

FINANCE COMMITTEE AGENDA

Date: December 3, 2020

Time: 10:00 am

Location: Virtual Meeting

- I. Call to Order** Freda Wang
Adoption of the October 08, 2020 Minutes
- II. Finance Update** John Ulberg
James Cassidy
Salema Tyler
Michline Farag
Krista Olson
- III. Action Item: City-wide Testing Capability Expansion; DOE and Mobile Unit Testing** Ted Long
Chris Keeley
Authorizing New York City Health and Hospitals Corporation (the “System” to sign 9-month requirements contracts with the following eight firms (together, the “Vendors”): Rapid Reliable Testing, LLC (“Rapid”), Somos Healthcare Providers Inc. d/b/a Somos Community Care (“Somos”), BioReference Laboratories, Inc. (“BRL”), Fulgent Genetics (“Fulgent”), North Shore Medical Labs, Inc. (“NSL”), MedRite LLC (“Medrite”), Premier Assist (“Premier”); Mako Medical Laboratories, LLC (“Mako”) for COVID-19 testing services in schools operated by the NYC Department of Education (“DOE”) and at mobile testing sites with the System holding one 3-month option to extend each contract and with the total cost of all eight contracts over their full potential one-year terms not to exceed \$189,708,960.
- IV. Old Business**
- V. New Business**
- VI. Adjournment**

Freda Wang

MINUTES

Finance Committee Board of Directors

Meeting Date: October 08, 2020

The meeting of the Finance Committee of the Board of Directors was held on October 08, 2020 virtually with Freda Wang presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Freda Wang, José Pagán, Mitchell Katz, Sally Hernandez-Piñero, Feniosky Peña-Mora

OTHER ATTENDEES

W. Brewster
B. Carter
J. Marron
S. Murphy
B. Scudder Pritchard

H+H STAFF

J. Cassidy, Director, Central Finance
L. DeHart, Senior Assistant Vice President, Corporate Reimbursement Services
M. Farag, Assistant Vice President, Corporate Budget
G. Fouks, Assistant Director, Corporate Budget
C. Hercules, Chief of Staff, Board of Directors
M. Karlin, Chief Revenue Officer, Revenue Cycle Services
P. Lok, Senior Director, Corporate Reimbursement Services
K. Olson, Senior Assistant Vice President, Corporate Budget
M. Siegler, Senior Vice President, Managed Care and Growth
M. Thompson, Director, Central Finance
S. Tyler, Senior Director, Corporate Budget
J. Ulberg, Senior Vice President, Central Finance
J. Weinman, Corporate Comptroller, Central Finance

CALL TO ORDER

FREDA WANG

Ms. Freda Wang called the meeting to of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 10:34 a.m.

Upon motion passed and duly seconded the minutes of Finance Committee meeting held on June 11, 2020 was adopted.

Ms. Wang then deferred to the Chief Financial Officer Mr. John Ulberg to provide a financial update on finances of New York City Health + Hospitals.

FINANCE UPDATE

JOHN ULBERG, JAMES CASSIDY, MICHLINE FARAG, SALEMA TYLER, KRISTA OLSON

Mr. John Ulberg commenced his presentation by providing an overview of the Fiscal Year (FY) 2021 budget.

Mr. Ulberg reported a closing cash balance of \$688M, which surpassed the revised COVID-19 target of \$600M. Further, H+H achieved a positive net budget variance at the end of fiscal year, exceeded the budget by 2 percent. Patient care receipts came in \$166M higher than planned, largely due to the higher acuity of COVID patients as well as other targeted revenue cycle improvement efforts. The numbers reported reflect receipts with and without Federal Relief. In regards to the transformation plan, H+H stayed on track, meeting or exceeding targets for revenue cycle, 340B pharmacy revenue, and enrolling the uninsured. Key investment areas since FY-19 continues in staffing, specifically in the areas of RNs, nursing support, and revenue cycle. Other key investment areas also continued in clinical growth initiatives and NYSNA/Doctors' Council contract agreements.

Ms. Salema Tyler presented on the COVID utilization and revenue impact. As referenced in the charts, Ambulatory Care volume is 26% below baseline and Emergency Department volume is 43% below baseline. 74% of lost volume comes from the sub-capitation lines of business, but there is potential to recoup the losses through our risk pool.

Mr. Ulberg continued the report on how managing the financial risks and opportunities. The State Budget poses a risk to System, with the State deficit at \$14.5B and the State proposal for additional cuts to Medicaid. Other risks include potential COVID second surge and associated revenue loss and 340B policy changes. Opportunities include the DSH cut delay and the MetroPlus and Healthfirst risk pool payments.

Mr. James Cassidy reported on the FY21 cash projection. At September closing there was \$650M cash-on-hand, which is about 30 days, and this was primarily due to a \$225M receipt of DSH funds. October should close around 18 days cash-on-hand or \$400M. The team is in conversation with the State to expedite remaining DSH payments and other funds. In addition, the team has expedited the FEMA package for temporary staffing to the Federal government.

Mr. Ulberg presented on the Medicaid and Essential Plan attribution growth during the 2020 calendar year, which has grown by nearly 10% due to suspending Medicaid disenrollments, increases in folks qualifying for Medicaid, and other policy changes due to COVID.

Ms. Michline Farag reported on the FY20 receipts vs. disbursements. The FY ended with a net budget variance of 2 percent, or \$259M. On the disbursements side \$788M was spent on COVID and it was offset by Federal relief dollars that came in on the revenue side. Patient care receipts came in \$166M higher than projected, primarily due to inpatient revenue coming from higher acuity COVID cases, and this offset losses in the outpatient.

Ms. Farag continued by providing a report on staffing growth, and the shift from temp to full-time. Staffing grew by 598 in FY20, attributed primarily to hiring temps to full-time. This also includes overtime hours increasing for EVS, aides, and orderlies due to COVID surge work. There were also increases to affiliates due to clinical business plans and Kings County hospital staff shift. Ms. Farag also reported on other areas where staffing grew in FY20, particularly in nursing, nursing support, and revenue cycle.

Ms. Tyler reported on FY20 patient care revenue coming in \$500M higher than FY19. This is attributed to the COVID patients' higher acuity, increases to Medicare rates, and implementation of revenue cycle initiatives. The Case-Mix-Index (CMI) increased by 15% in one year.

