full-time outreach workers who will conduct grassroots outreach in multiple languages in order to identify, engage, and refer uninsured New Yorkers for screening and enrollment in NYC Care.

HEALTH SYSTEM NEWS

Despite Harmful Public Charge Rule, Our Doors Remain Open for All New Yorkers

The U.S. Supreme Court this week determined that the Trump administration can move forward with the "public charge" rule that would deny permanent legal status to certain immigrants who do not meet income thresholds or if they use public benefits like Medicaid, food stamps and housing vouchers for a period of time. The rule can become effective immediately while it continues to be subject of litigation across the United States and here in New York.

The rule does not impact all immigrants - it will impact a narrow subset of people when they apply for a green card or certain types of visas if they have used or are likely to use certain government benefits. It does not directly impact citizen children of immigrants. It does not penalize people for enrolling in Emergency Medicaid, Medicaid for Pregnant Women, the Essential Plan, or NYC Care, our health system's new health care access program for uninsured New Yorkers.

But we know the public charge policy intends to instill fear even in those who are not directly impacted. We need to fight that fear with facts by helping our patients, their families and the communities we serve to get the information and support they need.

For those patients concerned about the rule, we will continue to direct them to the free, on-site, confidential legal services available in our facilities through NYLAG LegalHealth at 212-659-6188. NYC Health + Hospitals will continue to reinforce our commitment to help patients know they are welcome to seek care without fear no matter where they came from, no matter their insurance status, and no matter their income.

Response to the Coronavirus Outbreak

NYC Health + Hospitals, in collaboration with the City and State Departments of Health and the Centers for Disease Control, is closely

monitoring the novel coronavirus outbreak and our renown special pathogens team is coordinating our efforts system-wide. We have taken concrete steps to update the travel history screen in our electronic medical record, are educating and preparing frontline teams with the most up to date clinical guidelines and infection prevention precautions, and are using secret shoppers to ensure our front-line teams are ready to respond with the best practice standards to protect our patients and staff.

On a related note, Syra Madad, NYC Health + Hospitals System-Wide Special Pathogens Program Senior Director, is one of the national experts featured in a new Netflix six-episode docuseries that just aired last week: "Pandemic: How to Prevent an Outbreak."

NYC Health + Hospitals Trains Labor & Delivery Staff To Reduce Disparities In Maternal Mortality

We have successfully completed an obstetrics life support clinical simulation training program to help our Labor and Delivery providers master skills, reduce the rate of maternal mortality, and address avoidable and potentially fatal complications during childbirth. More than 1,000 anesthesiologists, nurses, midwives, and physician assistants from all 11 public hospitals participated in the training, which featured real life scenarios with specially-designed, high tech mannequins that simulated patients having heart attacks during labor. The next round of simulation trainings will begin next month to practice scenarios of patients in labor experiencing massive hemorrhages. We are committed to reducing maternal mortality and are making these significant investments in training our providers on some of the rare and deadly complications of childbirth. These simulations allow our provider teams the opportunity to hone and perfect those life-saving skills which thankfully we rarely have to employ. But when that rare event occurs, our teams will be well prepared.

NYC Health + Hospitals Expands Use of Multi-Language Text Message Appointment Reminders

NYC Health + Hospitals announced the expansion of our text message appointment reminder platform, which has been live at NYC Health + Hospitals/Coney Island since July 2019. The new platform used for patients in adult and pediatric primary care practices is now also live at NYC Health + Hospitals/Elmhurst, Queens, Woodhull and NYC Health + Hospitals/Gotham Health, Gouverneur. We send these text messages in the 14 most common languages spoken by the patient population, including Spanish, Urdu, and Mandarin. This has helped to reduce missed appointments by 6.1 percent. The new platform offers scheduling flexibility by allowing patients to directly connect to the call center to reschedule and it is improving communication between patients and providers. Text message appointment reminders will be system-wide by the end of 2020 and will include other specialty areas. We understand that New Yorkers live hectic, unpredictable lives and providing patients the ease of canceling and rescheduling appointments is helping our health system take care of more people when it's most convenient for them.

NYC Health + Hospitals Partners with SUNY College of Optometry to Enhance Vision Services

We're happy to extend our long-lasting partnership with SUNY College of Optometry to ensure New Yorkers receive important eye and vision care to help prevent vision loss and help reveal other undetected chronic diseases. This partnership allows us to advance eye and vision care throughout the five boroughs while also creating new opportunities for doctors, researchers, optometry students and residents. Our renewed agreement will help expedite hiring of additional optometrists through SUNY College of Optometry to practice at NYC Health + Hospitals/Woodhull and NYC Health + Hospitals/Gotham Health, East New York, Gouverneur, and Vanderbilt. The timeline for hiring new optometrists, previously between six and eight months, will be cut by more than half. We know that early detection of eye and vision problems can lead to better learning outcomes for school-age children, increased work productivity for adults, and help reveal presence of undetected chronic diseases, such as diabetes and hypertension. This groundbreaking partnership enhances accessibility for patients across New York City and addresses several barriers to improving population health.

Speaker, City Council Member Secure Funding for Critical MRI Equipment at NYC Health + Hospitals/Metropolitan

NYC Health + Hospitals/Metropolitan CEO Alina Moran, New York City Council Speaker Corey Johnson and Council Member Diana Ayala announced plans to improve access to care, experience and comfort for patients with new, upgraded radiology equipment. Council Member Ayala helped secure \$3,750,000 capital funding for the upgrades. The Council allocation will fund a new magnetic resonance imaging system and modular building for inpatient and outpatient use. This level of capital investment from the City Council will allow us to provide an even better care experience, with shorter wait-times, and faster examinations for more patients.

NYC Health + Hospitals/Queens 2020 Joint Commission Accreditation Survey

The first Joint Commission survey of 2020 began this month at NYC Health + Hospital/Queens and our team was ready to secure full accreditation. The surveyors were meticulous. During a 4-day visit, they reviewed more than 290 standards related to patient care, patient safety, infection control, medication management, performance improvement, information management, life safety and environment of care, national patient safety goals and governance. The surveyors were very impressed and praised what they continuously observed during their visit as great communication and collaboration between leadership, medical and nursing staff around patient safety and quality care. The team identified several best practices, including mother/baby abduction drills, labeling of ultrasound probes using green stickers for clean and red for dirty, and white board team

rounding, where the entire patient care team meets to discuss the patient's care then goes to the patient's bedside.

Congratulations to hospital CEO Christopher Roker and the entire staff of NYC Health + Hospitals/Queens for their hard work and commendable performance on this external validation of the safe and quality care provided to our patients. Thanks to Board Member Helen Arteaga Landaverde and hospital Community Advisory Board President Anthony Andrews for participating in The Joint Commission's Leadership session.

City's Public Health System's First Baby of 2020 born at NYC Health + Hospitals/Coney Island

Our health system's first baby of 2020 was born at NYC Health + Hospitals/Coney Island at exactly 12:00AM on New Year's Day. Aidan Zobnin was born to parents Jennet and Artyom Zobnin of Brighton Beach, Brooklyn. As is tradition every New Year, we celebrated all the first births at each hospital. Our health system delivers approximately 16,000 New Yorkers every year and we offer a wide range of services to help pregnant patients and their families - including prenatal care, labor and delivery services, family planning, comprehensive gynecology, women's health and primary care outpatient medical support for patients at every stage of life.

Public Health System Welcomes First In-Residence Therapy Dog

This month we also marked the arrival of Momo, our first in-residence therapy dog, who will supplement and support treatment and recovery services for residents at NYC Health + Hospitals/Coler. The yellow labrador retriever was welcomed by residents and staff at a "collar ceremony" and his services have been made available to our patients thanks to the charitable group, Healing Pause, and the Angelica Patient Assistance Program. Momo will provide therapy support spending time with residents in the dayroom or making regular bedside visits and attending the facility's special events. Studies have clearly documented the healing power of animals on patients, and I know that Momo will have the same effect on ours. Momo will help to reduce stress and anxiety, while promoting the health and wellbeing of our residents.

