FINANCE COMMITTEE AGENDA

Date: March 22, 2022
Time: 11:00 A.M.
Location: 50 Water Street, 15th Floor,
           Boardroom - VIRTUAL

I. Call to Order
   Adoption of the January 10, 2022 Minutes

Freda Wang

II. Action Item: Temporary Security Staffing, Vendors
   Eric Wei, MD, Shaw Natsui, MD Juan Checo
   Authorizing the New York City Health and Hospitals Corporation (the “System”) to
   execute three-year standby or requirements contracts with each of Universal
   Protection Service LLC, d/b/a Allied Universal, Johnson Security Bureau, Inc. Maxxi
   Building Security and Management Corporation and Aron Security (the “Contractors”)
   for temporary security services with the System holding two, one-year options an
   amount for all the Contractors across the entire potential five-year term not to exceed
   $11,600,000.
   VENDEX APPROVED:
   Universal Protection Service LLC, d/b/a Allied Universal, Johnson Security Bureau, Inc.,
   and Management Corporation and Aron Security

   VENDEX PENDING: Maxxi Building Security

   EEO: PENDING:
   Universal Protection Service LLC, d/b/a Allied Universal, Johnson Security Bureau, Inc.,
   Maxxi Building Security, and Management Corporation and Aron Security

Freda Wang

III. Action Item: UKG, Inc.
    Tatyana Seta
    Authorizing the New York City Health and Hospitals Corporation (the “System”) to
    execute a five-year contract with UKG, Inc. (“UKG”) for managed payroll services
    with an advanced scheduling application for an amount not to exceed $33,421,438.
    VENDEX: PENDING; EEO: PENDING

Tatyana Seta

IV. Action Item: PhyCARE Solutions, Inc.
    Robert Melican
    Authorizing the New York City Health and Hospitals Corporation (the “System”) to
    execute three-year contract with PhyCARE Solutions, Inc. (the “Contractor”) for
    outpatient coding and billing services with the System holding two, 1-year options for
    an amount across all potential five years of the proposed agreement not to exceed $12,491,383
    VENDEX: PENDING; EEO: PENDING

Robert Melican
V. Action Item: American Medical Response of New York, LLC NTE Increase

Authorizing the New York City Health and Hospitals Corporation (the “System”) to increase the funding cap on the contract executed with Hunter Ambulance, which contract was assigned to American Medical Response of New York LLC as part of a corporate acquisition (the “Contractor”) for a single-vendor patient transportation system such that the original spending cap of $12,070,896 be increased to an amount not to exceed $21,837,906.

VENDEX: APPROVED; EEO: PENDING

VI. Financial Update

John Ulberg

VII. FY 23 Finance Planning

John Ulberg, James Cassidy

VIII. Old Business

Freda Wang

IX. New Business

X. Adjournment
Finance Committee VIRTUAL MEETING – January 10, 2022

As Reported By: Freda Wang

Committee Members Present: Freda Wang, Mitchell Katz – joined at 12:15, Sally Hernandez-Piñero, Feniosky Peña-Mora, Barbara Lowe, José Pagán

Health + Hospitals Employees in Attendance:

John Ulberg, Linda DeHart, Michline Farag, James Cassidy, Marji Karlin, Sarah Lum, Colicia Hercules

(Online) Machelle Allen, MD, Matthew Siegler, Jay Weinman, Sonya Rubin, Rafelina Hernandez, Tasha Philogene, Matthew Fay, Salema Tyler, Inger Dobson

CALL TO ORDER

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 12:03 p.m.

Ms. Wang called for a motion to approve the December 7, 2021 minutes of the Finance Committee meeting.

Upon motion passed and duly seconded the minutes of the Finance Committee meeting held on December 7, 2021 were adopted.

FINANCIAL UPDATE

Mr. Ulberg opened the presentation with the FY-22/first quarter highlights. He conveyed that preplanning has placed Health + Hospitals in a good position to respond to the Omicron surge.

However, we missed the budget by $152 million, which is due largely in part to not receiving FEMA relief funding. Notwithstanding, we are indebted to Senator Charles Schumer, Mayor Eric Adams, and Congressman Ritchie Torres for advocating on behalf of Health + Hospitals.

Mr. Cassidy presented the cash projections for First Quarter FY-22. H+H reports 22 days of cash on hand. The System expects to close December with approximately $300 million (14 days cash-on-
hand). We are hopeful to receive another FEMA payment by the end of January. Revenue Cycle indicates that we received $117 million higher than last year during the same period.

Mr. Cassidy presented the highlights of our COVID-19 Federal relief efforts, including expenses, funds received and expected. We have received $266M in FEMA advances to-date with an expectation of additional $354M in the coming months associated with temporary surge staffing for cumulative reimbursement totaling $620M.

In addition, H+H is preparing a subsequent FEMA reimbursement package for PPE. Further, H+H has submitted its required financial reporting to HRSA for Provider Relief Fund (PRF) Phase 1 for revenues/expenses through June 30th, 2021. Lastly, H+H received approximately $15M in PRF Phase 4 funds in mid-December.

Mr. Cassidy presented the external risks. To mitigate, omicron surge preplanning began in December with use of previous models as a baseline. We are closely tracking volume performance. Some of the nursing resources NYC H+H established to support the vaccine mandate are now shifting to support the COVID surge-IV. H+H is expanding its RN and provider OT shifts with a prioritization of using H+H staff before hiring contractors.

The fiscal year budget was presented by Ms. Farag. The strategic initiatives will build on FY-21 successes and support City-wide COVID recovery and City initiatives that are in alignment with H+H’s overall vision, mission, and values.

The executive financial plan was presented by Mr. Cassidy. The FY-22 executive financial plan was released in early May.

The financial plan includes strategic initiatives totaling $1.4B in FY-22, growing to $1.8B by FY-25 due to the anticipated DSH cuts beginning as of October 1, 2023 (resulting in $600M in cuts annually). The plan also assumes that the City will be made whole for its COVID-associated expenses through Provider Relief Funds and FEMA.

The plan shows the System with a positive operating margin of $46M in FY-21 and $41M in FY-22 coupled with strong cash balances of $734M and $775M, respectively (33-35 days cash-on-hand).

Ms. Farag presented the financial performance highlights with a walk-through of the quarter one performance. She noted that the first quarter ended with a net budget variance of -$151.7M (-4%). However, the plan shows the System with a positive operating margin of $46M in FY-21 and $41M in FY-22 coupled with strong cash balances of $734M and $775M, respectively (33-35 days cash-on-hand). Patient revenue improvements year-over-year can be attributed to a combination of higher volume, solid performance and continued improvement in revenue cycle and other strategic initiatives, as well as increased average rates, and an extra Medicaid payment week in FY22 (14 in Q1 compared to 13 in Q1 last year).

An update on system-wide initiatives was presented by Ms. Farag. A deeper dive will be presented in the next report. Positive gains were made in revenue cycle and Value Based Payment/Managed Care
initiatives, which are on track to meet targets for the year. More information is to come as funding becomes available and will be reported in the second quarter.

Ms. Karlin presented the revenue cycle targets and actuals for FY-22 first quarter. With a target of $43 million and an achievement of $95 million, H+H is doing well in accounts receivable and across all areas of denials.

Regarding financial assistance for eligible insureds, H+H is exceeding targets for outpatient, inpatient, and emergency department.

The presentation continued with Ms. Lum presenting the status on the Test and Trace Corp and the expenses related to the omicron surge. She highlighted key efforts under both the testing and tracing tracks, noting that tracing hired additional staff and is launching automation efforts as needed. The Take Care hoteling program is seeing an increase in demand and will open a fifth hotel this week. She concluded in noting that OMB has provided H+H with sufficient revenue through the T2 MOU to cover expenses to date.

Ms. Wang polled the committee for questions.

Ms. Piñero noted the tremendous improvement seen in the screening rates. Ms. Piñero inquired as to how much money is left for NYC CARE beyond the COVID effort. Dr. Katz responded that the funding received under NYC CARE was not meant to cover the costs of care, but the cost of add-ons, such as a 24-hour customer care line, additional staff, and additional pharmacy hours. If funding were to cease, then H+H would come back to the Board to look for ways to cut back without compromising its mission. Mr. Ulberg offered that NYC CARE helps 80 to 100,000 people and will be part of the January estimate for next year.

Ms. Lowe commended the work of the team and asked if there are more ways to close the gap for school-based work due to the omicron surge. Dr. Katz replied that the programmatic team can provide the best insights on this. However, he noted several accomplishments in school-based settings. For example, each school now has a nurse for the first time ever. School-based testing is being done and we are now offering mental health support in schools. Further, we are seeing more children in the hospitals that are unvaccinated but we will keep working to close the gap.

Mr. Peña-Mora commended the team and asked for elaboration on how the screening rates for financial assistance improved so significantly. Ms. Karlin explained that in cases where patients have no insurance, they are enrolled in emergency Medicaid and given access to NYC CARE.