Mr. Ulberg reported on the FY21 strategic priorities that have \$300M savings projected.

Mr. Cassidy provided an overview of the COVID-19 Federal Relief. H+H has expensed over \$1.0B on COVID-19 through August 31 and current commitments are \$1.6B. We received \$199M in a FEMA advance and are working on the second drawdown package now. To date, H+H has received \$1.2B from the CARES Act and anticipate more coming in the next few weeks.

Ms. Krista Olson reported on the Test and Trace finances. H+H has paid out approximately \$75M of an anticipated \$280M of committed expenses. The City has provided and will continue to provide H+H, with sufficient funding to cover these expenses. There are no additional funding sources identified besides the ELC grant and FEMA.

Ms. Freda Wang thanked the team for their efforts to keep the finances in a good position. She asked the team to elaborate on the cash projection for October.

Mr. Ulberg replied stating that a letter was sent to the State detailing the cash-on-hand prior to additional expenditures so they have transparency into the cash state.

Mr. Cassidy added that is the current 18 days cash-on-hand, in part is due to October being a three-payroll month.

Ms. Wang asked if historically October is a low cash month for H+H.

Mr. Cassidy relied confirming that October through December is the lowest period of the year, but usually receive a large infusion of DSH funds in January.

Ms. Wang asked for a total identified amount for resources for T2.

Ms. Olson replied saying the budget is approximately \$1B.

Ms. Wang polled the other members for questions.

Ms. Sally Hernandez-Piñero asked if the cash-on-hand would fluctuate in November and December if things stayed about the same as they are right now.

Mr. Cassidy replied that it would stay at an average of 18 days, fluctuating as low as 14 or 15 days.

Ms. Freda Wang concluded the finance update and introduced the action items.

ACTION ITEMS

LINDA DEHART, PAULENE LOK, FREDA WANG

Ms. Wang read aloud the two Action Items.

2020 SERIES BONDS

Authorizing and approving the adoption of the resolution entitled “New York City Health and Hospitals Corporation Health System Bonds, 2020 Series Resolution” providing for the issuance of a series of Health System Bonds (the “2020 Series Bonds”) in (i) a principal amount not exceeding \$100 million for new money purposes to finance the costs of various capital projects and expenditures at the New York City Health and Hospitals Corporation (the “Corporation”), plus (ii) a principal amount not exceeding \$340 million for the refunding of all or a portion of the 2008 Series Bonds and the 2010 Series Bonds.

AMENDED AND RESTATED GENERAL RESOLUTION ACTION ITEM

Authorizing and approving the adoption of the resolution entitled “Amended and Restated General Resolution of the New York City Health and Hospitals Corporation” providing for changes that modernize the General Resolution.

Ms. Wang proceeded to introduce the items, stating that H+H is preparing to enter into the bond market after being absent many years to take advantage of extremely low interest rates. Though H+H receives most of its capital dollars from the City, H+H also has a portfolio of bonds that are outstanding. \$330M of these obligations are eligible for refinancing. Because market rates are so attractive, H+H will be able to realize significant savings. The transaction will also allow an opportunity for H+H to fund some of the capital projects backlog. The rate is 2.25 percent, which is historically low. Finally, the team is taking advantage of this opportunity to modernize and restate the resolution to give us more flexibility.

Ms. Linda DeHart began the presentation by introducing Morgan Stanley as the senior managing underwriter and PFM as the financial advisory firm. Ms. DeHart continued by reviewing the proposal of refunding approximately \$330M of

outstanding bonds for \$55M in savings. H+H would issue up to \$100M new bonds to finance immediate capital needs. H+H will also modernize the language of the General Resolution. The transaction is anticipated to occur in December.

Ms. DeHart detailed the historic low borrowing costs further, outlining that it will give H+H the opportunity to generate \$55M in savings over the next four years, with a slight uptick in additional costs thereafter. The refunding focuses on the 2008 Series A bonds and 2010 Series A bonds. Doing this will allow H+H to fund significant capital needs that have not been fully addressed due to the unavailable funding from the City Capital Budget Program. Further, this allows for relief of roughly \$19M from the Capital Reserve Fund.

Ms. DeHart detailed the MWBE goals of the transaction. The bonds are sold on a negotiated basis using the underwriting group that was appointed recently – the Board approved the list of underwriting firms and the associated policy that will ensure that a minimum of 30% of the underwriting compensation is collectively delegated to the MWBE firms in the approved group. Further, there is a maximum allocation of 10% to the top five firms to ensure there is adequate distribution throughout the firms.

Ms. DeHart continued to provide an overview of the indented uses of the new funding. The new funding will be used to supplement the City's capital funding to support immediate capital projects across the system. The immediate needs identified are supply chain and capital projects, most of which will be completed in a year's time.

Ms. DeHart reviewed the second, but related, action item which proposed to modernize the general resolution for the bond program. Because a substantial portion of our outstanding portfolio is being refinanced, it provides an opportune window to update the general resolution. The updates will primarily include language, definitions, etc. with some additional language being added for administrative flexibility.

Ms. Wang polled the members of the committee for questions on the two action items.

Ms. Hernandez-Piñero asked if the balance of the \$50M that is not going to the cost of the issuance could be used as flexible funds or if it must only be used for capital needs.

Ms. DeHart replied stating that the balance of the \$50M is flexible funds to be used as needed.

Ms. Hernandez-Piñero asked if the \$19M for the general reserve also gets freed up.

Ms. DeHart replied stating that H+H is structuring the transaction so that the \$19M is used to reduce the amount that we have to borrow and repay.

Upon motion made and duly seconded, the Committee unanimously approved the 2020 Bond Series Resolution.

Upon motion made and duly seconded, the Committee unanimously approved the General Resolution Amendment resolution.

ADJOURNMENT

FREDA WANG

There being no further business the meeting was adjourn at 11:32 a.m.



