

Date: March 13, 2023
Time: 11:00 A.M.
Location: 50 Water Street, 17th Floor,
Boardroom – In Person

I. Call to Order

Freda Wang

Adoption of the January 9, 2023 Minutes

II. Action Item: BASE Tactical Best Interest Renewal

Michline Farag

Authorizing New York City Health and Hospitals Corporation (the “System”) to enter into a 5-year best-interest contract extension with BASE Tactical Disaster Recovery, Inc. (“BASE Tactical”) to provide project management and consulting services for the repair, restoration and hazard mitigation of System facilities damaged by Hurricane Sandy with the System holding two 1-year renewal options for an amount not to exceed \$6,800,000 over the potential seven-year term.

Additionally - to extend the current 2016 contract terms ending June 30, 2023 to December 30, 2023 to allow for the expenditure of the balance of \$1,407,641.37 for Superstorm Sandy.

VENDEX APPROVED / EEO APPROVED

III. Action Item: Housing Location and Placement Services

Leora Jontef

Authorizing the New York City Health and Hospitals Corporation (the “System”) to contract with Coordinated Behavioral Care, Inc. (“CBC”) to provide housing location and placement services (“HLPS”) for a term of three years with one 1-year option exercisable only by the System for an amount not to exceed \$14,054,014 over the potential four-year term.

VENDEX APPROVED / EEO APPROVED

IV. Action Item: Mental Hygiene Legal Services

Preethi Swamy

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute five-year agreements with each of the five law firms

Abrams Fensterman, LLP, Law Office of Barbara J. Berwitz, McAloon & Friedman, P.C., Alaw Offices of David Smoren, PLLC and Vigorito, Barker, Patterson, Nichols & Porter LLP (the “**Firms**”) for the provision of legal representation in matters under the New York State Mental Hygiene Law (Behavioral Health and/or Guardianship) on behalf of the System on an as-needed basis for an initial period of three years with two one-year options to renew for an amount not to exceed \$12,000,000 over the entire potential five-year term.

VENDEX APPROVED:
McAloon & Friedman, P.C.

VENDEX PENDING:
Abrams Fensterman, LLP, Law Office of Barbara J. Berwitz, Alaw Offices of David Smoren, PLLC, Vigorito, Barker, Patterson, Nichols & Porter LLP

EEO PENDING:
Abrams Fensterman, LLP, Law Office of Barbara J. Berwitz, McAloon & Friedman, P.C., Alaw Offices of David Smoren, PLLC, Vigorito, Barker, Patterson, Nichols & Porter LLP

V. Financial Update

John Ulberg

VI. Old Business

Freda Wang

VII. New Business

VIII. Adjournment

Finance Committee MEETING - January 9, 2023

As Reported By: Freda Wang

Committee Members Present: Freda Wang, Machelles Allen, MD, Barbara Lowe, Sally Hernandez-Piñero, José Pagán, Dr. Patricia Marthone

CALL TO ORDER

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 12:04 p.m.

Ms. Wang noted for the record that Dr. Machelles Allen is representing Dr. Mitchell Katz in a voting capacity.

Ms. Wang called for a motion to approve the December 5, 2022 minutes of the Finance Committee meeting.

Upon motion made and duly seconded the minutes of the Finance Committee meeting held on December 5, 2022 were adopted.

ACTION ITEM: Patient Transportation

Mr. Matthew Siegler - Senior Vice President - Office of Patient Growth read the resolution into the record and proceeded with the presented:

Authorizing New York City Health and Hospitals Corporation (the "System") to contract with Ambulnz Holdings, LLC (the "Contractor") for a single-vendor patient transportation system for a term of three-years with two 1-year options exercisable only by the system for an amount not to exceed \$94,762,581.

Ms. Katelyn Prieskorn - Senior Director, began by providing the background and current state of Patient Transportation. NYC H+H requires a reliable ambulance and ambulette transportation contract that builds on the single vendor contract from 2019 and expands the contract scope and incentives to align with System needs for intra-facility transfers. Prior contract terms and scope of work were noted. The current on-demand transportation contract led to a series of improvements in consolidating transportation services through one vendor. However, as a result of COVID-19 and a Statewide/Nationwide staffing shortage for EMTs, and Paramedics, and thus the need to revisit the contract and open up for a new RFP. Further aligning the contractual incentives with a new vendor to be able to drive performance forward and continue the gains made on interfacility transfers and optimize length of stay by consistency around discharged timeliness. The new transportation RFP was released in August 3, 2022 for three scopes of work. These include dedicated Advance Life Support (ALS) resources for emergent inter-facility transfers, all other ambulance and ambulette transportation

including non-critical transfers and routine discharges, and Transfer Center Services.