Mr. Peña-Mora inquired as to a breakdown on the various plans in emergency care. It was reported that the breakdown is available and can be provided at a later time.

Ms. Wang asked if H+H can get to 100% enrollment in NYC CARE. Currently, enrollment stands at 85%. Ms. Karlin offered several reasons as to why this is not likely. Specifically, 15% of patients cannot be enrolled either because they do not complete their paperwork or they are not eligible. However, H+H offers a self-pay discount to this 15% population.
Dr. Katz added that there is also a small group of patients that reside outside of New York City that we have to serve as well even though they are not ineligible for NYC CARE.

Mr. Peña-Mora inquired if self-pay discounts are the equivalent to the discount that we give to insurance companies. Ms. Karlin responded once screening is done, Ineligibles’ are given a self-pay discount that is in alignment with Medicaid rates. Patients can contact us if it is still too much to pay. Thereafter, the Fee Settlement Board reviews special requests.

Ms. Wang further asked if FEMA dollars are included in the $650 million we are receiving. Ms. DeHart replied yes, they are. She also affirmed that we will apply to FEMA for additional funding for Omicron expenses.

When asked if we are getting staffing in to support nursing, Ms. Farag replied yes, we are getting more staffing in and working with a vendor to do so. However, we prefer to pay our staff OT before hiring contractors. The challenge is that our staff are tired and are getting sick as well. Dr. Katz confirmed this and noted Coney Island Hospital has to opened a new ward today.

Ms. Wang asked to what can the increase in the CMI rate be attributed? Ms. Farag replied that the increase is due to patients we regularly see plus COVID. Dr. Katz added that our doctors have also become more proficient in using Epic, which allows us to add more diagnoses, more accurately for billing.

Ms. Wang asked if we are seeing incremental costs for Test and Trace above and beyond what was presented in December. This was confirmed to be the case.

Ms. Piñero asked if patients with COVID presented differently during various stages. Dr. Katz responded that the census on this is flat. As to whether or not we are using the five-day isolation, Dr. Katz replied yes, if patients are asymptomatic.

**ADJOURNMENT**

There being no further business before this committee, the meeting adjourned at 1:12 PM.
RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute three-year standby or requirements contracts with each of Universal Protection Service LLC, d/b/a Allied Universal, Johnson Security Bureau, Inc. Maxxi Building Security and Management Corporation and Aron Security (the “Contractors”) for temporary security services with the System holding two, one-year options an amount for all the Contractors across the entire potential five-year term not to exceed $11,600,000.

WHEREAS, the System has long used temporary security services to augment its own forces to perform unarmed security services, the supervision of such services, fire watch services and fire safety director services; and

WHEREAS, currently the System has been using Universal Protection Service LLC and Johnson Security Bureau to provide such services; and

WHEREAS, during the Covid epidemic the System greatly increased the use of such services for its many test and vaccination sites raising the annual spend from its typical level of $2 Million to approximately $7.9 however usage is expected to return to the pre-Covid normal level; and

WHEREAS, the System conducted an RFP process under the supervision, and with the assistance, of Supply Chain and had 15 firms attend a pre-proposal conference of which nine submitted proposals; and

WHEREAS, of the nine proposals submitted, the four Contractors were given the highest ratings; and

WHEREAS, under the proposed agreements, the Contractors will be used on an as-needed basis with the System not guarantying any usage volume; and

WHEREAS, the System’s Office of Quality and Safety through its Hospital Police and Security Department will be responsible for the management of the proposed contracts.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to execute three-year standby or requirements contracts with each of Universal Protection Service LLC, d/b/a Allied Universal, Johnson Security Bureau, Inc. Maxxi Building Security and Management Corporation and Aron Security (the “Contractors”) for temporary security services with the System holding two, one-year options an amount for all the Contractors across the entire potential five-year term not to exceed $11,600,000.
EXECUTIVE SUMMARY
TEMPORARY SECURITY SERVICES
STANDBY AGREEMENTS WITH
UNIVERSAL PROTECTION SERVICE LLC, D/B/A ALLIED UNIVERSAL,
JOHNSON SECURITY BUREAU, INC. MAXXI BUILDING SECURITY
AND MANAGEMENT CORPORATION AND ARON SECURITY

OVERVIEW: The System has long used temporary security services to augment its own forces to perform unarmed security services, the supervision of such services, fire watch services and fire safety director services. Fire watch services are required by the NYFDNY whenever the fire alarm systems in a building are inoperable and consist of having an individual in the building at all time to watch for any fires. Typically, the annual spend for such services is approximately $2M however during the Covid epidemic when the System operated many pop-up testing and vaccination sites all of which required security services the annual cost of such services leaped to approximately $7.9M. It is anticipated that annual costs will now return to the typical pre-Covid level.

PROCUREMENT The System conducted a formal RFP procedure to obtain the services of a pool of Contractors to work on an as needed basis to meet the System’s needs. The RFP was directly mailed to 29 prospective vendors. 15 vendors attended a pre-proposal conference. Of those, 9 submitted proposals. Of the proposals submitted, a System Evaluation Committee selected the four Contractors as the firms that would best meet the needs of the System.

COSTS; TERMS: Total not-to-exceed cost for all four of the Contractors over the initial three-year term plus of the two, one-year options is not to exceed $11.6M.

These will all be requirements contracts also referred to as standby contracts. The System will not be required to give any work to any of the Contractors but will do so at its discretion on an as-needed basis.

All security staff is required by law to be paid at the Prevailing Rate as set by the City Comptroller. As labor is most of the cost of these contracts, the price variation by vendor is not great with such variation as exists based on variable management costs.

MWBE: An overall MWBE utilization goal of 30% has been established and accepted by the Contractors. Two of the four Contractors are MWBE and so 100% of their work will be performed by an MWBE. The other two firms have adopted 30% goals.
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

Vendor: Temporary Security Staffing Vendors

Date: February 28, 2022

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

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Vendex</th>
<th>EEO</th>
<th>M/WBE UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Protection Service LLC</td>
<td>Approved</td>
<td>Pending</td>
<td>30% UP</td>
</tr>
<tr>
<td>Johnson Security Bureau, Inc.</td>
<td>Approved</td>
<td>Pending</td>
<td>NYC &amp; NYS MWBE</td>
</tr>
<tr>
<td>Maxxi Building Security and Management Corporation</td>
<td>Pending</td>
<td>Pending</td>
<td>NYC MBE</td>
</tr>
<tr>
<td>Aron Security, Inc.</td>
<td>Approved</td>
<td>Pending</td>
<td>30% UP</td>
</tr>
</tbody>
</table>

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.
Supplemental Security Staffing Services

Application for
Contract Award

Finance Committee
March 22, 2022

Eric Wei, MD, SVP, Quality and Safety
Shaw Natsui, MD, AVP, Quality and Safety
Juan Checo, Senior Director, Hospital Police and Security
NYC Health + Hospitals has used supplemental security staffing firms to augment staffing needs at acute, post-acute, Gotham, and Test and Trace facilities.

The services have been provided by Universal Protection Service LLC, and Johnson Security Bureau Inc., and include Unarmed Security Guards, Security Guard Supervisors, Fire Watch Personnel, and Fire Safety Director services.

These services have been coordinated directly between the facility and vendor and are meant to supplement security service shortages

Estimated Annual Spend: $2,000,000
Services Provided

- Current Titles Provided
  - Security Guard (dual certification to include fire watch personnel)
  - Security Guard Supervisor
  - Fire Safety Officer

- Cost Structure
  - Charges are based on hourly rates for each title to meet prevailing wage, plus administrative fee
  - Services can either be provided on immediate need or by pre-determined SOW
Overview of Procurement

- 10/22/21: RFP posted on City Record, sent directly to 29 vendors
- 11/09/21: Pre-proposal conference held, 15 vendors attended
- 12/01/21: Proposal deadline, 9 proposals received.
- 01/27/22: Evaluation committee completed scoring sheets and submitted to Supply Chain for tabulation
- 02/14/22: Evaluation committee finalized vendor pool; Universal Protection Service LLC, Johnson Security Bureau, Inc., Maxxi Building Security and Management Corporation, and Aron Security were the highest rated proposers
Vendor References

- Maxxi Building Security and Management Corporation (MWBE)
  - Successful reference check with Project Find (Long-term home health organization); Maxxi provided rapid response time and performed satisfactorily
  - Successful reference check with ACMH (Care Management and Housing Organization); Maxxi provided appropriate capacity, rapid response time and performed satisfactorily

- Aron Security DBA Arrow Security
  - Successful reference check with Memorial Sloan-Kettering; Aron provided appropriate capacity, rapid response time and performed satisfactorily
  - Successful reference check with Brookhaven Memorial Hospital; Aron provided appropriate capacity, rapid response time and performed satisfactorily

- Universal Protection Service LLC
  - Incumbent vendor; feedback from internal site leadership is positive. Vendor is consistently able to fill needed positions, performances to expectations, and provide satisfactory response time