NYC Health + Hospitals
Finance Committee Meeting
December 3, 2020

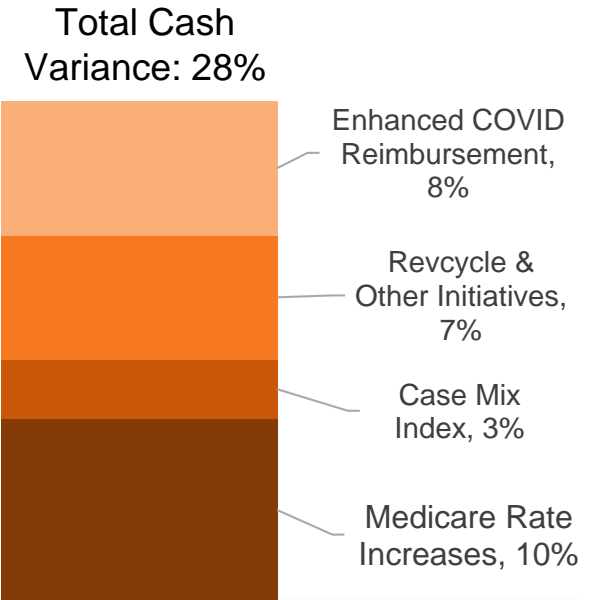


- Closing Cash Balance of **\$610M**
- Achieved a **positive Net Budget Variance of \$128M**, beating the budget.
- Patient Care Receipts came in **\$169M higher than in the same period in FY20** continuing the pace of positive performance that we experienced during FY20, where patient care revenue came in \$500M over the prior year.
- Patient care volume is returning to pre-COVID levels in Q1 of FY21 but still 12% below Q1 FY20. Revenue base is strong and resilient primarily driven by Medicare rate increases and the stability of VBP/sub-cap contracts
- Overall, our strategic Financial Initiatives remain on track with our post-COVID strategies, generating \$100M with a line of sight of \$370M. Strong areas of performance include:
 - Value-Based Payment Initiatives (e.g., HARP conversions & panel management)
 - Managed Care Contract Negotiations
 - Revenue Cycle Improvement
- Staffing investments are consistent with our overall system needs with additional RN and nursing support positions to help support a second COVID surge.

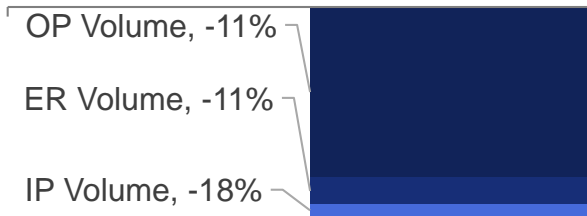
Q1 Cash Receipts & Volume FY 2021 vs. FY 2020

Cash receipts in FY21 Q1 are 28% higher than FY20 Q1
Despite **Service Volume** being 26% lower.

- OP Volume lower than Prior Year but returning, including increase in face-to-face visits.
- ED treat & release volume reduction from lower intensity visits
- IP volume reduction comes partially from the closure of detox units & shift to OP, but surgical discharges are close to baseline volume



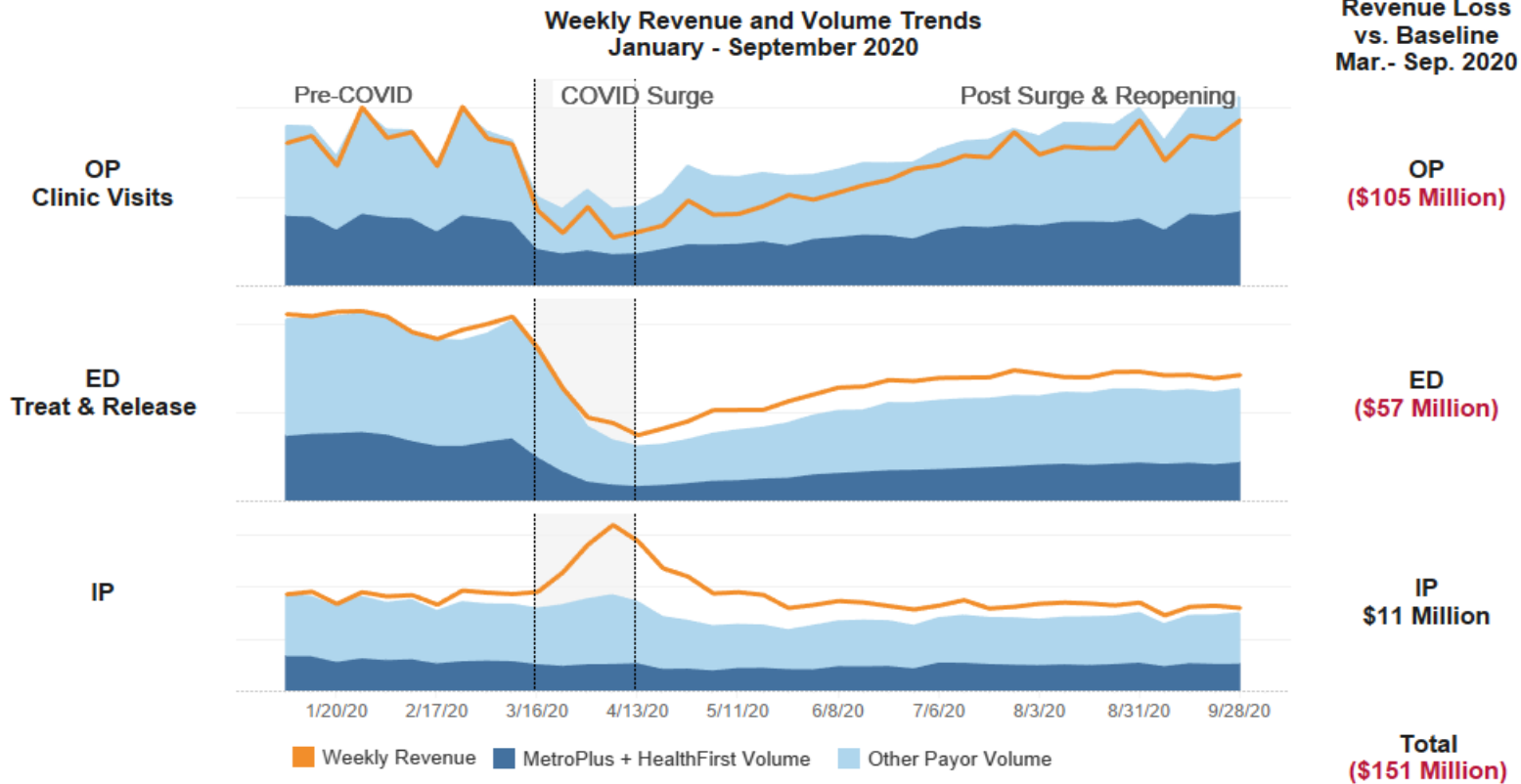
35%
30%
25%
20%
15%
10%
5%
0%
-5%
-10%
-15%



- Medicare advance payment timing
- CMI has increased resulting in higher reimbursements.
- Risk payments not included here because of timing. Expected to increase in Q2.