Svetlana Lipyanskaya, MPA, Appointed CEO of NYC Health + Hospitals/Coney Island

Svetlana Lipyanskaya was appointed CEO of NYC Health + Hospitals/Coney Island effective January 2. Svetlana will lead the hospital in delivering high quality care to patients in South Brooklyn, continue to grow innovative programs and re-engineer processes to increase access to affordable and comprehensive health care for all patients. She will help guide the next phase of NYC Health + Hospitals/Coney Island transformation and renovations as part of its Hurricane Sandy recovery project, and will oversee the completion of its new hospital campus. Svetlana has deep personal connections to the South Brooklyn community she will serve. She moved to Bensonhurst from Odessa,

Ukraine in 1989 when she was nine years old. She speaks fluent Russian, a prominent language of patients serviced by the hospital.

Other Leadership Staff Changes

We are extremely fortunate to be able to tap our own, highly talented senior executives to take on new leadership roles in our health system effective February 24. Christopher Roker, CEO of NYC Health + Hospitals/Queens, will become CEO of NYC Health + Hospitals/Metropolitan and serve as the health system's Chief Growth Officer. Chris will replace Alina Moran who is relocating to the West Coast after more than 20 years of service to our public health system. We are grateful to Alina for her numerous contributions, effective leadership and commitment to our mission. She will be greatly missed by the people of East Harlem and the Health + Hospitals family. Israel Rocha, CEO of NYC Health + Hospitals/Elmhurst and CEO of OneCity Health, will leave his OneCity post and take on the additional role as CEO of NYC Health + Hospitals/Queens, facilitating increased coordination across the two facilities to better serve the people of Queens. Matthew Siegler, Health System Senior Vice President of Managed Care and Patient Growth, will take on the added role as CEO of OneCity Health. Matt's appointment will be subject to OneCity Health board approval. Each of these leaders have made vital contributions to the transformation of NYC Health + Hospitals and I am grateful for their willingness to take on added responsibilities to keep our progress on track. They are all effective advocates for our patients and staff, have deep understanding of what it takes to deliver quality care and have demonstrated an ability to respond to the unique needs of local communities. I am confident they will be able to seamlessly transition in their new roles and continue to move forward the strategic plans and commitments we have made to the patients, staff and communities we serve.

City & State Names NYC Health + Hospitals Executives to Health Power 100 List

I'd like to congratulate Talya Schwartz, President and CEO of MetroPlus Health Plan, and Patsy Yang, SVP for NYC Health + Hospitals/Correctional Health Services, for being named in City & State's "2020 Health Power 100" list. Talya was recognized for her leadership in helping our MetroPlus health plan succeed and Patsy for her work to transform the delivery of health care services in the City's jails. City & State's "2020 Health Power 100" program honors individuals in healthcare who are deemed by their peers and the outlet's senior editors to be the most influential individuals in the industry as a result of their leadership and impact they have in the community we serve.

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RESOLUTION - 02

Authorizing New York City Health and Hospitals Corporation (the "System") to sign a ten-year lease extension with the **Mattone Group** (the "Landlord") for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the "Clinic"), operated by NYC Health + Hospitals/Gotham Health ("Gotham Health") at an initial occupancy cost of \$267,278.14 or \$63.37/ft. consisting of an initial base rent of \$203,434.14 per year plus an estimated initial annual common area maintenance ("CAM") charge of \$29,257 and an estimated annual charge for real estate taxes of \$34,587 with the base rental charge increasing from \$48.23/ft. after five years to \$53.05/ft. and with estimated 2.5% annual increases in the CAM and tax expenses yielding an estimated ten-year occupancy cost total of \$2,851,263.91.

WHEREAS, the Clinic has been providing primary care services to residents of the community since 1995; and

WHEREAS, the Clinic is one of seven primary care clinics operated by Gotham Health in Queens; and

WHEREAS, the Clinic offers a full range of primary care services including adult medicine, pediatrics and OB/GYN; and

WHEREAS, there remains a need for primary care services in this section of Queens and extending the lease for this site will allow the Clinic to continue to serve the community; and

WHEREAS, under the structure of the proposed lease, the System pay both base rent and its share of real estate taxes and CAM and while the amount of base rent is provided in the lease, increases in taxes and CAM are not limited but can be fairly reliably estimated to increase by 2% per year; and

WHEREAS, the Vice President for ambulatory care will be responsible for the administration and management of the proposed lease.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to sign a ten-year lease extension with the Mattone Group for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic operated by NYC Health + Hospitals/Gotham Health ("Gotham Health") at an initial occupancy cost of \$267,278.14 or \$63.37/ft. consisting of an initial base rent of \$203,434.14 per year plus an estimated initial annual common area maintenance ("CAM") charge of \$29,257 and an estimated annual charge for real estate taxes of \$34,587 with the base rental charge increasing from \$48.23/ft. after five years to \$53.05/ft. and with estimated 2.5% annual increases in the CAM and tax expenses yielding an estimated ten-year occupancy cost total of \$2,851,263.91.

EXECUTIVE SUMMARY
NYC HEALTH + HOAPITALS/ GOTHAM HEALTH
SPRINGFIELD GARDENS
134-64 Springfield Boulevard
BOROUGH OF THE QUEENS

OVERVIEW: New York City Health and Hospitals Corporation (the "System") seeks authorization its Board of Directors to execute a ten-year lease extension agreement with the Mattone Group (the "Landlord") for space at 134-64 Springfield Boulevard, Queens to house the Gotham Health Springfield Gardens Clinic operated by NYC Health + Hospitals/ Gotham Health ("Gotham Health").

**NEED/
PROGRAM:** The Springfield Gardens clinic has been providing primary care services to residents of the community since 1995. The clinic is one of seven primary care clinics operated by Gotham Health in Queens. It offers a full range of primary care services including adult medicine, pediatrics and OB/GYN. There remains a need for primary care services in this section of Queens and extending the lease for this site will allow the clinic to continue to serve the community. The clinic is open Monday, Tuesday, Thursday, Friday from 8:30 a.m. to 5:00 p.m., Wednesdays from 11:30 a.m. to 8:00 p.m. and Saturday

UTILIZATION: For the FY 2018/19, the clinic provided approximately 5,523 visits.

TERMS: The program will continue to occupy 4,218 square feet of ground floor store front space in the Springnax Plaza mall. The rent for the new term is 5% above the current rent and is within fair market value as per the attached FMV analysis. The initial base rent will be \$203,434.14 per year or \$48.23 per square foot for lease years one through five, and \$223,764.90 per year or \$53.05 per square foot for years six through ten for a total base rent over the ten year term of \$2,135,995.20. In addition to the base rent, the System will be responsible for the payment of its share of common area maintenance charges ("CAM") and the real estate taxes on the property. These will start at \$29,526 /year for CAM and \$34,587 /year for taxes. While, there cannot be total certainty regarding the future amount of the CAM and taxes, an annual 2.5% increase has been modeled. With that rate of increase assumed, the estimated ten year CAM expense totals \$327,777.34 and the estimated ten-year real estate tax expense totals of \$387,491.36, for a ten-year occupancy cost total of \$2,851,263.91.

The Landlord will be responsible for structural repairs and maintenance and the repair and maintenance of all common areas including sidewalks, curbs and parking lots. The Tenant will be responsible for interior non-structural repairs and maintenance. The Tenant will be responsible for payment of separately metered utilities.

SUMMARY OF ECONOMIC TERMS

SITE:	134-64 Springfield Boulevard Queens, New York 11413 Block 12999, Lot 201
LANDLORD:	Mattone Group 134-64 20 th Avenue College Point, N.Y. 11356
TERM:	Ten years
FLOOR AREA:	Approximately 4,218 square feet, ground floor
BASE RENT:	\$48.23 per square foot for years 1 through 5 and \$53.05 for years 6 through 10
CAM:	Tenant is responsible for its proportionate share of CAM currently at approximately \$7.00 per square foot
REAL ESTATE TAXES:	Tenant is responsible for payment of its proportionate share of real estate taxes currently approximately \$8.00 per square foot
UTILITIES:	Tenant is responsible for payment for electricity, gas, and water and sewer rents
OCCUPANCY COSTS:	Counting base rent, CAM and real estate taxes, total occupancy costs start at \$267,278.14 or \$63.37/sf and are estimated to total \$2,851,263.91 over the ten-year term.
REPAIRS/ MAINTENANCE:	The Landlord will be responsible for structural repairs and maintenance and the repair and maintenance of all common areas including sidewalks, curbs and parking lots. The Tenant will be responsible for interior non-structural repairs and maintenance.

134-64 Springfield Blvd.