Ms. Prieskorn continued by providing an overview of the procurement process and RFP criteria. All vendors considered were closely evaluated and have a strong experience with similarly large health care systems. Ambulnz Holdings, LLC was the highest rated proposer for each scope of work.

In terms of M/WBE goal setting, the vendor diversity team analyzed the availability of MWBEs to perform the scopes of work identified for subcontracting and their capacity to perform at the scale of such scopes of work. The vendor diversity team identified only one MWBE ambulance vendor that currently provide the services in NYC and only two MWBE ambulette vendors. Both of these vendors did not meet the minimum criteria for responding to the RFP. These vendors would be able to operate as subcontractors but not as the prime contractor. We expected that staffing services would be self-performed in line with our historical experiences.

An overview of the MWBE plan was presented. Ambulnz Holdings, LLC proposed a different business model than anticipated and the model does not involve any subcontracting to ambulance or ambulette vendors; however, it does use contracted staffing services. Further, Ambulnz Holdings, LLC has done extensive and successful work under the T2 program where it met a 30% MWBE goal and as result has incorporated MWBE participation into its business practices. Although no goal was set in the RFP for MWBE subcontracting, due to Ambulnz Holdings, LLC's different business model, it was able to commit to a minimum of 10% MWBE utilization. Ambulnz Holdings, LLC has identified and proposed contracting with two MWBE vendors and this represents 10% of the total contract value. Ambulnz Holdings, LLC has also agreed to continue to explore opportunities with H+H to grow that percentage over the contract lifespan.

Ms. Prieskorn continued by presenting the implementation plan. Ambulnz Holdings, LLC proposal includes co-branded ambulances and leased hour Advanced Life Support (ALS) and Basic Life Support (BLS) ambulances, designed to guarantee availability for critical inter-facility transfers and timely discharges. The implementation plan is to be finalized with Ambulnz Holdings, LLC and current vendor and contingent on successful implementation and documented performance from Ambulnz Holdings, LLC. The target timeframe for the next several months were noted.

Ms. Wang polled the committee for questions.

Ms. Hernandez-Piñero inquired on the business model, how is the model operated under the prior vendor and under Ambulnz Holdings.

Ms. Prieskorn responded that in the current model there are a number of resources that are pooled resources. This means our request as a System as well as any other system that the vendor works with, are all competing for the same resources. In this new model, there are dedicated resources to both our System and our facilities. Even if the vendor is working with a

different system, our resources are our own, and the systems would not be able to leverage those resources.

Ms. Hernandez-Piñero continued inquiring if there is some analytical work done to assess what the appropriate level of resources is, and then you still have the ability to access more if the demand levels are beyond what was anticipated, correct?

Ms. Prieskorn agreed. We are going through a series of conversations currently, looking at our current demand, our volume of transports, the time of day that these transports occur and we are matching that with a number of resources that would be needed. That comes to our dedicated model. Ambulnz also offers resources that are pooled in which we could leverage if we have a request exceeding that volume of dedicated resources that we have available to us.

Ms. Wang added, if the estimate for what is dedicated is too high, are we going to be paying for unused?

Ms. Prieskorn noted that is a great question. What have built into the contract is that ability to look at our dedicated resource hours, and if there is a high idle rate, we can reduce that number of hours that we have requested dedicated resources. That is the expectation we would have to minimize the inefficiencies under that could be experienced under that model.

Ms. Hernandez-Piñero asked what did we learn under the old model and what could have been done differently; possibly the penalties could be one thing.

Ms. Prieskorn responded yes, the penalties are considerable. It aligns the contractual obligations with the needs of the System. If the vendor performs well they have incentives to do so, if they do not we have the ability to disincentivize them. We have also learned that the technology that our staff used to both monitor and make requests is better facilitated directly through the EMR through Epic. This vendor has the ability to do that, and it streamlines the transportation requests process for our facility staff and also enables our units to be able to see on a map, here is where the resource is, and thereby have a sense of how quickly are they going to be arriving to the facility and assist that patient. That minimizes the at-scene time that the ambulance or ambulette crew is waiting for that patient discharge to occur.