* Excluding COVID Community Testing

Weekly Volume & Revenue Trends January – September 2020



- ED Treat & Release volume in Q1 was lower than pre-COVID, but high-severity visits make up a higher share of remaining volume, contributing to a higher average payment per visit in the period after the spring surge.
- Approximately 20% of inpatient and 29% of outpatient and ED volume variance for Q1 vs. pre-COVID is attributable to sub-cap patients. (Outpatient volume excludes COVID community testing.)
- After the spring COVID surge, outpatient clinic revenue lagged volume increases due in part to a lower average payment for audio-only telemedicine visits.

Managing Risk + Opportunity

Risks

- Uncertain State finances (\$14.5B deficit) and potential Medicaid reductions
- Potential COVID second surge/revenue loss
- 340B policy changes

Opportunities

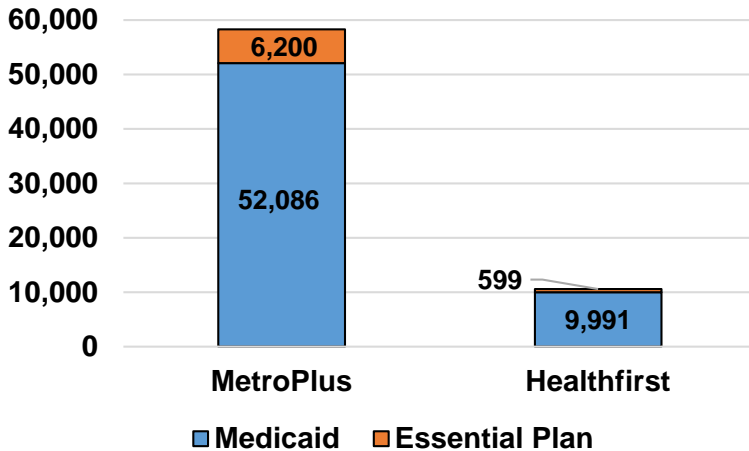
- DSH cut delay
- MetroPlus and HealthFirst risk pool payments

FY21 Cash Projection

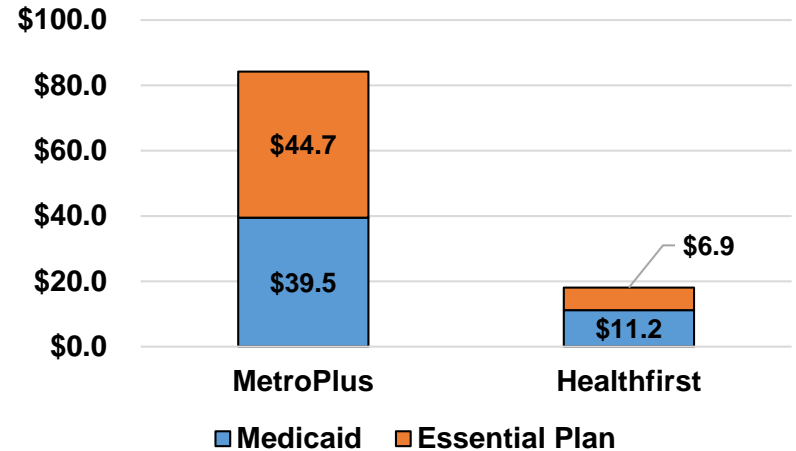
- We closed October with approximately \$450M cash-on-hand (20 days) and anticipate closing November with an estimated \$400M cash-on-hand (18 days)
 - This includes the receipt of \$200M in advanced DSH funds.
- The system is currently projected to close the calendar year with approximately \$300M (14 days).
- We are working with the State and federal government to expedite additional revenues, including DSH and FEMA funds, to help us maintain a stable cash position to withstand a second COVID surge.

Membership Growth in MetroPlus (58,286) and Healthfirst (10,590) is Driving Risk Pool Revenue (\$102M)

Membership Growth Since January (through September)



Risk Pool Revenue Through Q2 of CY20 (in millions)



- H+H, in partnership with MetroPlus and Healthfirst, is implementing several initiatives to retain the membership and attribution increases.
 - MetroPlus will soon have access to State enrollment status database which will be used for proactive outreach to retain members before coverage set to expire.
 - External referrals work group
 - Expanding ambulatory care services including express care and telehealth to increase patient access.
 - Converting patient PCPs to H+H PCPs if they receive care at H+H.
 - Increasing MyChart enrollment to 50% by year end across facilities to improve patient experience.
 - Converting eligible patients from Medicaid to HIV SNP and HARP to better address patient needs and improve care management