Year	Annual Rent	Monthly	PSF	CAM	CAM PSF	Base Rent + CAM	Base Rent + CAM PSF†	R.E. Taxes †	R.E. Taxes PSF	Base Rent + CAM + R.E. Taxes	Base Rent + CAM + R.E. Taxes PSF
1	\$203,434.14	\$16,952.85	\$48.23	\$29,257.00	\$6.94	\$232,691.14	\$55.17	\$34,587.00	\$8.20	\$267,278.14	\$63.37
2	203,434.14			29,988.43	7.11	233,422.57	55.34	35,451.68	8.40	268,874.24	63.74
3	203,434.14			30,738.14	7.29	234,172.28	55.52	36,337.97	8.61	270,510.24	64.13
4	203,434.14			31,506.59	7.47	234,940.73	55.70	37,246.42	8.83	272,187.15	64.53
5	<u>203,434.14</u>			<u>32,294.25</u>	\$7.66	<u>235,728.39</u>	\$55.89	<u>38,177.58</u>	\$9.05	<u>273,905.97</u>	\$64.94
	\$1,017,170.70			\$153,784.40		\$1,170,955.10		\$181,800.63		\$1,352,755.74	
6	\$223,764.90	\$18,647.08	\$53.05	\$33,101.61	\$7.85	\$256,866.51	\$60.90	\$39,132.02	\$9.28	\$295,998.53	\$70.18
7	223,764.90			33,929.15	8.00	257,694.05	61.09	40,110.32	9.51	297,804.37	70.60
8	223,764.90			34,777.38	8.16	258,542.28	61.29	41,113.07	9.75	299,655.35	71.04
9	223,764.90			35,646.81	8.33	259,411.71	61.50	42,140.90	9.99	301,552.61	71.49
10	<u>223,764.90</u>			<u>36,537.98</u>	\$8.49	<u>260,302.88</u>	\$61.71	<u>43,194.42</u>	\$10.24	<u>303,497.31</u>	\$71.95
	\$1,118,824.50			\$173,992.94		\$1,292,817.44		\$205,690.73		\$1,498,508.17	

† Both CAM and Real Estate Taxes are known for the first year but are estimated thereafter based on a projected 2.5% annual increase

SAVITT PARTNERS

November 18, 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 Springfield Medical Center
Located at Springnexus Plaza, 134-64 Springfield Blvd, Springfield Gardens, NY 11413
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 of Springfield Medical Center. The original valuation report dated August 25, 2015 describes the referenced premises and gives a valuation of \$44-\$47 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 in August 2015 in order to assess the Fair Market Value (FMV) of the designated office/retail medical offices. 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 tenant 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 unit is currently occupied and zoned for use as a medical office.
- The lease will expire on May 31, 2020 and tenant wishes to exercise its renewal option.
- The landlord has proposed a renewal term for a ten year period, with a 10% rent increase now for years 1-5 and then another 10% rent increase for years 6-10.
- The unit is approximately 4,218 RSF.
- This evaluation is for the purpose of a lease extension/renewal.

Medical offices in this area are typically situated in stand-alone medical office buildings, strip malls or converted residential houses. Rents for turn-key (ready to use) medical space range from approximately \$50-\$60 per rentable square foot with a median price of \$52/RSF. Rents for unimproved spaces are from \$28-\$42/RSF. The residential conversions and the more dated (10+ years) spaces garner the lower rents with the larger malls, “strip” centers and medical office buildings with relatively new or newer tenant improvements receiving the higher rents. These properties typically offer more amenities, i.e. on-site property management, parking, security, etc.

Rents in the Springfield Gardens area garner higher retail/commercial rents than in neighboring areas. However, the range of difference between these market areas is more modest at \$5-\$8 per RSF. Most of the opportunities for medical office space in these markets are for undeveloped offices in commercial buildings, which will require extensive capital improvements.

Current market conditions provide for minimal landlord concessions. Additionally, retail transactions typically do not provide for landlord concessions other than rent abatements, which are not usually applicable in a renewal, although always negotiable. Most of the opportunities for medical office space in these markets are for undeveloped offices in commercial buildings or strip malls where the tenant will be offered few concessions by the landlord despite market conditions. Concessions are minimal. Rents in general had been rising and had shown consistent improvement through 2017 as the economy has improved, but have leveled as online retailing had negatively impacted traditional bricks and mortar real estate.

This requires that the tenant improvements be provided greater weight as an overall factor in the assessment of the FMV rental due to the cost associated with relocation; relocating would entail an up-front expense of no less than \$125/RSF or approximately \$527,250.00 for construction. Despite possible lower rent opportunities in the same market area, this expense cannot be appropriately amortized over the proposed renewal term of 5 years.

The referenced medical office is a retail tenant located within the outdoor plaza retail center. The anchor tenant is a supermarket. There are numerous smaller retail units within the plaza. This retail center provides sufficient parking and the lot is in good condition. The center is easily accessible off of Springfield Blvd. which is a major thoroughfare in the immediate market area. NYCTA buses stop immediately in front of the retail center.

Anchor and (larger) tenants are provided with signage on the primary mall sign (billboard) visible off of Springfield Blvd. and includes this Springfield Medical Tenant's name as well. The tenant also has signage on the main entrance door to the offices, and on the "eye brow" (upper façade) of the building.

The office is comprised of 4,218 RSF on the ground floor. The front entrance and interior are accessible via wheel chair and compliant with the American Disabilities Act. The office is built and consists of the following:

- Four seats at desk
- Waiting room with 35 seats
- Eight exam rooms
- Men's & Women's ADA bathrooms and additional bathroom in back
- Clean utility and storage
- Soiled utility
- Financial services office
- Administrative office
- Staff room (lounge with kitchen)
- Nurse's office
- Janitor's closet

- Phone room
- Roof mounted HVAC and maintained by tenant
- Fire alarm is through Pathmark
- Snow and outdoor maintenance provided by Pathmark
- Monday-Friday 8:30am-5:00pm alternating Saturdays from 9:00am-3:00pm
- Pathmark shopping center has 4,000 SF

Rents in the commercial and retail markets within the Springfield Gardens area which had been flat have shown steady improvement. The tenant improvement (T.I., build out of the space) has not been fully depreciated and should remain in fair to good condition with continued proper maintenance through the five year renewal term; however, it could use some cosmetic renovation, specifically repainting. The value of the original capital expenditure is estimated at \$90-\$120 per RSF. The current value is 60%-80% depreciated.

The renewal terms presented by the landlord are commercially fair and reasonable based on this assessment. It is our conclusion that the fair market value of this space with the referenced services and amenities is between \$52-\$55 per RSF. This takes into consideration comparable commercial/retail rents within the immediate market areas (previously denoted and enclosed) and the subsequent tenant improvements of the space, as well as current availability for similar opportunities.

While the proposed rent fair market rental rates are consistent with the market, its important to point out that the space subject to the renewal is located in a "strip center" outdoor retail mall. As part of occupancy in these locations, tenants typically are required to pay their proportionate share of taxes and CAM (Common Area Maintenance) which would not be passed through to tenants located outside of these types of locations. The taxes and CAM charges at this location will increase the rent by approximately \$12-\$14/rsf. Accordingly, the second base rent increase should be questioned as the rent plus the increased taxes and CAM charges over the term of the lease will place the value of this medical office above market.

While it is our professional observation that the terms are fair and reasonable given current conditions and immediate vacancies within the mall as well as the surrounding areas, we would recommend further negotiations regarding the rent but specifically focused on the 3% per annum escalations which we consider within market terms but on the higher end of said market.

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

Thank you.

Very truly yours,



Michael Dubin
Partner

Comps for Springfield Medical Center

Address	Cross Streets	Square Feet	Price Per SF
122-10 Guy R Brewer Blvd.	Guy R Brewer Blvd. & 122 nd Ave.	3,000	\$100.00
228-02-228-06 Merrick Blvd.	122 nd -128 th St. & Merrick Blvd.	20,279	\$35.00-\$40.00
13320 Springfield Blvd.	Springfield Blvd. & 133 rd Rd.	1,200	\$53.50
134-40 Springfield Blvd.	Carson St. & 138 th Rd.	10,983	\$41.00-\$51.00

Mattone Group - Lease Renewal 134-64 Springfield Blvd., Queens

**Board of Directors Meeting
February 27, 2020**

Ted Long, MD, VP, Ambulatory Care



Gotham Health, Springfield Overview

- Gotham Health/Springfield has been in operation for 25 years.
- Provides pediatrics, women's health, and adult medicine
 - Management tools for diabetes
 - Family planning
 - Mental health screenings
 - Well child care
 - Hearing and vision testing
 - Gynecological care,
 - HIV and STD testing
- 5,523 visits per year.