Ms. Hernandez-Piñero inquired regarding a sentence on page 3, includes requirements for EMR transportation request integration to minimize duplicate documentation maximize insurance capture, what does that mean?

Ms. Prieskorn responded that having the integration with EMR will allow our facility staff to pull the demographic information from the patient's chart automatically, and not duplicate the insurance information. In the current state, our facilities staff are typing in the demographic's information, the insurance information, there are opportunities to refine that process and ensure that happens consistently. This integration would ensure that

it happens automatically, the demographics and insurance information would flow through the request.

Ms. Lowe added as we have a lot of activity on the road every day and night of competing entities, how do we work out the labor issue if there were any?

Mr. Siegler noted that the staffing of these vehicles was the number one challenge for our current vendor and will be the number one challenge for this vendor. It is a critical period for this workforce around the whole country. The scale of the sign-on bonus for people, the level of pay for EMTs, it has dramatically changed versus three years ago. Ambulnz as a model and as an employer, is an attractive one. They are going to be making a big push to staff up for this, and monitoring how that proceeds and how successful they are at that, will be one of the things that will determine how successful this contract is. One of the attractive things about Ambulnz is that they have done a great work for us through the T2 program. Their founder and CEO's, parents both worked at Bellevue and they view this as a commitment to the City and to our System in a profound way. Certainly, there is financial interest for them in this, however, our experience with them has been positive. There will be open lines of communication and a lot of good work with them to make these critical staffing investment and other things happen to be successful here as it is a big step.

Ms. Lowe inquired regarding the financing of the trucks. Will it be financed by us or Ambulnz?

Mr. Siegler responded, Ambulnz is factoring it in and we have been impressed to see the age of the trucks that they require for their fleet, how quickly they refresh them, and that is very important for us and they will be financing them themselves.

Ms. Lowe asked regarding the training, and added that we are hopeful there is good alignment with our standards.

Mr. Siegler responded that they are responsible for their own training. A key area we would like to explore and it is important to us is joint performance improvement, "package time," how quickly when our patient is ready to go, how can our teams work together to transfer that patient from the bed to the ambulance, the speed of that in minutes means a great deal. Having a partner that can work with us on that and shares joint training standards, and then we can build together.

Ms. Lowe inquired regarding the training, who is administering the training and will we lead the training of their staff?

Mr. Siegler responded that we will not lead the training of their staff it is their separate responsibility.

Ms. Hernandez-Piñero added that we talked about performance and lesson learned and this is a big contract for a critical service; Our ability to pivot on these things is limited just because of how integrated it is and

what we do, so how timely we were able to intervene when the service began to degrade under a prior vendor, have we learned how to monitor and address those kinds of issues?

Ms. Prieskorn responded, absolutely. The first piece is to build up the contract incentives and make sure those are aligned so that they keep their staffing levels to where we need to be. The second is transparency on data and their ability to have resources around the System. We will be tracking very closely their on-time compliance, will be continuing to monitor and evaluate what happens in situations in which they are on-time compliance was not met, is there a systemic issue or a one off. How do we address those systemic issues with performance improvement projects? But jointly by our team and their leadership team, and potentially the facility that may be involved as well.

Mr. Siegler added that the key learnings from that process are reflected in the scope of work in the RFP. With our current vendor we push them and invested more within our allotted amount from the Board to have them dedicate resources in strategic locations between key facilities so we would place a vehicle dedicated either at South Brooklyn Hospital or between Kings and SBH, a separate vehicle near the Tri-borough bridge, because it's central to a few of our hospitals. That model had some success, but our ability to double down on it and to put as much dedicated resources as we wanted was not there with the previous vendor. Similarly, on the data transparency side, Katelyn did a tremendous job of tracking and daily, weekly meetings with this vendor, the back-end data infrastructure with the current vendor is not as unified, integrated and high quality as the Ambulnz data systems. Those two things are very real and tangible changes in investments that we used in designing the RFP and then rating this vendor.

Dr. Allen thanked the team for their availability over the weekend while we were planning to support the voluntary hospitals that would go on strike.

Dr. Allen inquired regarding the facilities that are being targeted. Are we targeting the level 1 trauma sites or are we targeting all of our facilities?

Ms. Prieskorn responded we are targeting all facilities. For ease of rollout, it's easier for the vendor to go borough by borough. If we feel we need to scale up differently as a result of the strike or other circumstances this vendor has been more than happy to modify the implementation plan and adjust the rollout dates based on the System's needs.