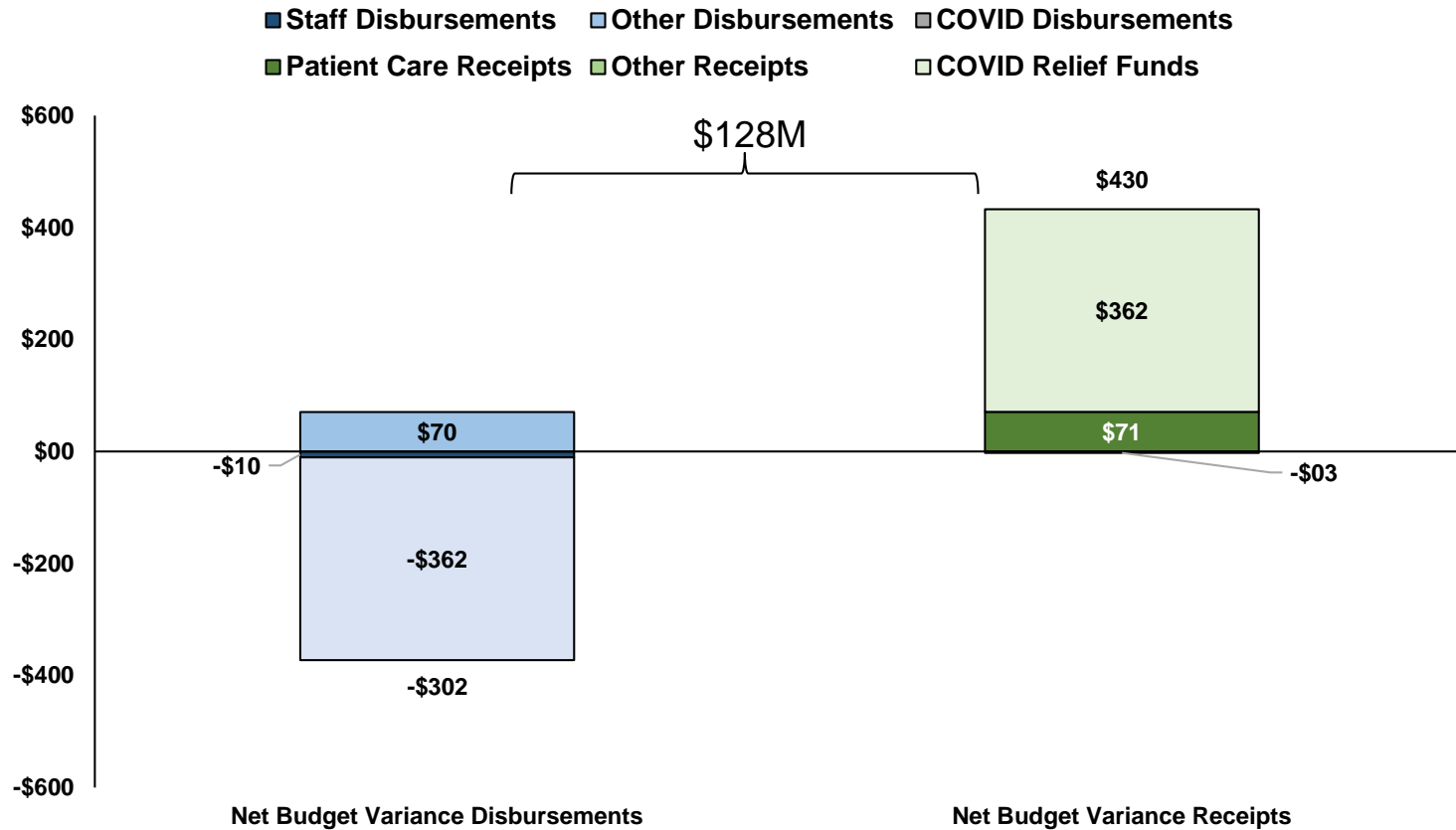
Financial Performance

Quarter 1, FY 2021



FY21 Receipts vs. Disbursements

- Quarter 1 closed with a positive net budget variance of \$128M where receipts, which included COVID Federal Relief Funds, exceeded budget by \$430M while disbursement actuals were over budget by \$302M.
- COVID costs of \$362M paid in Quarter 1 of FY21 were offset using Federal Relief receipts.
- Patient Care receipts came in \$71M better than projected with I/P revenue exceeding planned by 7% due to COVID cases and a higher than anticipated Medicare advance.



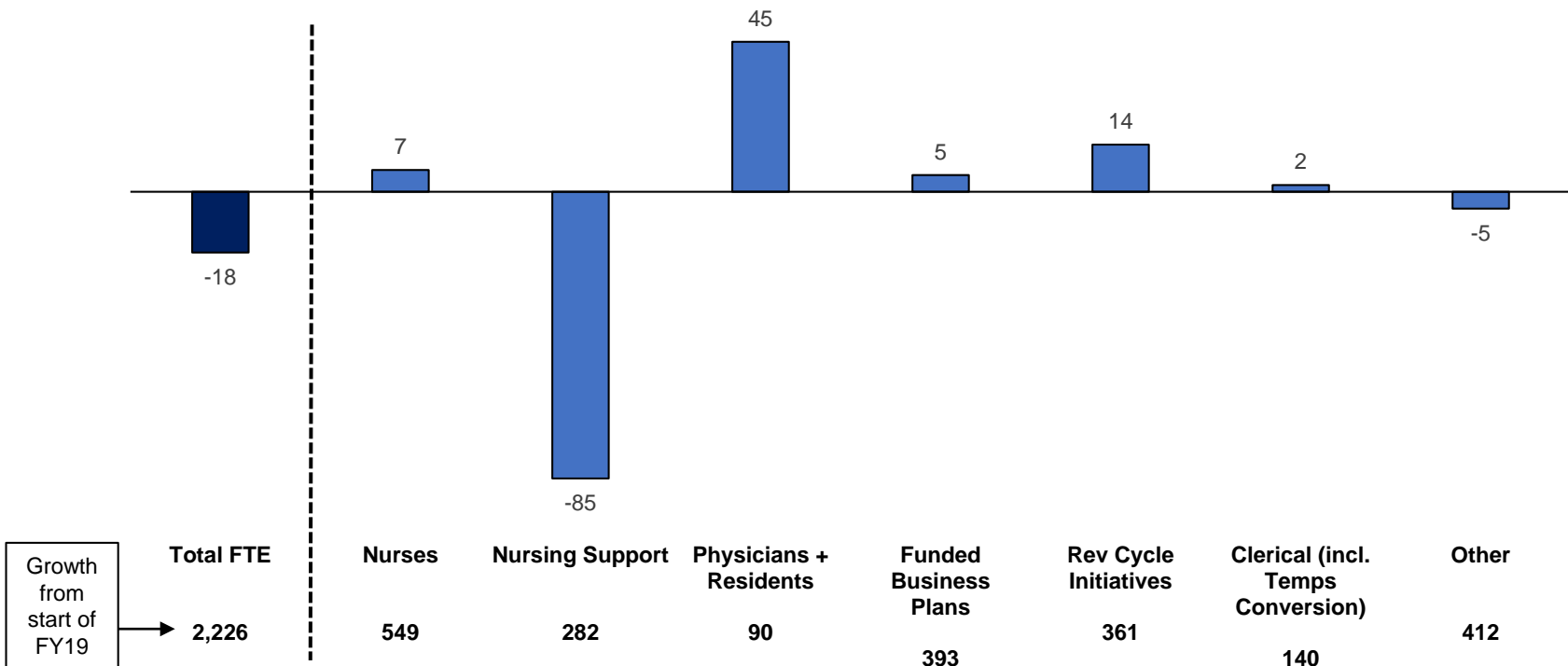
Expense Performance

Quarter 1, FY 2021



H+H Fully Invested in Core Staffing Mix and is now Focused on Clinical Services Optimization, Quality of Care Enhancement and Patient Care Revenue Growth

- In Nursing, we fully invested in stabilizing nurse staffing workloads by adding over 830 in full time staff since FY19 (549 Nurses and 282 Nursing Support), with currently available resources (due to drop in volume) re-directed to partially offset COVID needs.
- Significant investments were made to right-size revenue cycle staffing since the start of FY19 adding 360 full time staff and we continue to develop volume and productivity driven staffing models.
- H+H is now primarily focused on achieving our strategic plan with its associated investments in OR growth and efficiency, primary care enhancement including NYC CARE, creating stroke centers and investing in special populations with a focus on behavioral health.