PROPOSED LEASE TERMS

- **TERM:** Ten years
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- **FLOOR AREA:** Approximately 4,218 square feet, ground floor
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- **BASE RENT:** \$48.23/ft. for years 1-5; \$53.05 for years 6-10
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- **CAM:** NYC H+H will pay a share of Common Area Maintenance (CAM) which is now about \$7/ft.
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- **REAL ESTATE TAXES:** NYC H+H will pay a share of real estate taxes which are now about \$8/ft.
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- **OCCUPANCY COST:** Base Rent + CAM + Taxes yields a total initial annual occupancy cost of \$266,796 or \$63.37/ft.
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- **TOTAL:** With estimated annual increase of 2.5% in CAM and taxes, total cost of lease over its term is estimated at \$2,851,263.91
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- **UTILITIES:** NYC H+H will pay for its own electricity, gas, and water
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- **REPAIRS/MAINTENANCE:** Landlord will be responsible for structural repairs and maintenance. NYC H+H will be responsible for interior non-structural repairs and maintenance.
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Board of Directors Request

New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to sign a ten-year lease extension with the Mattone Group for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic operated by NYC Health + Hospitals/Gotham Health (“Gotham Health”) at an initial occupancy cost of \$266,796 or \$63.37/ft. consisting of an initial base rent of \$203,434.14 per year plus an estimated initial annual common area maintenance (“CAM”) charge of \$29,257 and an estimated annual charge for real estate taxes of \$34,587 with the base rental charge increasing from \$48.23/ft. after five years to \$53.05/ft. and with estimated 2.5% annual increases in the CAM and tax expenses yielding an estimated ten year occupancy cost total of \$2,851,263.91.



RESOLUTION - 03

Authorizing New York City Health and Hospitals Corporation (the "System") to sign a five-year revocable license with **Ronald McDonald House of New York, Inc.** ("Licensee") for its use of approximately 1,100 square feet on the 5th floor of the S Building at NYC Health + Hospitals/Kings County Hospital Center ("KCHC") and approximately 930 square feet on the 8th floor E Wing of NYC Health + Hospitals/Elmhurst Hospital ("Elmhurst") for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients, with the occupancy fee waived and with the System having authority to extend the license to space at other System facilities provided such extensions are reported to the Board.

WHEREAS, Licensee has operated Ronald McDonald House New York since 1978 providing a temporary home-away-from-home for pediatric cancer patients and their families; and

WHEREAS, among Licensee's programs is the construction and operation of Ronald McDonald Family Rooms for families of pediatric inpatients at hospitals in New York City; and

WHEREAS, in February 2015, the System's Board of Directors authorized the license of space at KCHC for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients; and

WHEREAS, Licensee has successfully been operating its Family Room at KCHC after having constructed the space entirely at its cost; and

WHEREAS, Licensee wishes, at its cost, to establish a similar Family Room at Elmhurst while it continues to operate the Family Room at KCHC; and

WHEREAS, Elmhurst management, with Licensee, has identified suitable space on the 8th floor of the E Wing of the Main Building (79-01 Broadway) for the Licensee to construct a Family Room; and

WHEREAS, the Licensee hopes to construct Family Rooms at additional of the System's hospitals if space can be found acceptable to both the Licensee and each hospital; and

WHEREAS, the System management shall report to the Capital Committee each time it exercises its authority to extend the license to an additional System facility.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation is authorized to sign a five-year revocable agreement with Ronald McDonald House of New York, Inc. for its use of approximately 1,100 square feet on the 5th floor of the S Building at NYC Health + Hospitals/Kings County Hospital Center and approximately 930 square feet on the 8th floor of NYC Health + Hospitals/Elmhurst Hospital ("Elmhurst") for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients, with the occupancy fee waived and with the System having authority to extend the license to space at other System facilities provided such extensions are reported to the Board.

EXECUTIVE SUMMARY

RONALD MCDONALD HOUSE OF NEW YORK, INC.

**BACK
GROUND:**

The System seeks authorization for a five-year, revocable license with Ronald McDonald House New York, Inc. ("Licensee") to renew its rights to approximately 1,100 square feet on the 5th floor of the S building at NYC Health + Hospitals/Kings County Hospital Center ("KCHC") and to grant Licensee the right to construct and operate a similar Family Room at NYC Health + Hospitals/Elmhurst ("Elmhurst") for families of inpatient pediatric patients. Authority is also sought for the System to further expand the license to include other System hospitals where suitable space acceptable to both Licensee and the hospital can be found. The System will report any such expansions of the license to the Board.

Currently, there are more than 262 Ronald McDonald Family Rooms in over 28 countries and regions. The Ronald McDonald Family Room extends the hallmark of quality care and compassionate comfort shared by the System and Licensee. RMH NY believes the KCHC Family Room, the proposed EMHC Family Room and those that will follow constitute the first and only such Family Rooms located within a United States municipal hospital system, in furtherance of its a new policy initiative to expand its services to a broader range of pediatric patients and their families within the five boroughs of New York City.

**NEED/
PROGRAM:**

Ronald McDonald Family Rooms align with the System's goals of providing family centered care. It is an area within a pediatric ward to provide a quiet rest area for family members of pediatric patients. It offers a home-like atmosphere when a parent needs a break from the hospital environment. When a child is critically ill, parents are often reluctant to leave the hospital and yet they desperately need a break. Typical services include a comfortable seating area, refreshments (beverages, snacks, fruit, etc.), television and reading materials, internet charging station and computer and a quiet area.

TERMS:

Licensee will pay the expenses of constructing the Family Room, at Elmhurst. Elmhurst will promptly review the construction documents to ensure the System's compliance with its healthcare codes, rules and regulations.

The occupancy fee for the licensed spaces shall be waived in view of the benefits to the System's patients generated by Licensee's operation.

The System will provide electricity security, routine maintenance, housekeeping, trash removal, telephone and internet access.

The license for Elmhurst and KCHC shall be for five years terminable by either party without cause, with the understanding that Licensee and the System may continue to discuss the viability of a longer term that may require public approvals. If either party exercises its right of termination without cause, it shall reimburse the other party for its unamortized expenses incurred to prepare the licensed spaces for use under the license assuming a five year level amortization schedule.

Licensee will be required indemnify and hold harmless the System and the City of New York from any and all claims arising solely within the licensed space.

The System acknowledges that Licensee is subject to a license agreement with the Ronald McDonalds Corporation for the use of such terms, images and logos as "McDonalds," Ronald McDonald" and "Ronald McDonald Family Rooms" and shall abide by Licensee's license obligations regarding same.

Space License Agreement Ronald McDonald House

**Kings County, Elmhurst &
Possibly Other Facilities**

**Board of Directors Meeting
February 27, 2020**

**Sheldon McLeod, ED NYC Health + Hospitals/Kings
Christine Flaherty, Sr. Vice President**



RONALD MCDONALD HOUSE OVERVIEW

- Not-for-profit organization that is tax exempt under IRC Sec. 501(c)(3)
- Since 1979, Ronald McDonald House New York has provided temporary housing for more than 59,000 pediatric cancer patients and their families in a strong, supportive and caring environment that keeps families close to each other and the treatment their children need.
- RMHNYH operates an 82,000 square-foot facility on East 73rd St. with 95 guest rooms for families throughout all five boroughs, in addition to families from around the world in NY for their children's' treatment
- Additionally RMHNY operates in the following :

Hassenfeld Children's Hospital/NYU Langone	NY Presbyterian/Weill Cornell Medical
Children's Hospital at Montefiore	Manhattan Eye, Ear and Throat Hospital
Morgan Stanley Children's Hospital of New York-Presbyterian	Mount Sinai Roosevelt
Mount Sinai St. Luke's	Mount Sinai Beth Israel
Kravis Children's Hospital at Mount Sinai	Memorial Sloan-Kettering Cancer Center
Lenox Hill Hospital	Hospital for Special Surgery



- Opened in 2017 at a cost of to RMHNY of \$583,450.30. Now in its 4th year of operation.
- Ronald McDonald Family Room is a welcoming, home-like space for families, just steps away from their children in the hospital. Markedly different than its clinical surroundings, the Family Room program provides families a break from the stress of the hospital environment where they can relax, prepare a meal, have a snack, or even take a nap.
- Since inception has served a total 3,129 caregivers.
- In 2019, opened the Family Room to siblings during non-flu season -- 44 children/teens visited.