- Johnson Security Bureau, Inc. (MWBE)
  - Incumbent MWBE vendor; feedback from internal site leadership is fair. Vendor has performed satisfactorily
RFP Criteria

Minimum criteria:
- MWBE Utilization Plan, or MWBE Certification
- Five years in business
- Experience with large health systems
- Three NYC References

Substantive Criteria
- 40% Program Management
- 30% Cost
- 20% MWBE
- 10% References

Evaluation Committee:
- Facilities Development
- Coney Island Hospital Police
- Gotham Executive Administration
- Safety Management
- Bellevue Hospital Police
- Gouverneur Hospital Police
### M/WBE

#### RFP Summary

<table>
<thead>
<tr>
<th>M/WBE Status</th>
<th># Invited</th>
<th># Responded</th>
<th># Meeting Goal</th>
<th># Requesting Waiver</th>
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</thead>
<tbody>
<tr>
<td>M/WBE</td>
<td>26</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Non-M/WBE</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

- Applicable M/WBE Goal: 30%
- Awarded Vendor’s M/WBE Goal: 30%

#### Awarded Vendors’ M/WBE Utilization

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Utilization Plan or Diversity Status</th>
<th>Subcontractor</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Protection Service LLC</td>
<td>30%</td>
<td>Over Watch, LLC dba City Safe Partners</td>
<td>Staff guarding services</td>
</tr>
<tr>
<td>Johnson Security Bureau, Inc.</td>
<td>NYC WBE</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Maxxi Building Security and Management Corporation</td>
<td>NYC MBE</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Aron Security</td>
<td>30%</td>
<td>Explorer Security Services</td>
<td>Security guard services</td>
</tr>
</tbody>
</table>
Hospital Security Updates

- Staff debriefs and townhalls following Jacobi incident, including review of prior safety and workplace violence mitigation initiatives
- Sharing lessons learned from Jacobi and the After Action Report
- Site visits to local health systems and survey of NYC hospitals and safety net hospitals in other cities
- Actions taken:
  - Installation of direct tie line from each phone; additional visibility mirrors; bulletproof glass
  - Central work groups
    - Metal detectors
    - NYPD paid detail
    - Hospital Police recruitment and retention
    - Active Shooter training
  - Facility-based security risk assessments
  - Review of Everbridge system
  - Review of panic alarm systems
The Office of Quality and Safety is seeking approval to award contracts to Universal Protection Service LLC, Johnson Security Bureau, Inc., Maxxi Building Security and Management Corporation, and Aron Security Inc. to provide supplemental security staffing services to the system.

- Three-year contract with two one-year options exercisable at the discretion of NYC Health and Hospitals
- Not-to-exceed: $11,600,000
- Effective 5/1/2022

<table>
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<tr>
<th>Fiscal year</th>
<th>T2 Expenses</th>
<th>All Other Expenses</th>
<th>Amount</th>
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<tr>
<td>2022</td>
<td>$1,600,000</td>
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<td>$1,900,000</td>
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<td>2023</td>
<td>$1,000,000</td>
<td>$1,800,000</td>
<td>$2,800,000</td>
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<td>2024</td>
<td></td>
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<td>2025</td>
<td></td>
<td>$1,800,000</td>
<td>$1,800,000</td>
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<tr>
<td>2026</td>
<td></td>
<td>$1,800,000</td>
<td>$1,800,000</td>
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<tr>
<td>2027</td>
<td></td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,600,000</td>
<td>$9,000,000</td>
<td>$11,600,000</td>
</tr>
</tbody>
</table>
RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a five-year contract with UKG, Inc. (“UKG”) for managed payroll services with an advanced scheduling application for an amount not to exceed $33,421,438 including a contingency of ten percent or $3,000,000.

WHEREAS, with its large workforce and the precise scheduling needs of its healthcare operations, the System wishes to modernize and improve its current handling of payroll services and clinical scheduling; and

WHEREAS, currently payroll services are handled in-house and nurse scheduling is handled by Clairvia with the original plan of expanding Clairvia’s work to other clinical and operational areas; and

WHEREAS, the System wishes to contract with a company that has a product that effectively serves multiple clinical and operational areas; and

WHEREAS, the System conducted an RFP process under the supervision, and with the assistance, of Supply Chain and had five firms attend a pre-proposal conference of which four submitted proposals; and

WHEREAS, of the four proposals submitted and based on demonstrations of the functionalities of the programs proposed, UKG was given the highest ratings both for scheduling and payroll services; and

WHEREAS, the System’s Corporate Comptroller will be responsible for the management of the payroll aspects of the proposed agreement while the System’s Chief Nursing Executive will be responsible for the scheduling aspects.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to execute a five-year contract with UKG, Inc. (“UKG”) for managed payroll services with an advanced scheduling application for an amount not to exceed $33,421,438 including a contingency of ten percent or $3,000,000.
EXECUTIVE SUMMARY
PAYROLL SERVICES AND CLINICAL SCHEDULING CONTRACT
WITH UKG, INC.

OVERVIEW: With its large workforce and the precise scheduling needs of its healthcare operations, the System wishes to modernize and improve its handling of payroll services and clinical scheduling. Currently payroll services are handled in-house, however, it is impractical for the System to continue to do so. First, the System’s in-house staff does not have access to the sophistication of specialized outside contractors. Outside contractors also have the benefit of huge economies of scale. Furthermore, the System has been relying on an obsolete IBM Mainframe which requires staff time to operate and which is no longer being supported by its manufacturer.

The System had hoped to already have a solution for its clinical scheduling needs with its contract with Clairvia but the System has been dissatisfied with Clairvia’s product offerings. Before trying to scale up the clinical scheduling program to clinical and operational areas beyond nursing, the System wants to get a vendor with better product selections.

PROCUREMENT The System approached the procurement of its needed payroll and advanced scheduling services as potentially separate. Two different evaluation committees considered proposals following an RFP. Proposals were sent directly to ten firms. Five firms attended a pre-proposal conference and four submitted formal proposals and gave demonstrations of their products’ functionalities. As it turned out, UKG was the company that received the highest rating from each of the two evaluation committees and it is proposed to perform both tasks.

PROGRAM:
FUTURE STATE; As envisioned, the new contract will have one mobile App for scheduling, workforce management and payroll that will create a consistent web and mobile experience. Managers will benefit from real-time visibility and control across the entire application which will allow the System to align the workforce to business demand, manage overtime before it happens and put the right people in the right place, at the right time. Compliance will be enhanced from punch to pay. The new application will offer built-in workflows and forms with audit and retention to automate policy driven requests. Finally, the System will receive consolidated reporting, dashboards and access to data for scheduling, workforce management and payroll. For all aspects of the platform there will be a single call center and service for all aspects of the UKG technology.

COSTS: Total not-to-exceed cost for the five-year contract will not exceed $33,421,438, which includes a $3,000,000 (ten percent) contingency for unanticipated audit or consultancy services. The System had determined that the proposed contract, together with the System staff required to fully utilize the contract, will cost approximately $14.3M less than it would have cost to continue to use Clairvia and to staff the in-house management of payroll while upgrading the IBM system to a PeopleSoft solution.

MWBE: UKG will subcontract to UCI, Inc., an MWBE, a portion of its implementation and consultancy work. A partial waiver under the personal services and business model exceptions under the Vendor Diversity Operating Procedure 100-10, was issued with respect to UKG’s technology and management services all of which were determined to be performed by W-2 employees and to not be susceptible to subcontracting. The result will be a 3.2% MWBE subcontracting goal.
To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Keith Tallbe  
Senior Counsel Keith  
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: UKG, Inc.

Date: February 28, 2022

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

<table>
<thead>
<tr>
<th>Vendor Responsibility</th>
<th>EEO</th>
<th>MWBE Utilization Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending</td>
<td>Pending</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

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.
Managed Payroll Services and Advanced Scheduling Application

Request to enter into Contract

Finance Committee
March 22, 2022

Natalia Cineas, Chief Nursing Executive
Jay Weinman, Corporate Comptroller
Tatyana Seta, Deputy Corporate Comptroller
The payroll service has been performed in-house historically except garnishments and tax compliance, which was procured through RFP and awarded to ADP, while advanced scheduling is currently handled by Clairvia.