Dr. Allen asked regarding metrics. We may lose out in trying to retain our patients with H+H as some hospitals may show up quicker, are there benchmarks that we can follow or benchmarks that we can compete with the voluntary ambulances?

Mr. Siegler responded, certainly the SLAs that we have in our current contract and that we are exploring with the new one, we view as market standards within 20 minutes arrival for any emergency transport over 85

percent of the time has been the standard. Some voluntary hospitals have traditionally parked their ambulance at our facilities and just waited, so that certainly reduces the average for a trip time. We have struggled to beat that with our current vendor, the current model and the constraints of the System. That is certainly something we look at. We know the transportation teams at different private facilities and looked at it and try to line ourselves up with the market but that does seem like a metric we measure ourselves against and we will continue to push on.

Dr. Allen asked if there are incentives built into this.

Mr. Siegler responded that will be key and it will be part of this contract. We cannot formally negotiate and finalize the contract until we obtain complete Board approval. The vendor know that is where we are headed and it will be a fundamental part of what we will require for this contract.

Ms. Wang inquired regarding the contract value. Prior contract was \$22M for the four years. Ms. Prieskorn agreed.

Ms. Wang continued, we are approving \$94M for the 5 years for the new contract.

Ms. Prieskorn added, our spent under the prior vendor was about \$5.5M annually and with the additional scopes of work and the investments that we are looking to make, and having those resources available, dedicated. That accounts for the increase spend.

Ms. Wang added, we demonstrated how important that was in terms of the value that it helps us capture and retain and hopefully, it will continue. As mentioned, the dedicated services, three scopes of work, the first one did not previously exist. I did not hear what was said on the transfer center.

Ms. Prieskorn explained the transfer center is the medical communication center, effectively the call center which our physicians utilize in order to transfer a patient from one facility to the next. The transfer center follows a series of protocols to be able to connect the referring provider with the appropriate team at the destination facility and so they can make the physician connection. They work with that assignment teams at the destination and then they facilitate transportation with our vendor.

Ms. Wang added, we did not have that in the contract before. This is new also. How was that performed before?

Mr. Siegler added that we had a separate vendor with a separate scope of work. Ambulnz applied to do it and we thought the integration of all the scope was a better result for us. As integrated as it is in the electronic health record, there is still a value of doctor to doctor, nurse to nurse, which bed is this patient going to, how far away are they, what do they need, and making sure people are not waiting on hold and connecting them directly. It is still something we want to work on and we may bring it in house at some point. It is a function that a lot of Systems do themselves.

Ms. Wang added that she wondered if it was in house before, but it was stated H+H used a separate vendor.

Mr. Siegler continued that it is just a question of how we want to work and that Ambulnz is open to partnering with H+H closely and we will build something good with them.

Ms. Hernandez-Piñero asked if Ambulnz would be able to give us some scenarios of how well they are doing, through our QAPI. The medical management is very critical at their level. Just wondering if we have that role as well.

Mr. Siegler responded it is an excellent idea. However, we will not build into the contract. Certainly, reporting on clinical outcomes we track ourselves, but bringing it to the quality committee is a great idea and if they are open to that, we would be happy to bring that. Thanks for the suggestion.

Following the discussion and upon motion made and duly seconded, the Committee unanimously approved the resolution for consideration by the Board.

FINANCIAL UPDATE

Mr. Cassidy opened the presentation with the FY-23 Cash Projections. The System expects to close December with approximately \$450M (20 days cash-on-hand). The System also expects to close January with approximately \$600M (26 days cash-on-hand). In addition, 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 patient volume and COVID-19.

Mr. Cassidy presented the State/Federal Risks and New Opportunities. The System works towards the successful implementation of UPL conversion, Special Populations, and Behavioral Health Centers of Excellence. Further, receive all retro, lump-sum fee-for-service UPL payments. We continue to advocate, alongside other safety-net coalitions, to avoid any cuts to Medicaid rates or the 340B pharmacy benefit. Push for new opportunities to increase reimbursement for safety-net systems, including eliminating DSH cuts and changing the federal DSH cap status to enable safety-net systems to earn a margin. We also request the continuation of workforce flexibility and telehealth parity to help H+H continue to rebound from COVID-19 and enable us to continue to best care for our patients.

Ms. Wang polled the committee for questions.

Ms. Lowe asked if there is information on the web regarding the financial plan for the common person to see.