- Proposal is to build 2nd Family Room at NYC Health + Hospitals/Elmhurst
- 1,100 square feet on the 5th floor of the D Building
- Continue operation of Family Room at Kings County
- RMHNY wishes to establish additional Family Rooms in other suitable locations within the NYC H+H System



Board of Directors Request

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five-year revocable license with Ronald McDonald House of New York, Inc. (“Licensee”) for its use of approximately 1,100 square feet on the 5th floor of the S Building at NYC Health + Hospitals/Kings County Hospital Center (“KCHC”) and approximately 930 square feet on the 8th floor E Wing of NYC Health + Hospitals/Elmhurst Hospital (“Elmhurst”) for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients, with the occupancy fee waived and with the System having authority to extend the license to space at other System facilities provided such extensions are reported to the Board.



RESOLUTION - 04

Authorizing New York City Health and Hospitals Corporation (the "System") to sign a five-year lease extension with **Forever Spring Realty, Inc.** (the "Landlord") for the use of approximately 4,186 square feet of ground floor space at 81-06 Baxter Avenue, Queens to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program") managed by NYC Health + Hospitals/Elmhurst Hospital Center (the "Facility") at a rent of \$198,835 per year, or \$47.50 per square foot to be escalated by 2.5% per year for a total of \$1,045,142 over the five year initial term with an option to be exercised only by the System to renew the lease for an additional five year term at 2.5% above the rent last due during the initial term. The System shall also pay the real estate taxes on the property which are currently at \$6,000/yr. which are estimated to increase by 2.5%/yr. for a five year estimated total of \$31,538 which will bring the total five-year occupancy cost to approximately \$1,076,680.

WHEREAS, the Facility has operated a WIC Program serving the Elmhurst, Woodside, Jackson Heights, Corona, and Sunnyside areas of Queens for more than thirty years; and

WHEREAS, the System operates twenty-seven WIC sites throughout the City of which six are in rented properties and twenty-one are in facilities controlled by the System; and

WHEREAS, like other WIC programs, the Facility's WIC Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income; and

WHEREAS, WIC Programs are funded by New York State Department of Health ("NYSDOH") grants and NYSDOH approves each site and its lease terms in advance and that practice was followed for the proposed five year lease extension; and

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

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to sign a five-year lease extension with Forever Spring Realty, Inc. for the use of approximately 4,186 square feet of ground floor space at 81-06 Baxter Avenue, Borough of Queens to operate a Supplemental Food Program for Women, Infants and Children, managed by NYC Health + Hospitals/Elmhurst Hospital Center at a rent of \$198,835 per year, or \$47.50 per square foot to be escalated by 2.5% per year for a total of \$1,045,142 over the five year term with an option to be exercised only by New York City Health and Hospitals Corporation to renew the lease for an additional five year term at a rent 2.5% above the rent last due during the initial term. The System shall also pay the real estate taxes on the property which are currently at \$6,000/yr. which are estimated to increase by 2.5%/yr. for a five-year estimated total of \$31,538 which will bring the total five-year occupancy cost to approximately \$1,076,680.

EXECUTIVE SUMMARY

ELMHURST HOSPITAL CENTER SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN 81-06 BAXTER AVENUE, BOROUGH OF QUEENS

OVERVIEW: New York City Health and Hospitals Corporation (the "System") seeks authorization from its Board of Directors to sign a five year lease extension with Forever Spring Realty, Inc. (the "Landlord") for the use of space at 81-06 Baxter Avenue, Queens, to operate a Women, Infants and Children Program (the "WIC Program"), managed by NYC Health + Hospitals/Elmhurst Hospital Center ("Elmhurst").

NEED/PROGRAM: Elmhurst has operated a WIC Program servicing the Elmhurst, Woodside, Jackson Heights, Corona, and Sunnyside areas of Queens for more than thirty years. The System operates twenty-seven WIC sites throughout the City of which six are located in rented properties and twenty-one are in facilities controlled by the System. Like other WIC programs, the Elmhurst's WIC Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income. WIC Programs are funded by New York State Department of Health ("NYSDOH") grants and NYSDOH approves each site and its lease terms in advance and that practice was followed for the proposed five year lease extension.

UTILIZATION: The WIC Program's caseload is approximately 8,000 clients annually.

TERMS: The System will occupy approximately 4,186 square feet of ground floor space, and will pay a base rent of \$198,835 per year, or \$47.50 per square foot to be escalated by 2.5% per year for a total of \$1,045,142 over the five year term. The proposed rent is 6% over the rent payable during the last year of the prior lease. The System will hold an option to renew the lease for an additional five years at 2.5% over the rent last due during the initial term. The System will be responsible for payment of separately metered gas, electricity and water. The System will pay the real estate taxes on the property which are currently \$6,000/yr. While one cannot predict with certainty the amount by which the taxes will increase over the term, 2.5% is a reasonable estimate which would produce a five-year total of \$31,538. Adding the taxes to the base rent yields an initial occupancy cost of \$204,835 or \$48.93/ft.

The landlord will be responsible for all interior and exterior maintenance and structural repairs on the premises. The System will be responsible for non-structural maintenance and repairs.

FINANCING: NYSDOH funds both rent and operating expenses at WIC sites.

SUMMARY OF ECONOMIC TERMS

SITE:	81-06 Baxter Avenue Borough of Queens
LANDLORD:	Forever Spring Realty, Inc. 7-8 Chatham Square N.Y., N.Y. 11234
FLOOR AREA:	Approximately 4,186 square feet of ground floor space
TERM:	5 years
OPTION:	The lease will contain one five-year renewal option. The rent for the option term will commence at 2.5% above the initial term year five rent.
RENT:	The System will pay a base rent in the amount of \$198,835 per year, or \$47.50 per square foot. The rent escalates by 2.5% per year over the five-year term for a total of \$1,045,142.
UTILITIES:	The System will be responsible for the payment of separately metered electricity, gas, and water.
MAINTENANCE/ REPAIRS:	The Landlord will be responsible for all interior and exterior maintenance and structural repairs. The System will be responsible for non-structural maintenance and repairs.
TAXES:	The System will be responsible for the payment of estate taxes annually. These are currently \$6,000/yr. Assuming a 2.5% annual increase the total of the taxes over the term is \$31,538.
FINANCING:	WIC programs are fully funded by DOH grants which cover rent, personnel and other operating costs. There are generally no costs to the System for the operation of a WIC Program.

81-06 Baxter Avenue

<u>Year</u>	<u>Annual Rent</u>	<u>Monthly</u>	<u>PSF</u>	<u>Annual R.E. Taxes</u>	<u>Rent + R.E. Taxes</u>	<u>PSF</u>
1	\$198,835.00	\$16,569.58	\$47.50	\$6,000.00	\$204,835.00	48.93
2	203,805.88	16,983.82	48.69	6,150.00	209,955.88	50.16
3	208,901.02	17,408.42	49.90	6,303.75	215,204.77	51.41
4	214,123.55	17,843.63	51.15	6,461.34	220,584.89	52.70
5	<u>\$219,476.64</u>	\$18,289.72	\$52.43	<u>\$6,622.88</u>	<u>\$226,099.51</u>	54.01
	\$1,045,142.08			31,537.97	1,076,680.05	

Note: Base rent escalated by 2.5% per year. Real Estate Tax annual increases estimated at 2.5% per year

Comps for 81-06 Baxter Avenue, Elmhurst, NY 11373

Address	Cross Streets	Square Feet	Price Per SF
40-33 76 th St.	Broadway & 76 th St.	2,200	\$23.00 + UTIL
3729 72 nd St.	Broadway & 72 nd St.	1,100	\$98.18
80-50 Baxter Ave.	Baxter Ave. & Ketcham St.	912	\$27.63
87-08 Justice Ave.	Justice Ave. & 53 rd Ave.	560	\$40.71
37-43 76 th St.	76 th St. & 37 th Rd.	1,150	\$38.46
3755 72 nd St.	72 nd St. & Broadway	700	\$68.57
3703 92 nd St.	92 nd St. & 37 th Ave.	1,100	\$76.00
3720 76 th St.	72 nd St. & 37 th Ave.	1,720	\$55.00
81-31 Baxter Ave.	Baxter Ave. & 41 st Ave.	500	\$46.00
Average Price Per SF:			\$52.62