History of services: current problems/challenges

Payroll:
- Payroll currently relies on IBM Mainframe (a legacy system that is no longer supported) and PeopleSoft which requires manual processes
- Payroll requires significant investment to maintain in-house. In-house payroll data and analytics are limited, need for greater analytical capabilities

Advanced Scheduling (Clairvia):
- System inefficiencies require significant time investment by management
- Not user friendly application layout
- Search functionality inconsistent
- Reporting tools are limited
Future State

+ Payroll Services will be managed by UKG
+ Advanced Scheduling will be managed by H+H internally using UKG product
+ A third party integrated solution features:

**Time and Attendance**
- Real time punch data integrated with scheduling (managers will know who is in)
- Employee can request time off
- Employee can view schedule and swap shifts
- Employee can attest to time and meal breaks
- Employee can transfer jobs or cost centers

**Managed Payroll**
- On-Cycle and Off-Cycle payrolls
- Garnishments
- Managed Services
- Payroll tax filing
- Year-End Close Management
- Employee contact center

**Advanced Scheduling and Workload Manager**
- Mobile-compatible
- Ability for employees to identify shift preferences and availability — or easily swap shifts.
- Visibility to staffing coverage in real time
- Integration with Epic for patient assignment in Workload Manager
- Ability to predict scheduling needs based on historical census

**Data and Analytics**
- 800+ Delivered reports
- Real-time access to operational data and dashboards
- KPI Builder lets you build in your business-critical KPIs
- Ad hoc reporting capabilities simplify data access for business users
Overview of Procurement

- 09/14/21: Request to issue RFP approved at CRC. RFP allows for vendors to bid on one or both scopes of work (Payroll and/or Scheduling). Consequently, an evaluation committee was selected to represent payroll and a separate group to represent scheduling.

- 09/17/21: RFP posted on City Record, sent directly to 10 vendors.

- 10/04/21: Pre-proposal conference held, five vendors attended.

- 11/01/21: Proposal deadline, four proposals received. Three proposals included both solutions, one proposal was just for scheduling.

- 11/12/21: Evaluation committee completed 1st round of scoring from proposal review; Scheduling Committee shortlisted two firms, Healthstream and UKG, and Payroll Committee shortlisted two firms, ADP and UKG.

- 11/29/21 – 12/23/21: Vendor finalists conducted several demonstrations of proposed functionalities to both committees.

- 01/03/22: Evaluation committee debriefed and completed 2nd round of scoring; UKG was selected as the highest rated proposer for both committees.
Cost Analysis

Current Cost
- $36.80 per employee per month

Future cost
- $19.50 per employee per month

Net savings of $17.3 per employee per month*

Implementation…$2.5M
Annual fees………$7.0M x 4 years
Contingency………$3.0M
Total cost………..$33.5M

* This excludes additional expected savings of $15.50 per employee per month from using time capture technology as estimated by Deloitte’s payroll consultants.
RFP Criteria

Minimum criteria:
- 10 years in business
- MWBE Utilization Plan, MWBE Certification, or Waiver Request
- Similar experience – full service solution to large health systems with unionized environment and multiple business units
- New York based clients

Substantive Criteria
- 40% Functionality
- 30% Cost of ownership
- 20% Strategy and Timeline Approach
- 10% MWBE

Evaluation Committee:

Payroll
- Corporate Comptroller – Committee Chair Person
- Deputy Corporate Comptroller
- CEO, Lincoln
- CFO, Kings County
- CFO, Bellevue
- Sr. VP, HR
- Sr. AVP, EITS Business Applications

Advanced Scheduling Solution
- Chief Nurse Executive – Committee Chair Person
- CEO, Lincoln
- COO, Queens
- CNO, Kings County
- Director of Nursing
- CNO, Elmhurst
UKG Background

- UKG formed in 2020 with the merger of two market leaders in the human capital management and workforce management spaces, Kronos Inc. and Ultimate Software.
- Through merger, UKG possesses decades of experience providing Payroll, Scheduling and Workforce Management SaaS solutions in Healthcare, with over 3,500 hospitals and 10,000 post-acute care facilities as customers.
- Along with software solution, UKG provides an experienced dedicated onshore support team to act as an extension of NYC Health + Hospitals team.
- Corporate Social Responsibility includes giving programs that are globally inclusive but locally focused, supporting organizations and communities around the globe through donations, matching gifts, and volunteer opportunities.
- Positive feedback from references regarding solution performance and customer service.
Applicable M/WBE Goal: 30%

Invited M/WBE vendors met minimum criteria but declined opportunity primarily due to complexity of project

**UKG’s Utilization Plan Summary**

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Scope of Work</th>
<th>M/WBE certification</th>
<th>UP Goal %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCI, Inc.</td>
<td>Change management, payroll migration, consultancy, process reengineering, data conversion from Peoplesoft.</td>
<td>NYC M/WBE</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Partial Waiver Justification: UKG’s proposed deliverables can be divided into 3 main components:

1. **Implementation and Consultancy** [Subcontracted to M/WBE – UCI, Inc.]
2. **Technology** i.e. the IP and hosting.
3. **Managed services** that sit on top of the program i.e. payroll processing, tax filing, garnishment processing, and help desk support.

The **Technology** and the **Management services** are not able to be subcontracted as they are handled solely by UKG W2 employees. A partial waiver in such circumstances is consistent with the personal services and business model exceptions under the vendor diversity policy, OP 100-10.
Payroll staff and their respective unions have been notified of the transition. H+H will continue to engage w/ union partners throughout the implementation process.

Existing Payroll staff will be redeployed to alternate positions throughout the System.

Training and change management support is being provided to the impacted staff over the next 18 month of the system transition.
Project Timeline

- Jan-22 - Mar-22: Procurement
- Apr-22 - Jun-23: System Implementation
- Jul-23 - Dec-23: Payroll Staff Transition
- July 1, 2023: Go Live Date
The Finance and Nursing Departments are seeking approval to enter into contract with UKG to provide Managed Payroll Services and an Advanced Scheduling Application.

Total contract value will be for a not-to-exceed (NTE) amount of $33,421,938 over 5 years, which includes a contingency of $3,000,000 or ten percent.

Contract term will be three years with two one year renewal options at the discretion of NYC Health + Hospitals

Termination for convenience at the discretion of NYC Health + Hospitals
RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute three-year contract with PhyCARE Solutions, Inc. (the “Contractor”) for outpatient coding and billing services with the System holding two, 1-year options for an amount across all potential five years of the proposed agreement not to exceed $12,491,383.

WHEREAS, properly coding and billing for the System’s outpatient services is a big job that requires sophistication and considerable staff resources; and

WHEREAS, currently the System uses the Contractor to perform this function both as to the institutional aspect of such charges and the professional component; and

WHEREAS, the System conducted an RFP process under the supervision, and with the assistance, of Supply Chain that sought either separate firms for coding and for billing or a single firm to do both; and

WHEREAS, 11 firms attend a pre-proposal conference out of which six proposals were received for billing and seven proposals for coding; and

WHEREAS, following the winnowing of the field to three finalists and after their presentation of proposed billing and coding solutions, the Contractor was given the highest ratings for both billing and coding; and

WHEREAS, the System’s Office of Revenue Management will be responsible for the management of the proposed contracts.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to execute a three-year contract with PhyCARE Solutions, Inc. (the “Contractor”) for outpatient coding and billing services with the System holding two, 1-year options for an amount across all potential five years of the proposed agreement not to exceed $12,491,383.
EXECUTIVE SUMMARY
OUTPATIENT BILLING AND CODING SERVICES
PHYCARE SOLUTIONS, INC
AND MANAGEMENT CORPORATION AND ARON SECURITY

OVERVIEW: Because of the volume and complexity involved in coding and billing for outpatient medical services, the System has been using the Contractor for such work. In fact, the System has used the Contractor for many coding and billing functions and wanted to test the market to be sure that there were not better and or less expensive companies available for such work.

PROCUREMENT The System conducted a formal RFP procedure to obtain the services of either a single vendor to handle both outpatient coding and billing or a two different vendors, one for each function. Different evaluation committees were established for each of the two scopes of work. The RFP was directly mailed to 15 prospective vendors. Seven vendors submitted proposals for coding and six vendors submitted proposals for billing. Of the proposals submitted, the two Evaluation Committees selected the same three finalists. After further questioning and the presentations of proposed coding and billing solutions, the two Evaluation Committees both concluded that the Contractor would best meet the needs of the System.

COSTS; TERMS: Total not-to-exceed cost for both functions over the initial three-year term plus each of the two, 1-year options is not to exceed $12,491,383.

MWBE: An MWBE utilization goal of 30% was established with two MWBE subcontractors proposed to perform that portion of the work.
To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: PhyCARE Solutions, Inc.

Date: February 28, 2022

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

<table>
<thead>
<tr>
<th>Vendor Responsibility</th>
<th>EEO</th>
<th>MWBE Utilization Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending</td>
<td>Pending</td>
<td>30%</td>
</tr>
</tbody>
</table>

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.
Professional / Hospital Outpatient Coding and Professional Billing Services

Application to Award Contract

Finance Committee
March 22, 2022

Marji Karlin, Chief Revenue Officer
Robert Melican – AVP, Revenue Cycle Services
Lisa Perez – AVP, Revenue Cycle Services
Uwa Emumwen – Director of Professional Billing
NYC Health + Hospitals generates separate claims for Hospital (Facility) and Professional components

- Professional Billing claims are services performed directly by the physician and/or mid-level providers, and are billed separately from the hospital bill
- Professional bills are adjudicated using different rules, contract terms, codes and claim forms
- NYC Health + Hospitals currently generates $32M in annual revenue from professional billing

Hospital Outpatient Coding is for the institutional portion of an encounter

- NYC Health + Hospitals employees code Inpatient, Ambulatory Surgery and Emergency Room claims
- Due to the high volume, outpatient encounters require vendor assistance
- Further optimization of H2O tools may decrease the volume of cases that require coder intervention

Vendor support for professional billing is needed for Bellevue, Kings, Queens, and Woodhull hospitals which do not have FPPs
Overview of Procurement

- 05/25/21: Contract Review Committee (CRC) approved request to issue RFP with two unique scopes, one for billing and one for coding with an evaluation committee designated for each.