Mr. Cassidy responded that we bring our financial plan on a cash basis to the Board each year, we will bring that at our next meeting.

Ms. DeHart added that beyond what is reported in the meeting, H+H budget is not put up on the web. The Mayor's report is presented differently. There is our financial plan which is incorporated into the City's financial plan. But at this point, we could say it maybe once a year and sometimes twice a year published on the City's site.

Dr. Allen inquired in regards to the bullets where we are looking to receive some payments and the bullets we are looking to avoid cuts, has this been monetized at all? How does it work out in our favor?

Mr. Cassidy responded that from the perspective of the first bullet, those are definitely the biggest dollar figures, but it is a lot of items that we have been waiting on for a long time. Most of it is to help meet our financial plan at the end of the day. It is not necessarily a ton of new money beyond what we have been hoping for. Certainly, getting all the approvals would be very beneficial from a cash perspective.

Ms. Wang asked if Special population would be new money.

Ms. DeHart responded that we believe this would be new money. However, we are still working through that proposal with the State and CMS. It ultimately depends specifically on what CMS approves and we have a lot of projecting to do there in terms of what we think will happen with that population over time. First and for most, that program is really an investment to improved care management and improved care outcomes for a very vulnerable high need population. Over the long term, given our track record, with Care management and risk arrangements, we expect to see some benefit. Ms. Wang added the first bullet is almost money that we already are owed.

Ms. DeHart added it is a mix. The UPL payment and retros is definitely money that we are owed and we have specific amounts that we are expecting.

Ms. Wang added the conversion is more just stabilizing our cash flow as opposed to generating new dollars.

Ms. Dehart agreed and added that special populations and behavioral health would be newer programs and based on how we have managed these types of special funding programs in the past, they replace things that may have cycled out. In that sense they may not necessarily be new funding, although they are new programs that we are not currently budgeted to receive.

Dr. Allen asked if we do not get the money that is owed to us, or the new money and we cannot avoid the cuts, how much trouble are we in financially?

Ms. DeHart responded that we continue to manage with the City and we have a contingency built into our financial plan that we expect to work out the majority of these items and their value is yet to be determined. With the potential risks under the State budget, we evaluate as we go. We built a little bit of cushion in our plan to anticipate some of these things that may ultimately impact us but we are still managing it. We have an ongoing analysis on our five-year plan of how we are going to deal with not just

these items, but other cost pressures that we have. There is a balance of initiatives and if these things come to fruition, we would have plans in place to address them within the financial plan.

Ms. Wang added that it would not be good not to receive it.

Dr. Allen inquired in regards to the work with NYSA and the voluntary hospitals agreements with the 18% salary increases, providing the benefits, if we had to take that on, how does that fit into our budgetary projections in simple terms. Is it going to be a major impact for us to meet NYSA and what the voluntary are agreeing to?

Ms. DeHart responded that we built in some baseline assumptions and collective bargaining increases over time in our financial plan. It may not exactly line out to what is ultimately negotiated. However, we continue to look to the City as they have been for the past few years funding collective bargaining for us. That has been a huge assistance to our financial plans. We would continue to have those conversations. There are many things externally that have potential to escalate cost or affect revenues. We balance that in our discussions internally, what can we do to improve and find savings, what do we need to discuss with the City about how we work with them to deal with our overall financial plan.

Dr. Allen and Ms. Wang thanked the team.

Ms. Jones commenced a presentation providing the programmatic update on HERRC. On October 7, 2022 Mayor Eric Adams announced a State of Emergency based on the arrival of thousands of individuals and families seeking asylum in NYC. Mayor Adams issued an Emergency Executive Order 224 which ordered the opening of Humanitarian Emergency Relief and Recovery Centers (HERRC) and tasked H+H with oversight. The services provided by the HERRC sites were noted. As trends in arrivals of asylum seekers to NYC remain unpredictable, the length of the program and quantity of HERRC sites remains unknown.

Ms. Jones informed the Committee that approximately \$92.4M has been committed for HERRC through December. There are currently 4 sites open supporting these individuals. OMB has agreed to provide H+H with sufficient revenue through the HERRC MOU with the Mayor's Office to cover HERRC expenses.

Ms. Wang asked how many individuals are residing at these 4 sites.

Ms. Jones responded that she does not have the exact number, but about seven thousand last week.

Ms. Hernandez-Piñero commented regarding the projected 1 billion dollars for migrants proposed by the Mayor, as we do not know what his number includes seems far from the \$94M.