Forever Spring Realty, Inc. Renewal Lease Agreement – Elmhurst Hospital

**Supplemental Food Program
Women Infants and Children (WIC)
81-06 Baxter Avenue, Elmhurst NY 11373**

Board of Directors Meeting

February 27, 2020

Israel Rocha, Jr., Chief Executive Officer, NYC Health + Hospitals Elmhurst
Christine Flaherty, Senior Vice President, Capital Design & Construction



Overview

Requesting the authorization for NYC H+H to execute a lease renewal with Forever Spring Realty, Inc for the space at 81-06 Baxter Avenue in Elmhurst, NY 11373

- Leased space would allow NYC Health + Hospitals/Elmhurst WIC to continue operating the *Supplemental Food Program for Women, Infants and Children (the “WIC Program”)*, managed by NYC Health + Hospitals/Elmhurst Ambulatory Care and funded by the New York State Department of Health at the requested site
- NYC Health + Hospitals/Elmhurst WIC is currently utilizing a bi-level rental space, at the above location, with elevator access comprised of a classroom on the ground floor and a main clinic area with lactation room at the cellar level
- The site is directly across the street from the main hospital and serves as a referral feeder to our Pediatric and Women’s Health services
- It operates as a 4,186 square ft. space with a lease cost of \$198,835 per year or \$47.50 per square foot to be escalated by 2.5% per year for a total of \$1,045,142 over the five year initial term, starting May 1, 2020
- Additional costs include real estate taxes on the property which are currently at \$6,000/yr. which are estimated to increase by 2.5% per year for a five year estimated total of \$31,538 which will bring the total five year occupancy cost to approximately **\$1,076,680**.
- The Elmhurst WIC Program has been fully funded and has had the ability to cover the overhead on the rental lease agreement for the past ten years
- The program is expected to continue receiving adequate funding to support lease costs through FY 2022



Current State – EHC WIC

- NYC H+H/Elmhurst WIC Program has been a single operating site at 81-06 Baxter Avenue for the past ten years while serving the Elmhurst community for more than 30 years
- The current lease with Forever Spring Realty, Inc., is set to expire on April 30, 2020. NYC H+H/Elmhurst WIC is currently seeking to renew the lease for a 5 year term with a 5 year renewal option
- 81-06 Baxter Avenue is approximately 4,186 square feet of bi-level floor space with a current base rent of \$45.00 per square foot. The proposed increase with current lease renewal is \$47.50 per square foot with a 2.5% annual increase.
- WIC programs are funded by NYSDOH grants which cover rent, personnel and other operating costs, including real estate taxes on the property which are currently \$6,000 per year, with a likely increase of 2.5% over the term of the lease (approximately \$31,538)
- During the past lease agreement, NYC H+H/Elmhurst WIC has served over 8,000 WIC families annually and intends to continue providing services to the many women and children in our community
- NYC H+H/Elmhurst WIC Program provides direct referrals to NYC H+H/Elmhurst's Women's Health Services and Pediatric Services while supporting a continuum of care



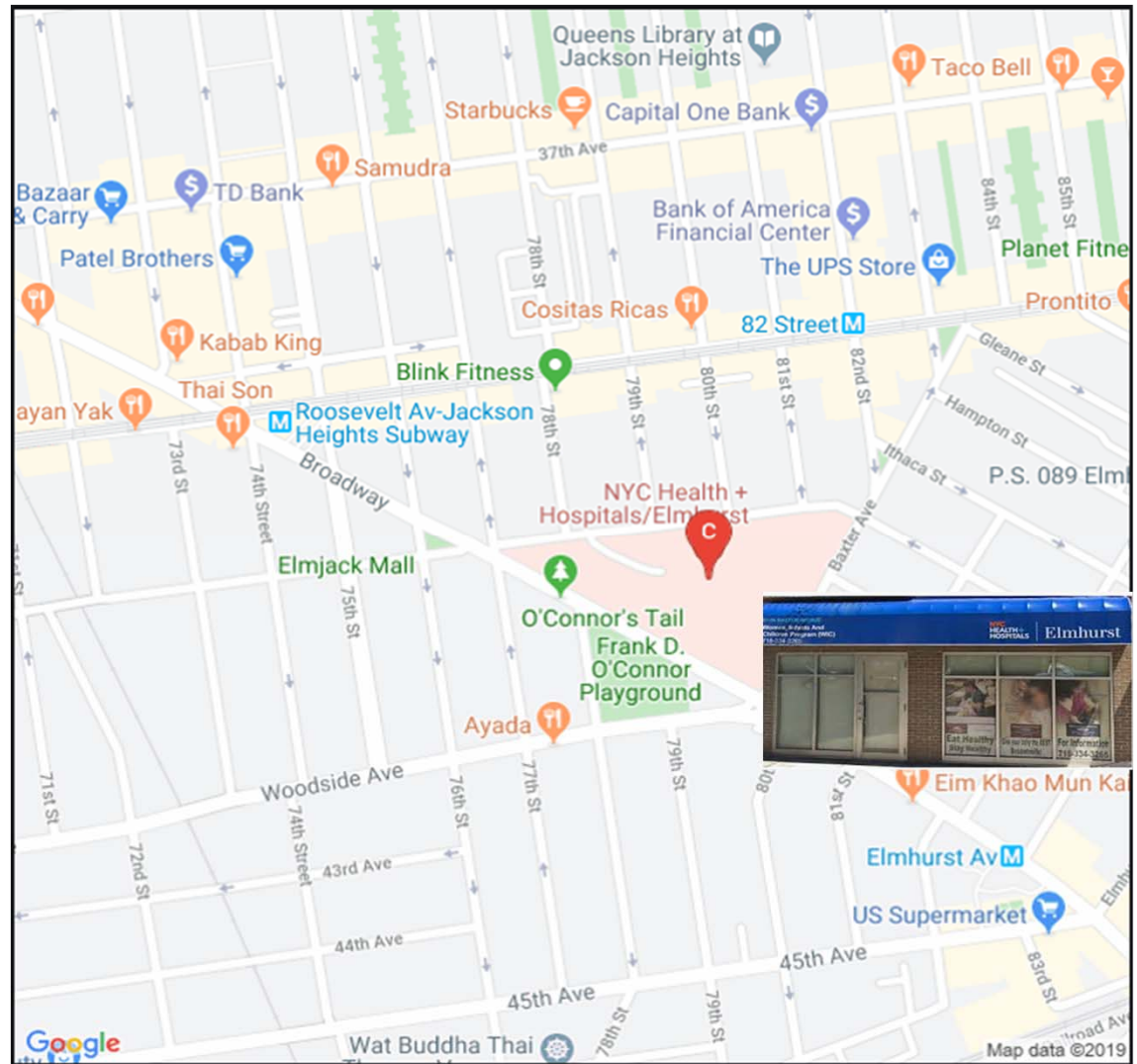
Elmhurst Payment Schedule

<u>Year</u>	<u>Annual Rent</u>	<u>Monthly</u>	<u>PSF</u>	<u>Annual R.E. Taxes</u>	<u>Rent + R.E. Taxes</u>
1	\$198,835.00	\$16,569.58	\$47.50	\$6,000.00	\$204,835.00
2	203,805.88	16,983.82	48.69	6,150.00	209,955.88
3	208,901.02	17,408.42	49.90	6,303.75	215,204.77
4	214,123.55	17,843.63	51.15	6,461.34	220,584.89
5	<u>\$219,476.64</u>	\$18,289.72	\$52.43	<u>\$6,622.88</u>	<u>\$226,099.51</u>
	\$1,045,142.08			31,537.97	1,076,680.05
Note: Base rent escalated by 2.5% per year. Real Estate Tax annual increases estimated at 2.5% per year					



Elmhurst WIC Program Location

- Across the street from Elmhurst Hospital.
- Location is a hub from all areas of transportation.
Trains 7, E, F, R, M,
Bus Q53, Q10, Q41, Q88, Q32
- Serving the Elmhurst, Woodside, Rego Park, Corona, Jackson Heights, East Elmhurst, Sunnyside and LIC location