- 08/25/21: RFP posted on City Record, sent directly to 15 vendors.

- 09/09/21: Pre-proposal conference held, 11 vendors attended.

- 10/05/21: Proposal deadline, 7 proposals received for coding, 6 proposals received for billing.

- 10/29/21: Both evaluation committees completed 1st round scoring, same three vendors were shortlisted for both scopes.

- 11/19/21: Shortlisted vendors presented billing and coding solution to evaluation committee via Webex.

- 11/20/21 – 12/7/21: Question/Answer with shortlisted vendors to clarify pricing and scope of work.

- 12/13/21: Both evaluation committees completed 2nd round scoring, PhyCARE was the highest rated proposer for both billing and coding.

- 12/21/21 CRC approved selected vendor PhyCARE to move forward to the Finance Committee for review.
RFP Criteria

Minimum criteria:
- MWBE Utilization Plan, M/WBE Certification, or Waiver Request
- At least 5 years of experience operating Professional Billing for a large scale Healthcare System
- NY State Medicaid experience
- Annual Revenue in excess of $25,000,000; M/WBE vendors annual revenue in excess of $5,000,000
- Experience with Professional Coding and Hospital Outpatient Coding with Epic

Substantive Criteria
- 40% Cost
- 30% Quality of Proposed Operational Approach
- 20% M/WBE
- 10% Internal and External Quality Assurance Feedback

Evaluation Committee consisted of a broad participation accords our hospitals

Revenue Cycle Services Lead RFP

Locations
- Bellevue
- Queens
- Kings
- Woodhull
- EITS
- Elmhurst
- Lincoln
- Finance

Functions
- 3 Patient Accounting Directors
- 3 HIM Directors
- 2 Chief Financial Officers
- Managed Care Director
- EITS Epic Assoc. Ed. Dir.
- Compliance Officer
PhyCARE’s Utilization Plan Summary

- PhyCARE will adhere to the 30% M/WBE contract allocation
- PhyCARE’s M/WBE is also applying for diversity certification with the NYC Department of Small Business Services (SBS). Request to expedite certification confirmed by SBS in March 2022.
- Additionally, if the application is unsuccessful, PhyCARE identified subcontracting partners with two M/WBE firms.
- PhyCARE obtained a waiver for the previous contract signed in 2016, which was granted.

### Vendor Name

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Scope of Work</th>
<th>M/WBE certification</th>
<th>UP Goal %</th>
</tr>
</thead>
<tbody>
<tr>
<td>QualCode, Inc.</td>
<td>Medical Coding and Billing</td>
<td>NYC &amp; NYS</td>
<td>27%</td>
</tr>
<tr>
<td>Medco Consultants, Inc.</td>
<td>Provider Education, Audits and Reviews</td>
<td>NYC &amp; NYS</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total Utilization Plan Goal</strong></td>
<td></td>
<td></td>
<td><strong>30%</strong></td>
</tr>
</tbody>
</table>

### RFP Summary

<table>
<thead>
<tr>
<th>M/WBE Status</th>
<th># Invited</th>
<th># Responded</th>
<th># Meeting Goal</th>
<th># Requesting Waiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>M/WBE</td>
<td>1</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-M/WBE</td>
<td>15</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>
Revenue Cycle Services seeks the Finance Committee’s approval to award PhyCARE Solutions, LLC the contract for NYC Health + Hospitals Coding and Professional Billing services

Initial contract term of three years with two one-year renewal options

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Coding</th>
<th>Billing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY ’22</td>
<td>$ 482,969</td>
<td>$ 138,000</td>
<td>$ 620,969</td>
</tr>
<tr>
<td>FY ’23</td>
<td>$ 1,931,877</td>
<td>$ 552,000</td>
<td>$ 2,483,877</td>
</tr>
<tr>
<td>FY ’24</td>
<td>$ 1,931,877</td>
<td>$ 552,000</td>
<td>$ 2,483,877</td>
</tr>
<tr>
<td>FY ’25</td>
<td>$ 1,931,877</td>
<td>$ 558,000</td>
<td>$ 2,489,877</td>
</tr>
<tr>
<td>FY ’26</td>
<td>$ 1,931,877</td>
<td>$ 582,000</td>
<td>$ 2,513,877</td>
</tr>
<tr>
<td>FY ’27</td>
<td>$ 1,448,907</td>
<td>$ 450,000</td>
<td>$ 1,898,907</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 9,659,383</td>
<td>$ 2,832,000</td>
<td>$ 12,491,383</td>
</tr>
</tbody>
</table>
RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to increase the funding cap on the contract executed with Hunter Ambulance, which contract was assigned to American Medical Response of New York LLC as part of a corporate acquisition (the “Contractor”) for a single-vendor patient transportation system such that the original spending cap of $12,070,896 be increased to an amount not to exceed $21,837,906.

WHEREAS, in April 2019 following an RFP and Board authorization, the System signed a three-year agreement with Hunter Ambulance that gave the System two 1-year options to renew; and

WHEREAS, the new transportation system has been shown to generate significant revenue, with more patients retained within the System; and result in significant staff time saved due to a single-entry, easy-to-use ordering system; and

WHEREAS, the Hunter services were critical for patient transfers during the height of the COVID-19 epidemic; and

WHEREAS, it quickly became clear that the original spending cap was woefully inadequate due to demand for patient transportation in unanticipated areas, a miscalculation of the reimbursement rate and various expansions of the originally conceived program; and

WHEREAS, the System management returned to the Medical and Professional Affairs Committee of the Board in the Fall of 2020 to seek a substantial increase in the spending cap but the matter was tabled; and

WHEREAS, the Covid epidemic distracted staff from returning to the Board Committee, Covid-influenced staffing shortages made developing MWBE subcontracting option more difficult and then in September 2021 Hunter Ambulance was acquired by the Contractor which further complicated the situation; and

WHEREAS, given the evolution of the program and the difficulty formulating a satisfactory MWBE plan, the System proposes to issue a new RFP for patient transportation services in Spring 2022 with the anticipation that this will yield a new contract or contracts by the end of the first of the two option terms; and

WHEREAS, the requested additional funding is projected to be sufficient to cover the program’s current deficit and fund one additional year of operation; and

WHEREAS, the System’s Office of Patient Growth will be responsible for the management of the subject contract.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to increase the funding cap on the contract executed with Hunter Ambulance, which contract was assigned to American Medical Response of New York LLC as part of a corporate acquisition (the “Contractor”) for a single-vendor patient transportation system such that the original spending cap of $12,070,896 be increased to an amount not to exceed $21,837,906.
EXECUTIVE SUMMARY
AMERICAN MEDICAL RESPONSE OF NEW YORK LLC
INCREASE OF FUNDING FOR PATIENT TRANSPORTATION CONTRACT

OVERVIEW: The System and Hunter executed a contract in April 2019 for enterprise-wide transportation services. The contract addressed long-standing challenges obtaining third-party services to effectively perform all of the various types of patient transportation required at the Medicare rates. Once the contract was implemented, its services were so effective that the System identified other areas where Hunter could improve patient services. These primarily consist of COVID-19 surge transfers for equalizing occupancy across NYC Health + Hospitals Acute Care Facilities, and managing transportation for NYC Health + Hospitals Post-Acute Facilities. The contract’s not-to-exceed cap must be increased to account for additional spend due to finalized contract rates, initial projections anticipated costs at the Medicaid rates instead of the negotiated Medicare rates, the broadened scope and increased utilization. Increased utilization occurred with the heavy and very successful transportation of patients within the System during the height of the COVID-19 epidemic to relieve strain in some hospitals by drawing on capacity in others.

In September, 2021, Hunter Ambulance was acquired by the Contractor which is currently providing the contracted services.

PROCUREMENT: The System intends to issue a new RFP during Spring 2022. This will enable the System to obtain proposals based on the scope of the Patient Transportation Program as it has evolved and to be able to better address the challenges of meeting reasonable MWBE goals when there are no MWBE ambulance companies.

COSTS; TERMS: Total not-to-exceed cost for the contract will increase from $12,070,896 be to $21,837,906. On April 1, 2022, the System will have two 1-year options to renew. The System intends to exercise only the first option and not the second one as the planned RFP should be concluded and a new contract or contracts will be in place before the second option term would begin.