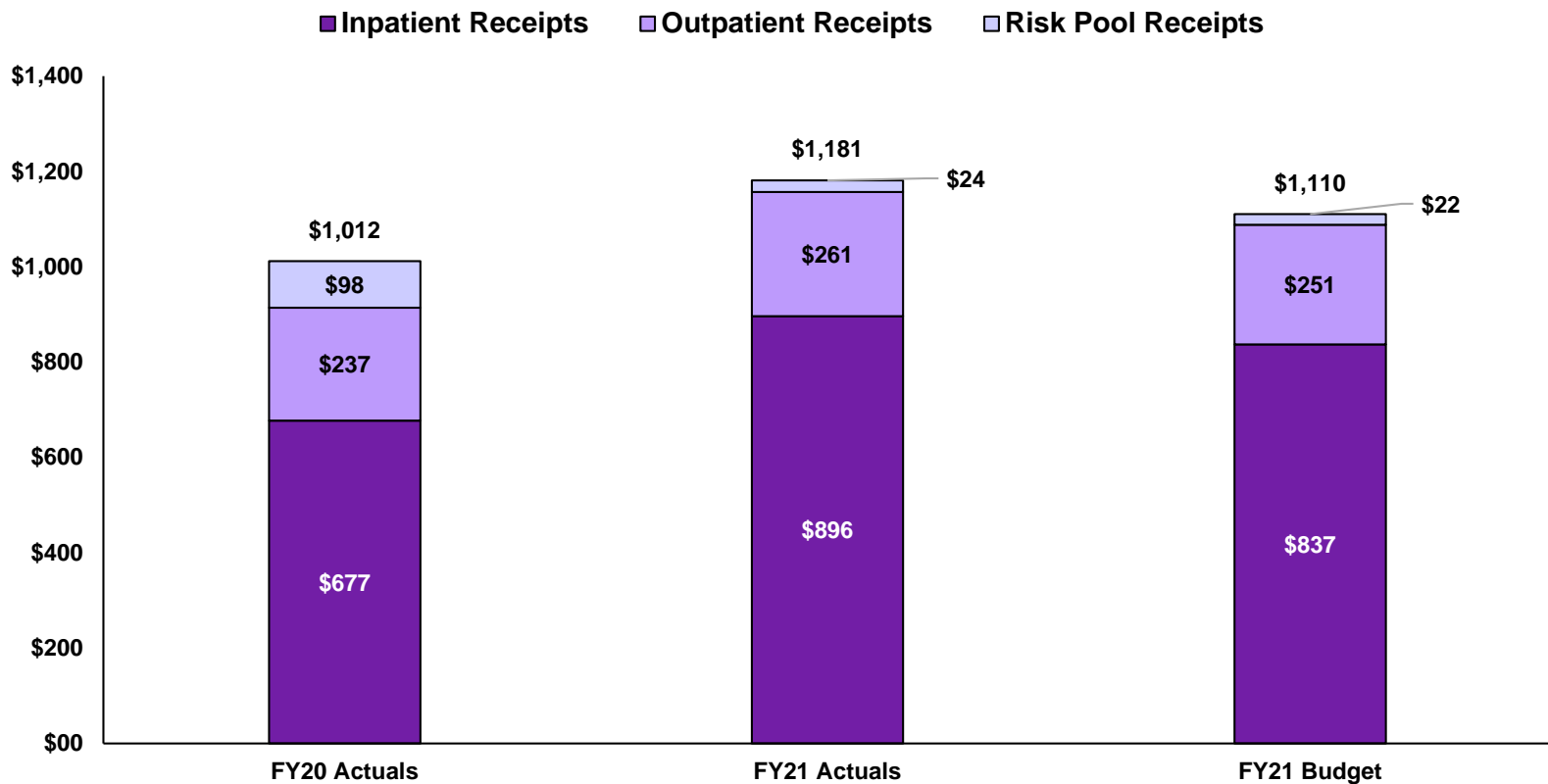
*The staff hired under the T2 Initiative is not included (- 37 FTEs over Q1)

Revenue Performance

Quarter 1, FY 2021



- FY21 patient care revenue is **\$169M higher than FY20 actuals**.
- Patient revenue improvements year-over-year can be attributed to a combination of increased patient acuity including COVID patients, increased rates, and a higher Medicare advance offset by risk pool timing.
- Case Mix Index (CMI) is up by 22% from 1.13 in FY20 to 1.38 in FY21.







System-wide Revenue and Savings Initiatives

Quarter 1, FY 2021



Strategic Initiatives Financial Update – Q1

	Summary Initiative Category	FY 21 Revenue Target*	FY21 Line of Sight
	Growth and Other Service Line Improvements	\$85.5 M	\$112.6 M
	Revenue Cycle and Managed Care Initiatives	\$149.9 M	\$218.6 M
	System Efficiencies	\$11.3 M	\$13.8 M
	Value-Based Payment Initiatives	\$22.7 M	\$23.6 M
	Grand Total	\$270.1	\$368.6

**Risk-adjusted incremental target*

- Risks include timing of payments and the impact of COVID-19 on patient volume.
- H+H is managing to more ambitious internal targets to mitigate these and other risks.