Elmhurst WIC Program

Additional Information

- NYC H+H/Elmhurst WIC Program provides supplemental nutrition food and education for the vulnerable population comprised of women who are pregnant, breastfeeding or postpartum, as well as infants and children under the age of 5 years
- It has an assigned caseload of 8,000 serving Elmhurst, Woodside, Jackson Heights, Corona, and Sunnyside areas of Queens for more than thirty years
- Elmhurst is the most diverse area in NYC with the NYC H+H/Elmhurst WIC program representing the many cultures in the community it serves, ensuring access to language services and providing culturally sensitive care
- Provides a direct referral source to NYC H+H/Elmhurst's Women's Health Services and Pediatric Services
- Supports NYC H+H/Elmhurst community engagement projects, participating in various events focused on community health and wellness
- It supports positive health outcomes and supports a continuum of medical care



Board of Directors Request

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five-year lease extension with Forever Spring Realty, Inc. (the “Landlord”) for the use of approximately 4,186 square feet of ground floor space at 81-06 Baxter Avenue, Queens to operate a Supplemental Food Program for Women, Infants and Children (the “WIC Program”) managed by NYC Health + Hospitals/Elmhurst Hospital Center (the “Facility”) at a rent of \$198,835 per year, or \$47.50 per square foot to be escalated by 2.5% per year for a total of \$1,045,142 over the five-year initial term with an option to be exercised only by the System to renew the lease for an additional five-year term at 2.5% above the rent last due during the initial term. The System shall also pay the real estate taxes on the property which are currently at \$6,000/yr. which are estimated to increase by 2.5%/yr. for a five-year estimated total of \$31,538 which will bring the total five year occupancy cost to approximately \$1,076,680.



RESOLUTION - 05

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five-year revocable license agreement with **Educational Data Systems, Inc.** (the "Licensee") for its use and occupancy of 312 square feet of space in the Mental Health Building on the campus of NYC Health + Hospitals/Metropolitan Hospital Center (the "Facility") to operate an employment services program at an annual occupancy fee of \$12,000, or \$38.46 per square foot to be escalated by 3% per year for a total of \$63,710 over the five-year term.

WHEREAS, the City of New York Small Business Services ("SBS") has contracted with the Licensee to provide job training and job readiness programs; and

WHEREAS, the Licensee, based in Dearborn, Michigan, operates employment services programs in Georgia, Illinois, Maryland, Michigan, New York, North Carolina, and Pennsylvania; and

WHEREAS, the Licensee's job readiness programs evaluate participants' skill sets and training/education needs, assist with resume preparation and interviewing skills, and provide job listings for participant review; and

WHEREAS, SBS will provide directives and guidance to the Licensee; and

WHEREAS, research has established a link between income and health; and

WHEREAS, the East Harlem population to be served by the Licensee has an unemployment rate of 12% which the Licensee's program will seek to address as a social determinant of health by helping participants find meaningful employment; and

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

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a five-year revocable license agreement with Educational Data Systems, Inc. for use and occupancy of 312 square feet of space in the Mental Health Building on the campus of NYC Health + Hospitals/Metropolitan Hospital Center to operate an employment services program at an annual occupancy fee of \$12,000, or \$38.46 per square foot to be escalated by 3% per year for a total of \$63,710 over the five-year term.

EXECUTIVE SUMMARY

LICENSE AGREEMENT EDUCATIONAL DATA SYSTEMS, INC

METROPOLITAN HOSPITAL CENTER

OVERVIEW: The New York City Health and Hospitals Corporation (the "System") seeks authorization from the System's Board of Directors to execute a revocable license agreement with Educational Data Systems, Inc. (the "Licensee") for its use and occupancy of space to operate an employment services program at NYC Health + Hospitals/Metropolitan Hospital Center ("Metropolitan") under a contract awarded by the City of New York Department of Small Business Services ("SBS").

**PROGRAM/
NEED:** Research has established income as a social determinant of health. The East Harlem population to be served by the Licensee has an unemployment rate of 12%. The Licensee's programs will seek to address such unemployment rate by helping participants find meaningful employment.

The Licensee, based in Dearborn, Michigan operates employment services programs in Georgia, Illinois, Maryland, Michigan, New York, North Carolina, and Pennsylvania. The Licensee's job readiness programs evaluate participants' skill sets and training/education needs, assist with resume preparation and interviewing skills, and provide job listings for participant review.

SBS will provide directives, guidance and funding to EDSI. EDSI's business hours will be from 7:00 a.m. to 7:00 p.m., Monday through Friday. The programs services will be available to Metropolitan patients as well as the community,

TERMS: The Licensee will be granted the use and occupancy of approximately 312 square feet of space in the Mental Health Building. The Licensee will pay an annual occupancy fee of \$12,000, or \$38.46 per square foot to be escalated by 3% per year for a total of \$63,710 over the five-year term. Metropolitan will provide air conditioning, heat, housekeeping, security, electricity, and maintenance of the space.

The Licensee will indemnify and hold harmless the System and the City of New York from any and all claims arising out of its use of the Licensed Space and will provide appropriate insurance naming the System and the City of New York as additional insured parties.

The license agreement will be for five years. It will be revocable by either party upon sixty days prior written notice.

Educational Data System, Inc. License Agreement - Metropolitan

**Board of Directors Meeting
February 27, 2020**

Christine Flaherty, Senior Vice President, Office of Facilities Development
Robert Berding, Associate Executive Director, Metropolitan

Background

- NYC Small Business Services awarded a contract to Educational Data System, Inc. to operate job training programs
- Under the SBS contract, EDSI is to operate job training and counseling programs
- SBS identified a specific need for this type of service in East Harlem and requested that a EDSI program be located at Metropolitan

Value To Metropolitan

- The Metropolitan neighborhood is the 12th poorest in the City with 31% of its residents living below the Federal Poverty Level and 12% unemployment
- Unemployment and poverty are among the most significant social determinants of health
- Having a job training, job readiness and employment counseling service within the Hospital directly addresses this social determinant of health
- Metropolitan will be able to easily refer its patients to the program by directing or walking them to the program
- The on-site presence of this program further solidifies Metropolitan's position as a one-stop hub for families within the community seeking practical solutions toward attaining a healthy lifestyle.

Proposed License

- EDSI will have the use of 312 square feet in the Mental Health Building
- Five-year term, terminable without cause
- Occupancy of \$12,000/yr. increased by 3% annually
 - Fee is at \$38.46/ft.
 - FMV is about \$50.00/ft.
 - The rate is based on what SBS put into EDSI's budget

Board of Directors Request

Authorizing New York City Health and Hospitals Corporation to execute a five-year revocable license agreement with Educational Data Systems, Inc. for use and occupancy of 312 square feet of space in the Mental Health Building on the campus of NYC Health + Hospitals/Metropolitan Hospital Center to operate an employment services program at an annual occupancy fee of \$12,000, or \$38.46 per square foot to be escalated by 3% per year for a total of \$63,710 over the five-year term.

RESOLUTION - 06

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a revocable five-year license agreement with **Eyes and Optics** (the "Licensee") for the use and occupancy of approximately 140 square feet of space in the Atrium lobby to operate an optical dispensary at NYC Health + Hospitals/Queens Hospital Center (the "Facility") at an occupancy fee of \$57 per square foot for a total annual occupancy fee of \$7,980 to be escalated by 3% per year for a total over the five-year term of \$42,367.

WHEREAS, the Facility's Ophthalmology Department performs vision screenings, diagnostic tests and ophthalmic procedures for its patient population, and;

WHEREAS, the Licensee operates optical dispensaries at several of the System's facilities where low cost eyewear is provided to patients; and

WHEREAS, the Facility desires to offer low cost eyewear to its patients and it has adequate space to accommodate the Licensee's needs.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a revocable five-year license agreement with **Eyes and Optics** for its use and occupancy of approximately 140 square feet of space in the Atrium lobby to operate an optical dispensary at NYC Health + Hospitals/Queens Hospital Center at an occupancy fee of \$57 per square foot for a total annual occupancy fee of \$7,980 to be escalated by 3% per year for a total over the five-year term of \$42,367.

EXECUTIVE SUMMARY

LICENSE AGREEMENT EYES AND OPTICS

NEW YORK CITY HEALTH + HOSPITALS/QUEENS HOSPITAL CENTER

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

The Ophthalmology Department at Queens Hospital performs vision screenings, diagnostic tests and ophthalmic procedures for its patients. Eyes and Optics operates optical dispensaries at several of the System's facilities where low cost eyewear is provided to patients. Queens Hospital desires to offer low cost eyewear to its patients and it has adequate space to accommodate the Licensee's needs.