MWBE: Currently minimal MWBE subcontracting opportunities have been identified. There are no registered MWBE ambulance companies. In NYC, there are a small number of MWBE ambulette vendors with limited capacity. However, with the planned RFP, and a new Ambulette Capacity Building Program, the System hopes to bring on the use of more ambulettes to, among other things, introduce more diversity into the program.
To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Keith Tallbe  
Senior Counsel Keith  
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: American Medical Response of New York, LLC

Date: February 28, 2022

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

<table>
<thead>
<tr>
<th>Vendor Responsibility</th>
<th>EEO</th>
<th>MWBE Utilization Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>Pending</td>
<td>Capacity Development Program</td>
</tr>
</tbody>
</table>

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.
Patient Transportation

NTE Increase Request

Finance Committee
March 22, 2022

Office of Patient Growth
Matthew Siegler, Sr. Vice President
Katelyn Prieskorn, Sr. Director
In April 2019, NYC Health + Hospitals entered into a five year agreement with Hunter Ambulance (three years with two one-year renewal options at the discretion of NYC Health + Hospitals) for a new single-vendor patient transportation system for a not-to-exceed amount of $12,070,896.

In November 2020, a request to increase the NTE amount was brought to the M&PA Committee for approval, but was tabled to review further MWBE opportunities.

In January 2021, NYC and State experienced a dramatic decrease in private ambulance staffing correlated with the opening of COVID-19 vaccine pods. This led to a period of decreased performance and intense focus on QA/PI activities and increasing core staffing.

In September 2021, Hunter was purchased by American Medical Response of New York, LLC (“AMR”) and the contract assigned.

Currently in FY2022, payor mix, scope changes, and unanticipated expenditures have led to the exhaustion of the original NTE.

- Percentage of self pay/uninsured trips higher than expected.
- Post acute facilities added to scope of work
- Contract finalized at Medicare rates.
- Unanticipated COVID related expenses

Contract signed: April 2019

- All Brooklyn acutes live with ambulance: July 2019
- All Queens acutes live with ambulance: Nov 2019
- All Brooklyn acutes live with ambulette: Feb 2020
- Request for NTE increase at M&PA meeting: Nov 2020

- All Queens & Manhattan acutes live with ambulance: May 2019
- All post-acute live with ambulance: Sept 2019
- All Manhattan & Bronx acutes live with ambulette: Jan 2020
- COVID Surge/NYC OEM partnership: Mar 2020
- AMR acquired Hunter: Sept 2021
Transport volume includes all interfacility transfers, surge transfers, discharges from H+H sites and ambulette trips.

Substantial increase in inter-facility transfers, year over year.

Contract expenses exceeded initial projections and original NTE will soon be depleted.

Project $9.7M in expenses above prior estimates to cover current spend and fund one additional year of operation.
The AMR contract is resulting in a substantial increase in inter-facility transfers. Compared to the one year period pre-contract; inter-facility transfers increased by 30% (1400 more transfers) in 2021. This attributed to an estimated $26M new revenue in 2021 alone. Revenue estimate is based on average revenue received per transfer, but is subject to a number of uncertainties, including the impact of COVID-19 on reimbursement and changes in annual Medicare reimbursement rates.

Prior financial plan allocated the revenue solely to this contract, however this allocation is difficult based on other business plans and strategic initiatives that rely on transportation.
The Office of Patient Growth partnered with the Office of Quality & Safety and AMR to improve the emergent inter-facility transfer process across the system, highlighting the significance of the single-vendor contract.

Some efforts have focused on the following:

- Improve/modify transfer center protocols where appropriate.
- Pilot use of modified System-wide NYC Health + Hospitals Services List while facilitating transfers.
- Establish process of tracking and return of equipment used in transfers.
- Improve package time both at the Sending and Receiving facilities.
- Leverage Epic secure chat for easier communication between Sending and Receiving teams.
- Develop integration between transfer center software and Hunter CAD system for better data capture.

Most activity to date have focused on interaction between major receiving facility (Bellevue) and Lincoln and Harlem.
There are two main scopes of work under this agreement: ambulance and ambulette.

At the time of contracting, AMR was granted a waiver of all MWBE goals due to a lack of availability and capacity of MWBEs to perform the services under the contract. The remaining work is self-performed by AMR’s W-2 employees.

Under the current Vendor Diversity policy:
- A goal of zero would have been set for the ambulance work
- A goal of 20% would have been set for the ambulette work

Ambulance work represents 98% of contract spend.
- There are no licensed MWBE ambulance service providers in the NYC metropolitan region able to perform under this agreement.
- The operational support services are self-performed by its W-2 employees.

Ambulette work represents 2% of contract spend (a maximum of $436,750 over the contract life). There is very limited availability and capacity of these vendors.
- There are four certified MWBE ambulette vendors:
  - Cathay Express Transportation, Inc., Leon's Ambulette Inc.
  - Banner International Corp, Grace Ambulette, Inc. have not been responsive to our requests for information
- AMR is currently contracted with Cathay. Spend with Cathay represents 11% of ambulette spend.
Ambulette Capacity Development

- Ambulette Capacity Development Program:
  - Because of the limited availability and capacity of ambulette MWBEs, we will work in collaboration with the Vendor Diversity Team and AMR to develop the capacity of Cathay and Leon ambulette companies through a structured program with measurable outcomes, which will include KPIs and financial growth metrics.
    - Initially, the focus will be on increasing the volume of drivers employed by the MWBE ambulette vendors and increasing their geographic area. As their volume of drivers increases, more trip volume will be provided to the vendor with increased focus on timeliness and total trip time.
    - Metrics: number of trips, time to arrival, trip time, trip type, spend, fleet size, driver count, geographic distribution
  - We will also connect the MWBEs with resources offered by the City of New York, such as low cost financing opportunities.
  - With this capacity building program and strong commitments from AMR leadership, AMR has committed to increasing the MWBE percentage of ambulette contract spend to 20% by the end of 2022.
Transportation Next Steps

- Develop and release new transportation RFP in Spring 2022 during contract extension period.
  - Updated scope of work based on lessons learned from single vendor approach and data from current contract. Changes to include:
    - New Emergency Management scope allowing for dedicated resources to be available in emergency situations.
    - Additional resources and requirements related to emergent transfers:
      - Dedicated resources
      - Separate vendors
    - Integration between vendor and Epic / H₂O, Transfer Center software, sub-vendor dispatch systems.
    - Contractual SLA penalties to increase transportation timeliness.
    - Strategies to minimize percentage of transports billed to NYC Health + Hospitals.
    - Added MWBE commitments.

- Continue QA and PI initiatives with facilities and vendor to improve patient care and outcomes.

- Launch new programs with livery transportation vendors designed to improve patient retention, increase revenue, and promote linkage to appropriate setting of care.
The Office of Patient Growth is seeking approval to increase the not-to-exceed amount from $12,070,896 to $21,837,906 with American Medical Response of New York, LLC.
FY22 Quarter 2 Highlights

- January Close Cash Balance of $1 billion (42 days cash-on-hand), includes FEMA and DSH funds, and expected February close balance is $650M.

- Closed the quarter with a negative Net Budget Variance of $141.6M due to COVID disbursements ($388.8M) not yet fully covered with Federal Relief dollars. Adjusting for COVID spend, the underlying Performance is Positive.

- Direct Patient Care Receipts (I/P and O/P) came in $242.5M higher than the same period in FY21 continuing the pace of positive performance that we experienced during FY21.

- Patient care volume is returning to pre-COVID levels in Q2 of FY22, but still 4% below Q2 FY20 in discharges. Revenue base remains strong and resilient primarily driven by higher average collectability rate and returning volume.

- Overall, our strategic Financial Initiatives remain on track with our post-COVID strategies, generating over $395.9M thru Quarter 2 of FY22 with a line of sight of $679.3M. Areas of strongest net performance as of Quarter 2 include:
  - Revenue Cycle Improvement ($190.8M)
  - Growth & Service Line Improvements ($101.9M)
  - Value-Based Payment Initiatives and Managed Care Initiatives ($89.2M)
The system closed January with approximately $1 billion (42 days cash-on-hand) due to the receipt of DSH and FEMA funds.

The system also expects to close February with approximately $650 million (28 days cash-on-hand).