Strategic Initiatives KPI Update – Q1

Growth and Other Service Line Improvements

- ⑩ Cash collection trending upward and visit access is increasing for Gotham Health sites
- ⑩ Gotham provider productivity 55% of target (without testing)
- ⑩ 1,307 total transfers into H+H acute-care facilities, representing an increase of 7% over pre-Hunter transportation contract baseline volume
- ⑩ 110% of FY18/19 baseline for IP; 81% of FY18/19 baseline for OP for surgical base volume

Revenue Cycle and Managed Care Contract Negotiations Initiatives

- ⑩ Emblem contract signed
- ⑩ \$25M in outliers collected; \$20M in settlements pending signature
- ⑩ At 81% of overall target goal for % uninsured patients enrolled in health insurance coverage or financial assistance

System Efficiencies

- ⑩ Hourly EITS consultant contract rates have been reduced; invoice savings ongoing
- ⑩ No increase number of Epic consultants

Value-Based Payment Initiatives

- ⑩ 473 HARP conversions as of 10/20/20, representing 66% of target members converted
- ⑩ Primary Care attribution membership gain of 14,520 since May 2020; 2,853 additional new members needed to hit target

FEMA Update/Federal Relief



COVID-19 Federal Relief

- H+H has paid over \$1.2B on COVID-19 through October. Current commitments are about \$1.6B.
- A second drawdown package for FEMA has been prepared and we have requested an expedited review for payment.
- To date, H+H has received \$1.2B thus far, largely from the Hot Zone (\$754M), Safety-Net (\$359M), and General Allocation Provider Relief Fund (\$69M).
 - **We anticipate receiving \$46M from the third tranche of the General Allocation Provider Relief Funds.**
- There are still unallocated Provider Relief Funds from the initial \$175B CARES Act Allocation. We are awaiting further guidance on the distribution methodology as well as a possible future relief bill.
 - We continue to believe that existing, unallocated funds and any new funds should prioritize high-Medicaid and safety-net hospitals as well as State/local relief in order to avoid future funding cuts to H+H from these entities

Test and Trace



Test and Trace Financial Update

- Through October, H+H paid out approximately \$235 million of an anticipated \$485 million of committed expenses.
- The City has provided H+H with sufficient funding to cover expenses to date.
- The City is carefully monitoring the funds available for Test and Trace as additional programming needs arise, such as testing expenses related to school surveillance testing and targeted responses in high priority zones.
- No additional federal funds beyond the ELC grant and FEMA have been announced.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**” to sign 9-month requirements contracts with the following eight firms (together, the “**Vendors**”): Rapid Reliable Testing, LLC (“**Rapid**”), Somos Healthcare Providers Inc. d/b/a Somos Community Care (“**Somos**”), BioReference Laboratories, Inc. (“**BRL**”), Fulgent Genetics (“**Fulgent**”), North Shore Medical Labs, Inc. (“**NSL**”), MedRite LLC (“**Medrite**”), Premier Assist (“**Premier**”); Mako Medical Laboratories, LLC (“**Mako**”) for COVID-19 testing services in schools operated by the NYC Department of Education (“**DOE**”) and at mobile testing sites with the System holding one 3-month option to extend each contract and with the total cost of all eight contracts over their full potential one-year terms not to exceed \$189,708,960.

WHEREAS, the City of New York (the “**City**”) has assigned the System a lead role in the City’s efforts to combat and contain the COVID-19 epidemic; and

WHEREAS, testing for the virus is a key component of the City’s COVID-19 program; and

WHEREAS, over the last 2 months, the System has been conducting COVID-19 testing in DOE schools through the services of Somos, BRL and Fulgent with which the System entered into contracts on an emergency basis; and

WHEREAS, with the CRC’s approval, the System selected the eight Vendors for contracts out of a total of 16 firms that responded to the Request for Proposals; and

WHEREAS, each of the Vendor will be available to perform both DOE and mobile testing except for Premier that will conduct only DOE testing; and

WHEREAS, the contracts will be requirements contracts with no Vendor being promised any volume of work but with all being available for assignments and assignments to be given out to the Vendors according to their costs, availability, links to particular neighborhoods and language/ethnic groups; and

WHEREAS, the Senior Vice President Ambulatory Care who is heading the System’s Test + Trace unit, will manage the proposed contracts.

NOW THEREFORE, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and is hereby authorized to sign 9-month requirements contracts with the following eight firms: Rapid Reliable Testing, LLC, Somos Healthcare Providers Inc. d/b/a Somos Community Care, BioReference Laboratories, Inc., North Shore Medical Labs, Inc., Fulgent Genetics, MedRite LLC, Premier Assist; and Mako Medical Laboratories, LLC for COVID-19 testing services in schools operated by the NYC Department of Education and at mobile testing facilities with the System holding one 3-month option to extend the contracts with each Vendor and with the total cost of all eight contracts over their full potential one-year terms not to exceed \$189,708,960.

EXECUTIVE SUMMARY
AWARD OF REQUIREMENT CONTRACTS FOR
COVID-19 TESTING TO
EIGHT FIRMS

- BACK-GROUND:** The City of New York (the “City”) has assigned the System a lead role in the City’s efforts to combat and contain the COVID-19 epidemic. Testing for the virus is a key component of the City’s COVID-19 program. Over the last 2 months, the System has been conducting COVID-19 testing in DOE schools through the services of Somos, BRL and Fulgent with which the System entered into emergency contracts. These three vendors have performed well but the System requires additional testing capacity as the City wishes to increase the frequency of the tests.
- PROCUREMENT:** The original BRL, Somos and Fulgent agreements were made on an urgent, emergency basis. With the need for testing services continuing for months to come, the System issued an RFP to provide a more solid foundation for contracts and to draw-in other potential testing companies to help achieve the substantially increased testing volume required by the City. The proposed issuance of the RFP was approved by the Contracts Review Committee (the “CRC”). The RFP was posted in the City Record and the System sent the RFP to all the laboratories it knew of in the area. Sixteen firms responded with proposals. An 8-person evaluation committee with representation from across the System evaluated the proposals based on experience, ability to scale up their program, data management facility, community/language expertise and MWBE proposal. The CRC approved the selection of eight of the nine highest scoring proposers, after one of the high-scoring vendors retracted their application due to financial considerations.
- NEED:** Testing is a key element in the City’s COVID response plan.
- TERMS:** Work will be given out to the eight firms pursuant to Work Orders that will specify the scope of work, duration and total price based on the rates that each contractor commits under the proposed requirements contracts. Work Orders will be given out based on capacity, pricing, community/language expertise and past performance. No work is committed to any contractors in advance. All eight firms are able to perform COVID-19 tests at DOE schools and all but for Premier are available for mobile testing work.
- FUNDING:** Federal sources and covered by MOU with the City of New York.
- MWBE** Given the expedited nature of the RFP process and the need to implement the testing on this large scale, the vendor MWBE utilization plans are in the formulation process and will be provided at a subsequent meeting.