Eyes and Optics will have the use and occupancy of approximately 140 square feet of space in the Atrium lobby. Eyes and Optics will pay an occupancy fee of \$57 per square foot for a total annual fee of \$7,980, a fair market value rental. The cost of electricity will be included in the occupancy fee. The occupancy fee will be escalated by 3% per year and will total \$42,367 over the term of the agreement.

Eyes and Optics will indemnify and hold harmless the System 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 license agreement shall be revocable by either party on ninety days' notice.

QHC - Eyes and Optics

<u>Year</u>	<u>Annual Occu</u>	<u>PSF</u>
1	\$7,980.00	\$57.00
2	8,219.40	58.71
3	8,465.98	60.47
4	8,719.96	62.29
5	<u>8,981.56</u>	\$64.15
	\$42,366.90	

size: 140sf

escalation: 3%

SAVITT PARTNERS

June 20, 2018

Mr. Dion Wilson
Director of Real Estate
NYC Health + Hospitals
125 Worth Street, Rm 527
New York, NY 10013

Re: Fair Market Value/appraisal of proposed Eyes & Optics located on the ground floor lobby entrance area within Queens Hospital Center located at 82-68 164th Street, Jamaica, NY 11432 on behalf of NYC Health + Hospitals

Dear Dion:

On Thursday, May 10, 2018, I visited the referenced premises in order to assess the Fair Market Value (FMV) of the two potential and identified space options for retail use by Eyes & Optics. Our evaluation and conclusions are set forth below.

This assessment is inclusive of the value of the requested 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 (501C3) real estate taxes may not be applicable, however this expense will also be considered when evaluating the value of the spaces in order to provide a comprehensive FMV. This appraisal will assess the estimated value of the base rent inclusive of the necessary tenant improvements and operating expenses. This evaluation is subject to the following:

- The proposed Eyes & Optics space is or will be appropriately zoned for the use (retail) within the hospital facility.
- The premises considered are located within the medical facility on the ground floor in the main lobby and main corridor area.
- This evaluation is for the purpose of establishing the FMV to lease/license the referenced property and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.

There are two variables that must be considered in this evaluation which are in fact weighted greater than other variables. These unique factors are location and use.

The location of the spaces provides the tenant with an immediate and “captured” client base according to the facility operator, NYC Health + Hospitals. Eye wear prescriptions generated by ophthalmology and optometry physicians within the medical facility will generate roughly 90% of the client base for this tenant, perhaps more. The community medical center also benefits by providing this amenity to the patients; the convenience of access to a retailer that can fill the prescription immediately. The proposed retail operation compliments the physician practices

with an optical modality. The balance of the Eyes & Optics patient base comes from the existing customer referral. There also may be some walk-in street traffic, but that will be limited.

It would be inappropriate to evaluate the value of the referenced space(s) as true retail. Despite the obvious benefit of the readily available retail client base the space does not have the one most important value to be considered retail, street presence. Therefore, the space must be assessed as commercial property with a retail build out and operation. Our assessment of the value of the tenant improvement for an optical, retail operation within the hospital at this specific location would be that it is dramatically less than the cost for a typical store front optical store. The space will be open (minimal walls or partitions) with extensive space for display cases, both free standing and mounted on the unit's walls. The tenant will provide its own installation for its tenant improvements and the space is being delivered in "as-is" condition.

Another important factor is the value of the space for ancillary medical use. It is our experience that space within built medical facilities is valued at a premium simply due to the fact that it is a finite resource which is in demand. It is apparent that proximity within the medical facility complex is attractive to this tenant and benefits the facility's patients as well. The provision of tenant services that are uncommon for retail facilities, i.e., 24-7 access, even if not utilized and the provision of full time services such as HVAC, repairs and maintenance, security, etc. must also be factored in this evaluation. However, when assessing the value the fact that the client base is limited to foot traffic within the medical facility impacts the success of the tenant. The tenant has little opportunity to promote its presence and the average pedestrian walking by the building would not be aware of this retail operation.

The administrators of the Queens Hospital Center have identified two possible areas for the Eyes and Optics retail location. One of the referenced ancillary medical retail spaces is located on the ground floor at the main entrance to the Queens Hospital Center main building. The second potential option (location) is also on the main entrance's First Floor but is located down the Northern corridor between the building's main entrance and the secondary Northern entrance to the hospital. Both locations are appropriate for the use; however, one is more visible. When assessing the FMV for this space we took into consideration the referenced factors and used comparables for medical space, hospital space and retail space within the immediate market where available to establish benchmarks for market rents. The proposal offers the licensee a full service building with amenities typically provided only by hospitals and full service medical office buildings and not retail properties. Typical retail operations are triple net, with the tenant absorbing all of the related operational expenses. However, this opportunity provides the tenant with comprehensive services which will be reflected in our evaluation.

Market conditions for each use were established for comparison. Medical space, specifically physician, private offices garners gross rents at \$42 - \$58 per RSF in the vicinity of the Eyes & Optics location. In and around the Parsons Blvd. and Union Turnpike area, net retail rents are \$58 - \$100 per RSF. Asking rents in this market have increased, as has commercial real estate generally throughout this Queens area. Although these areas have medical offices, the lack of product, i.e., rental opportunities has added to a stable rental market.

CONCLUSION

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

The location that was inspected for this report is handicapped accessible, and as stated earlier, has 24/7 security which is a valuable and attractive amenity. All of the lavatories throughout the building are ADA compliant; however, this space does not have its own private restroom. The corridors and the lobby are also wheelchair accessible. This would remain consistent for either of the two locations being considered.

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 facility as part of any agreed to rent.

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

It is our professional opinion that the value of the referenced space is **\$50 - \$55** per RSF for the unit directly located in the main lobby and **\$45 - \$50** per RSF for the location in the Northern corridor. The latter is less visible to the customer base. It would not be appropriate to provide a tenant with a construction concession of rent abatement given the size of the unit.

It is also important to note that space being considered for the Eyes and Optics location is approximately 300-400 SF located directly South of the building's main entrance. The second space considered for this retailer, located in the corridor North of the building's main entrance, while not as visible or accessible, can be adjusted space-wide for a larger footprint if NYC H+H chooses to provide a larger space, hence a greater rent.

It would be appropriate for the tenant to negotiate an escalation provision to the base rent/fee of 2.75% to 3% commencing in the second year of the license agreement. These would be commercially fair and reasonable terms based on the data and information assessed in this report.

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

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 & Optics

Date: January 23, 2020

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

Vendor Responsibility

Approved

EEO

N/A

MWBE

N/A

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

Eyes and Optics License Agreement – Queens Hospital

Board of Directors Meeting
February 27, 2020

Dean Mihaltses, RPh, MPA, Chief Operating Officer
NYC Health + Hospitals | Queens

Christine Flaherty, Senior Vice President, Capital Design & Construction



Current State

- Eyes and Optics has served as a one-stop-shop to fill prescriptions for eye glasses, protective goggles, contact lenses and other related products at several H+H facilities, including Woodhull, Gouverneur and Kings County.
- 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.
- NYC H+H/Queens Hospital's Ophthalmology Department performs vision screenings, diagnostic testing and ophthalmic procedures for its patient population.
- This patient population has significant ophthalmologic needs, including optometrist services, due to the high incidence of diabetes, hypertension and glaucoma.
- NYC H+H/Queens Hospital desires to offer low cost eyewear to its patients and has adequate space in the Atrium lobby to accommodate an optical dispensary.



Benefits to Patients

- Will serve approximately five hundred patients per month.
- Will be located in the Atrium lobby, making it convenient for our patients.
- Eyes and Optics has a record of exemplary customer service at other H+H hospitals where they offer services.
- Rental fees will provide a modest source of revenue for NYC Health + Hospitals | Queens.
- This service will also be made available to staff as well as the general public.



Occupancy Fee

<u>Year</u>	<u>Annual Occupancy Fee</u>	<u>PSF</u>
1	\$7,980.00	\$57.00
2	8,219.40	58.71
3	8,465.98	60.47
4	8,719.96	62.29
5	<u>8,981.56</u>	\$64.15
	\$42,366.90	
size: 140 sf		
escalation: 3%		



Board of Directors Request

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a five-year revocable license agreement with Eyes and Optics (the “Licensee”) for use and occupancy of approximately 140 square feet of space in the Atrium lobby to operate an optical dispensary at NYC Health + Hospitals | Queens (the “Facility”) at an occupancy fee of \$57.00 per square foot for a total annual occupancy fee of \$7,980.00 to be escalated by 3.0% per year over the five-year term, for a total of \$42,367.00.