We continue to work closely with the City on our remaining liabilities due to them as we continue to closely monitor our cash position in relation to any ongoing uncertainty around COVID-19.
<table>
<thead>
<tr>
<th>Risk</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>State/City Budget Risks</td>
<td>☑</td>
</tr>
<tr>
<td>(State Executive Budget and 30-day amendments have been released; financial and programmatic proposals under review. The City’s Preliminary Budget was released, H+H was exempt from participating in the Citywide PEG (savings program).)</td>
<td></td>
</tr>
<tr>
<td>Future FEMA/Federal Reimbursement</td>
<td>☠️</td>
</tr>
<tr>
<td>(FEMA reimbursement to-date totals $620M with a subsequent reimbursement package for PPE under review. We anticipate an additional $161M in FEMA receipts by the end of FY22.)</td>
<td></td>
</tr>
<tr>
<td>Wage Pressures/Inflationary Costs</td>
<td>☠️</td>
</tr>
<tr>
<td>(Wage pressures and competing for a shrinking workforce is presenting challenges to recruitment and retention of staff, which we are working on addressing.)</td>
<td></td>
</tr>
<tr>
<td>Staffing Models Development &amp; Implementation</td>
<td>☠️</td>
</tr>
<tr>
<td>(Rightsizing the number and complement of staff through continued work on staff models. Industry standard models under development include Nursing, Behavioral Health, Radiology, and Hospital Police.)</td>
<td></td>
</tr>
</tbody>
</table>
Financial Performance
Quarter 2, FY 2022
Thru December of FY22, Financial Performance is Lagging Budget Expectations by $141.6M due in Large Part to Extraordinary COVID-Related Spending ($388.8M). With Expected FEMA Reimbursement, the Underlying Performance is Positive.

- Receipts exceeded budget by $410M ($348M in Patient Care) I/P and O/P volume and average collectability rates are higher than budgeted. Risk is higher due to MetroPlus payment on behalf of prior year.

- Disbursements exceeded budget by $552M, which includes vaccine mandate costs and $388.8M spend associated with COVID that was not yet offset with Federal funds.

**Notes:**
1. The “COVID Not Offset” amount of $388.8M can be offset once additional Federal relief funds are received.
2. Test and Trace not included in the Net Budget Variance.
3. Vaccine Mandate included in costs.
Mid-year Update - Drivers of Revenue

H+H exceeded the revenue target due to outperformance of revenue cycle and service line initiatives as well as returning patient volume.

Year over Year our direct patient care receipts (excludes risk) are up 15% or $376M*.

Mid-year cash receipts are 10% ahead of budget as patient volume returns at a higher percentage than anticipated, and as H+H meets and exceeds planned strategic service line improvement, managed care contract performance and revenue cycle initiatives. Risk pool performance exceeding target and pool timing are also contributing factors.

- Increased Volume ($151.7M) - IP discharges are 9% ahead of the budget target, yielding over $109M in YTD cash. OP volume 7% ahead of the budget target, yielding over $20M in YTD cash receipts.

- Higher Collected Rates ($112.2M) - Increases are mainly attributable to better than expected Revenue Cycle and other strategic initiatives performance.

- Risk Pool Performance and Timing ($84.5M) - Medicaid Risk performance is coming in $27.8M better than planned. Also, Prior Year unbudgeted reconciliations of $56.7M are hitting in FY 22.

- Other Revenue ($61.9M) - 340B pharmacy exceeding target and unbudgeted PRF phase IV COVID Federal Relief

### Summary Receipts Performance (FY22 thru Dec)

<table>
<thead>
<tr>
<th>Description</th>
<th>YTD Variance against Budget ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Volume (IP/OP)</td>
<td>$151.7</td>
</tr>
<tr>
<td>Increased Rates (primarily due to Rev Cycle and other initiative improvements)</td>
<td>$112.2</td>
</tr>
<tr>
<td>Risk Pool</td>
<td>$84.5</td>
</tr>
<tr>
<td>Other Revenue (340B pharmacy &amp; $15M in Federal Relief funds)</td>
<td>$61.9</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$410 [+10%]</td>
</tr>
</tbody>
</table>

*excludes testing
Mid-year cash disbursements are over budget by 14% primarily resulting from unbudgeted COVID and vaccine mandate related expenses.

- COVID Emergency Spend ($388.8M) – 65% of the spend is on staffing and temp costs particularly in the areas of Nursing and Credentialed Providers addressing COVID coverage needs. Remaining spend is on non-staffing costs including PPE, medical supplies, labs and other COVID support needs.
- Vaccine Mandate Staffing preparedness and coverage ($38M)
- Non-COVID Spend attributable to volume increasing to pre-COVID levels with associated need for immediate patient care coverage as the system rebounds from the COVID emergency impact and redirects its attention to full time staff recruitment in alignment with established staffing models.
  - Agency Patient Care Temp Staffing ($64M)
  - Other Discretionary Spend ($61M) [mainly associated with prior year payment catch up and some vendor transition to EFT]

<table>
<thead>
<tr>
<th>Summary Disbursements Performance (FY22 thru Dec)</th>
<th>YTD Variance against Budget ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID Emergency Coverage (Staffing and Non-Staffing OTPS)</td>
<td>($388.8)</td>
</tr>
<tr>
<td>Vaccine Mandate Agency &amp; Emergency OT Staffing Preparedness and Coverage</td>
<td>($38)</td>
</tr>
<tr>
<td>Agency Patient Care Temp Staffing Coverage</td>
<td>($64)</td>
</tr>
<tr>
<td>Other Discretionary Spend</td>
<td>($61)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>($552) (14%)</td>
</tr>
</tbody>
</table>
System-wide Revenue and Savings Initiative
FY22 Q2 Update
### Strategic Initiatives Financial Update – FY22 Q2

<table>
<thead>
<tr>
<th>Summary Initiative Category</th>
<th>FY22 Net Target*</th>
<th>FY22 YTD Q2 Performance</th>
<th>FY22 Line Of Sight</th>
<th>Initiative highlights</th>
</tr>
</thead>
</table>
| **Growth and Other Service Line Improvements** | $181 | $101.9 | $180.8 | - 340B Contract Pharmacy ($66M)  
- Medical Necessity Denials Reduction ($32M)  
- Service Line Improvements ($20M)  
- Growth/Retention Strategies ($63M) |
| **Revenue Cycle** | $242.6 | $190.8 | $313.4 | - Administrative Denials Reduction ($101M)  
- Coverage for Eligible Uninsured ($90M)  
- Accounts Receivables Initiatives ($59M)  
- CDI Process Improvement ($54M)  
- Medicaid HCO ($6M)  
- Misc. Revenue Initiatives ($4M) |
| **System Efficiencies** | $34.1 | $14.0 | $23.5 | - EITS Initiatives ($16.2M)  
- Labs Services ($4M)  
- Restructuring and PS ($2.2M)  
- Supply Chain Initiatives ($1.1M) |
| **Value-Based Payment Initiatives and Managed Care Initiatives** | $156.1 | $89.2 | $161.6 | - HARP/SNP Conversions ($43.5M)  
- Am Care Initiatives & Panel Size Alignment ($5M)  
- Improve CRG & Close Care Gaps ($8M)  
- Managed Care High Cost Outliers and Contract Negotiations ($95M)  
- Additional one-time settlements ($10M) |
| **Grand Total** | **$614** | **$395.9** | **$679.3** | |

*Net target reflects updated Jan plan targets for initiatives within Growth, Revenue Cycle, and Value Based Payment categories*
Federal Relief
H+H has paid out approximately $2.6B on direct COVID-19 expenses through January 2022. Current commitments are $3.2B.

We have received $620M in FEMA reimbursement to-date and hope to receive additional reimbursement associated with our PPE submission.

To date, H+H has received $1.2B thus far, largely from the High Impact ($754M), Safety-Net ($359M), and General Allocation Provider Relief Fund ($90M).

We are working on submitting the required reporting for our PRF expenses through 12/31/21.
Revenue Cycle
FY22 Denials – Achieved FY Target in December

- Denial: refusal by a payer to reimburse a claim – either in full or in part – due to the payers’ perception of an error on a claim.
- H+H denial rate was historically higher than industry average.
- FY ‘22 Revenue Cycle Services goal to achieve denial rate better than the benchmarked median of Epic customer base.
- Achieved target in December 2021.
Denials Reduced Across All Categories

Denial Category Change in Denial Rate

Jan. 2021

Jan. 2022

Timely Filing
Provider Credentialing
Registration & Auth.
Claims Configuration
Medical Necessity
Coding
Timely Filing Denials – Reduced by 68% due to Process Improvement

- Claims can be delayed at any point in the revenue cycle process – registration, charging, coding or billing
- Created teams to investigate each area to identify and prioritize solutions
  - System modifications
  - Training
  - Payer collaboration
  - Process
- Test solutions to ensure achieving the intended result → modify and refine
Test and Trace
H+H projects $1.7 billion of expenses in FY22 for Test and Trace Corps

The projected expenses have been updated to include spending for T2’s Omicron response

T2 has committed approximately $385.6 million in expenses for Q2 in FY22

OMB has provided H+H with sufficient revenue through the T2 MOU to cover expenses to date

<table>
<thead>
<tr>
<th></th>
<th>Total FY22 Projected Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing</td>
<td>$ 1,079M</td>
</tr>
<tr>
<td>Tracing</td>
<td>$ 285M</td>
</tr>
<tr>
<td>Take Care</td>
<td>$ 147M</td>
</tr>
<tr>
<td>Vaccine</td>
<td>$ 76M</td>
</tr>
<tr>
<td>Data Analytics, Program Management, and Public Awareness</td>
<td>$ 136M</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 1,724M</strong></td>
</tr>
</tbody>
</table>
Test and Trace Programmatic Changes