**Ambulnz, SOMOS, BioReference, Fulgent,
Medrite, Premier Assist, Mako Medical and North
Shore Med Labs**

**City-wide Testing Capability Expansion: DOE
and Mobile Unit Testing
Request for Contract Approval**

Finance Committee - December 3, 2020

**Dr. Theodore Long, Senior Vice President
Ambulatory Care and Executive Director for
Test & Trace Corps**

Chris Keeley, COO - Test & Trace Corps

- New York State's new approach to zoning communities into 'red/orange/yellow' districts has significant impact on Test & Trace (T2), requiring an increasingly robust and nimble testing capacity
- To meet this demand, T2 has solicited proposals to expand the COVID-19 testing done at the NYC schools and through mobile testing
- DOE testing: All of NYC's have required monthly testing; T2 is tasked to manage this. Now, when schools fall into the State's 'yellow zone' they shift from monthly to weekly testing, requiring hundreds of additional visits per month

Mobile Testing: As part of its "hyperlocal" response, T2 'flood the zones' in 'red/orange/yellow' areas

- DOE testing
 - Currently executed by BioReference (BRL) Labs, Fulgent Genetics, and SOMOS Community Care and each of these vendors has performed adequately
- Mobile Testing
 - Currently via BRL teams and in-house H+H teams, with affiliated teams under DOHMH

Contract Development Goals

- Scope of work is based on current and anticipated need, including through the experience of the existing vendors with dozens of teams in the field every day and from program leadership
- Service Level Agreements
 - Turnaround time: Provide result to patient within 48 hours of specimen collection
 - DOE testing: deploy up to 20 teams daily and conduct up to 8400 tests weekly
 - Mobile units: deploy 8+ mobile units daily and conduct up to 7000 tests weekly
- Fee structure:
 - For In-School testing, vendors proposed budgets with a maximum of \$75 per specimen forecasted to be collected. This fee had to be all-inclusive, including the cost of staffing, collection, transport, and processing of the specimens and the reporting of results.
 - For mobile testing, testing vendors were able to propose on a per-team-per-day basis or per-test basis.
- Operational changes:
 - Ability to quickly expand testing capacity in schools and communities across the city based on zone designation

RFP Criteria

- **Minimum criteria:**
 - Proven success in providing large scale COVID-19 testing in relevant settings
 - Ability to begin work and scale quickly

- **Substantive Criteria:**
 - 25% Cost
 - 25% Relevant Experience
 - 15% Ability to Scale
 - 15% Data management
 - 10% Community/language expertise
 - 10% MWBE

- **Evaluation Committee:**
 - T2 COO
 - Vice President, Clinical Operations
 - Senior Director, DOE Testing
 - Assistant Director, Facilities
 - Director, T2
 - Data Manager, T2
 - Senior Director, Amb Care and T2
 - Clinical Director
 - Senior Analyst, Finance and T2

- On 11/2/20 the CRC approved the T2 leadership request to solicit proposals for its expanded Testing responsibilities.
 - The RFP was posted on City Record and submitted to 16 vendors, with the intent of selecting up to ten vendors for in-school testing and community-based testing.
 - 16 vendors submitted proposals; the Evaluation Committee selected eight with whom to contract based on their reviews. No MWBE firms submitted a proposal.
 - 7 of these vendors are able to do both in-school and community-based testing; one can do only in-school testing.
- Selected vendors
 - Ambulnz
 - SOMOS
 - BioReference
 - Fulgent
 - Medrite
 - Premier Assist
 - Mako Medical
 - North Shore Med Labs

Summary/Request of the Finance Committee

- The contract costs are based on the number of tests performed; various algorithms have been constructed based on number of potential tests/day, potential days of testing, etc., to determine a maximum cost
- There is no minimum commitment
- Funding is covered by the Test and Trace Memorandum of Understanding with the City of New York.
- The MWBE utilization plans being finalized with each vendor
- The request of the Finance Committee is to approve these 8 vendors to perform testing at the DOE schools or in Mobile units for a period not to exceed 9 months and for an amount not to exceed \$189,708,960.

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

From: Keith Tallbe Tallbe, Keith Digitally signed by Tallbe,
Senior Counsel Keith Date: 2020.11.30
Office of Legal Affairs 12:47:07 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Ambulnz Holdings, LLC

Date: November 30, 2020

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

Vendor Responsibility
Pending

EEO
Pending

MWBE
Pending

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

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Digitally signed by Tallbe,
Keith
Date: 2020.11.30
12:46:51 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Somos Healthcare, Inc.

Date: November 30, 2020

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

Vendor Responsibility

Pending

EEO

Pending

MWBE

Pending

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

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

From: Keith Tallbe **Tallbe, Keith** Digitally signed by Tallbe,
Senior Counsel Keith
Office of Legal Affairs Date: 2020.11.30
12:46:36 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: BioReference Laboratories, Inc.

Date: November 30, 2020

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

<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Pending	Pending	Pending

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

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Digitally signed by Tallbe,
Keith
Date: 2020.11.30
12:46:13 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Fulgent Genetics. Inc.

Date: November 30, 2020

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

<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Pending	Pending	Pending

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

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Digitally signed by Tallbe,
Keith
Date: 2020.11.30
12:44:40 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: North Shore Medical Labs, Inc.

Date: November 30, 2020

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

Vendor Responsibility
Pending

EEO
Pending

MWBE
Pending

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

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

From: Keith Tallbe **Tallbe, Keith** Digitally signed by Tallbe,
Senior Counsel Keith
Office of Legal Affairs Date: 2020.11.30
12:45:37 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: MedRite, LLC

Date: November 30, 2020

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

Vendor Responsibility
Pending

EEO
Pending

MWBE
Pending

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

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Digitally signed by Tallbe,
Keith
Date: 2020.11.30
12:45:18 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Premier Assist, LLC

Date: November 30, 2020

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

Vendor Responsibility

Pending

EEO

Pending

MWBE

Pending

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

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Digitally signed by Tallbe,
Keith
Date: 2020.11.30
12:44:58 -05'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Mako Medical Laboratories, LLC

Date: November 30, 2020

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

Vendor Responsibility

Pending

EEO

Pending

MWBE

Pending

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