- On February 28, CDC recommended to end universal contact tracing.
- In accordance with CDC guidance, Test and Trace will end contact tracing at the end of April.
- Since the launch of Test and Trace, contact tracers have helped over 1 million cases, reaching nearly 90% of cases prior to Omicron; contact tracers have also identified 1.7 million contacts throughout the pandemic.
- Moving forward, cases will be contacted via SMS and provided links to access resources necessary to break chains of transmission and support isolation.
- H+H’s 212-COVID19 hotline will continue to serve as the one-stop shopping for all COVID-19 resources, including the new option for anti-viral oral pill delivery. We will be building out other online tools as well.
- Case investigations and contact tracing for high risk settings will continue through DOHMH.
Appendix
Monthly Service Volume by Fiscal Year

- **Outpatient**
- **Emergency**
- **Inpatient**

**Legend:**
- FY 2022
- FY 2021
FY22 direct patient care revenue (I/P & O/P) is $242.5M higher than FY21 actuals.
Patient revenue improvements year-over-year can be attributed to a combination of higher volume, solid performance and continued improvement in revenue cycle and other strategic initiatives, as well as increased average rates.
Compared to same time last year, discharges are up 17.7%, visits are up 14.6%.
Informational Item: Overview of January 23 Financial Plan

James Cassidy, Director of Fiscal Affairs, Finance
### Operating Revenues

<table>
<thead>
<tr>
<th></th>
<th>Projected 2022</th>
<th>Projected 2023</th>
<th>Projected 2024</th>
<th>Projected 2025</th>
<th>Projected 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Third Party Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>2,415.2</td>
<td>2,445.4</td>
<td>2,486.5</td>
<td>2,529.9</td>
<td>2,555.2</td>
</tr>
<tr>
<td>Medicare</td>
<td>1,414.3</td>
<td>1,437.5</td>
<td>1,450.8</td>
<td>1,465.3</td>
<td>1,480.0</td>
</tr>
<tr>
<td>Other Managed Care</td>
<td>444.5</td>
<td>455.8</td>
<td>472.1</td>
<td>489.0</td>
<td>493.9</td>
</tr>
<tr>
<td><strong>Supplemental Medicaid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disproportionate Share Hospital (DSH)</td>
<td>2,987.1</td>
<td>1,919.0</td>
<td>1,297.0</td>
<td>1,297.0</td>
<td>1,297.0</td>
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<tr>
<td>Other Supplemental Payments</td>
<td>1,997.0</td>
<td>1,437.5</td>
<td>815.5</td>
<td>815.5</td>
<td>815.5</td>
</tr>
<tr>
<td><strong>Subtotal: Third Party Revenue</strong></td>
<td>7,261.1</td>
<td>6,257.7</td>
<td>5,706.4</td>
<td>5,781.3</td>
<td>5,826.1</td>
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<tr>
<td><strong>Other Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Services</td>
<td>1,981.1</td>
<td>717.4</td>
<td>728.3</td>
<td>728.3</td>
<td>728.3</td>
</tr>
<tr>
<td>Grants and Other</td>
<td>1,457.9</td>
<td>1,091.6</td>
<td>1,069.0</td>
<td>537.0</td>
<td>537.0</td>
</tr>
<tr>
<td><strong>Subtotal: Other Revenue</strong></td>
<td>3,438.9</td>
<td>1,809.0</td>
<td>1,797.3</td>
<td>1,265.3</td>
<td>1,265.3</td>
</tr>
<tr>
<td><strong>Strategic Initiatives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplemental Medicaid Programs</td>
<td>1,523.5</td>
<td>834.5</td>
<td>834.5</td>
<td>834.5</td>
<td>834.5</td>
</tr>
<tr>
<td>Federal &amp; State Charity Care</td>
<td>-</td>
<td>-</td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Revenue Cycle and Managed Care</td>
<td>337.6</td>
<td>337.6</td>
<td>337.6</td>
<td>337.6</td>
<td>337.6</td>
</tr>
<tr>
<td>Service Line Improvements</td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
<td>62.0</td>
</tr>
<tr>
<td>Value-Based Payments</td>
<td>51.3</td>
<td>51.3</td>
<td>51.3</td>
<td>51.3</td>
<td>51.3</td>
</tr>
<tr>
<td>Growth</td>
<td>134.0</td>
<td>184.0</td>
<td>234.0</td>
<td>234.0</td>
<td>234.0</td>
</tr>
<tr>
<td><strong>Subtotal: Strategic Initiatives</strong></td>
<td>2,108.4</td>
<td>1,469.4</td>
<td>1,581.4</td>
<td>1,581.4</td>
<td>1,581.4</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>12,808.4</td>
<td>9,536.1</td>
<td>9,085.1</td>
<td>8,628.0</td>
<td>8,672.9</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>Projected 2022</th>
<th>Projected 2023</th>
<th>Projected 2024</th>
<th>Projected 2025</th>
<th>Projected 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>3,516.1</td>
<td>3,248.4</td>
<td>3,265.9</td>
<td>3,284.2</td>
<td>3,349.9</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>1,975.1</td>
<td>1,743.2</td>
<td>1,688.0</td>
<td>1,634.6</td>
<td>1,667.3</td>
</tr>
<tr>
<td>Affiliations</td>
<td>1,497.3</td>
<td>1,511.1</td>
<td>1,570.9</td>
<td>1,625.6</td>
<td>1,674.4</td>
</tr>
<tr>
<td>Other Than Personal Services</td>
<td>5,929.3</td>
<td>3,051.8</td>
<td>2,724.3</td>
<td>2,722.8</td>
<td>2,790.9</td>
</tr>
<tr>
<td><strong>Subtotal: Expenses</strong></td>
<td>12,917.9</td>
<td>9,554.5</td>
<td>9,249.0</td>
<td>9,267.3</td>
<td>9,482.5</td>
</tr>
<tr>
<td><strong>Strategic Initiatives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Efficiencies</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Restructuring and Personnel</td>
<td>10.0</td>
<td>20.0</td>
<td>235.0</td>
<td>310.0</td>
<td>385.0</td>
</tr>
<tr>
<td><strong>Subtotal: Strategic Initiatives</strong></td>
<td>30.0</td>
<td>40.0</td>
<td>255.0</td>
<td>330.0</td>
<td>405.0</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>12,887.9</td>
<td>9,514.5</td>
<td>8,994.0</td>
<td>8,937.3</td>
<td>9,077.5</td>
</tr>
</tbody>
</table>

### Income/(Loss)

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME/(LOSS)</strong></td>
<td>(79.5)</td>
<td>21.6</td>
<td>91.1</td>
<td>(309.3)</td>
<td>(404.6)</td>
</tr>
<tr>
<td><strong>OPENING CASH BALANCE</strong></td>
<td>737.3</td>
<td>657.9</td>
<td>679.5</td>
<td>770.6</td>
<td>461.4</td>
</tr>
<tr>
<td><strong>CLOSING CASH BALANCE</strong></td>
<td>657.9</td>
<td>679.5</td>
<td>770.6</td>
<td>461.4</td>
<td>56.7</td>
</tr>
</tbody>
</table>
The City, in conjunction with H+H, released our FY23 January financial plan in early March. The plan projects the system with a negative operating margin of $80M in FY22 due in large part to the expected timing of the receipt of additional FEMA funds. The system projects positive operating margins of $22M and $91M in FY23 and FY24, respectively, as we catch up on the receipt of the FEMA funds. Over each of the three years, the system anticipates consistent and stable ending cash balances between $658M and $771M, respectively (30-35 days cash-on-hand). The plan includes Strategic Initiatives totaling $1.5B in FY23, growing to $2.0B by FY26 due to the anticipated DSH cuts beginning as of October 1, 2023 (resulting in $600M in cuts annually). If the DSH cuts continue to be delayed, net margin would remain approximately break even in FY25 and FY26. The plan continues to assume that H+H will be made whole for its expenses associated with COVID through a combination of patient care revenue, Provider Relief Funds (PRF), and FEMA.

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>12,808.4</td>
<td>9,536.1</td>
<td>9,085.1</td>
<td>8,628.0</td>
<td>8,672.9</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>12,887.9</td>
<td>9,514.5</td>
<td>8,994.0</td>
<td>8,937.3</td>
<td>9,077.5</td>
</tr>
<tr>
<td>Income/(Loss) = Net Margin</td>
<td>(79.5)</td>
<td>21.6</td>
<td>91.1</td>
<td>(309.3)</td>
<td>(404.6)</td>
</tr>
<tr>
<td>Closing Cash Balance</td>
<td>657.9</td>
<td>679.5</td>
<td>770.6</td>
<td>461.4</td>
<td>56.7</td>
</tr>
</tbody>
</table>