Mr. Cassidy responded the billion dollars that the mayor has been referencing includes all the City agencies, includes the work that we are doing for the HERRCs as well as the other agencies such as the Office of

emergency management, department of social services and department of homeless services. HPD is also doing work under that billion dollars as it would be a city-wide effort through the entirety of fiscal year 2023.

Ms. Hernandez-Piñero inquired regarding the additional services we offer, such as providing the social services and food and clothing, shelter, are we using other agencies to do that or are we doing that ourselves?

Ms. Jones responded that it is a mix. We have a lot of vendors supporting that work as well as working with others in the task force.

Ms. Wang asked regarding the \$94M does it include these services that we are managing. Ms. Jones agreed and added it is what we have incurred so far through December for the sites that are operational.

Ms. Wang asked regarding medical care, is it all onsite care?

Ms. Jones agreed and added that we have health vans that are at certain sites that provide intake of people arriving as well as vaccines and other basic medical care as needed.

Ms. Wang added that if they are taken to a hospital, is that also counted in that care once they arrive at the hospital or no?

Mr. Cassidy responded that this is not inclusive of care in our facilities, only at the sites associated with HERRC.

Mr. Pagán inquired on the financial side, how does this impact our cash flow; do we get the funds to cover those incurred expenses right away?

Mr. Cassidy agreed and added that we have been working with OMB in terms of the revenues that they have available, that they put in their financial plan to draw the funds as we paid them out. We have paid out less than we have committed, and we are continuing to work with them on an ongoing basis to ensure that it does not negatively impact our cash flow.

ADJOURNMENT

There being no further business before this committee, the meeting adjourned at 12:49 PM.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to enter into a 5-year best-interest contract extension with BASE Tactical Disaster Recovery, Inc. (“BASE Tactical”) to provide project management and consulting services for the repair, restoration and hazard mitigation of System facilities damaged by Hurricane Sandy with the System holding two 1-year renewal options for an amount not to exceed \$6,800,000 over the potential seven-year term.

Additionally - to extend the current 2016 contract terms ending June 30, 2023 to December 30, 2023 to allow for the expenditure of the balance of \$1,407,641.37 for Superstorm Sandy.

WHEREAS, four System facilities, NYC Health + Hospitals/Bellevue, NYC Health + Hospitals/Coler, NYC Health + Hospitals/South Brooklyn Health and NYC Health + Hospitals/Metropolitan sustained major damage in October 2012 as a result of Hurricane Sandy; and

WHEREAS, the System originally engaged BASE Tactical on an emergency basis in 2012 to provide disaster recovery consulting services including advising the System in its negotiations and other dealings with FEMA and assisting to manage the temporary repair and restoration of the impacted facilities; and

WHEREAS, in part, due to the work of BASE Tactical, the System secured a \$1.7 Billion grant from FEMA to perform emergency repairs and to undertake “mitigation” projects to ensure that the damaged facilities can withstand another hurricane similar to Sandy; and

WHEREAS, in May 2016, H+H conducted an open and competitive request for proposals process to procure a disaster recovery consultant and, with the approval of the System’s Board awarded BASE Tactical a three-year agreement with two 1-year options both of which the System exercised; and

WHEREAS, although much of the FEMA funded disaster recovery work has been completed, most notably the construction of the Ruth Bader Ginsberg Pavilion at NYC Health+ Hospitals/South Brooklyn Health, considerable work remains including responding to customary audit questions and challenges from FEMA as to completed work; and

WHEREAS, the System will continue to need the services of a disaster recovery consultant; and

WHEREAS, the cost of a disaster recovery consultant such as BASE Tactical is reimbursable by FEMA as a Direct Administrative Cost; and

WHEREAS, the Contract Review Committee supported the renewal of the BASE Tactical contract and an increase in its funding on a “Best Interest” basis because the work remaining to be completed is so intimately associated with the System’s original FEMA application and the work previously done, which is especially true with regard to responding to FEMA audit requests as to previous submissions to FEMA; and

WHEREAS, BASE Tactical rates of compensation will continue the pattern set in previous contracts of 3% annual increases; and

WHEREAS, BASE Tactical has a 30% MWBE goal on its contract and has achieved 61% to date; and

WHEREAS, the BASE Tactical agreement will be administered by Central Office Finance in collaboration with the Office of Facilities Development.

NOW THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the “System”) is authorized to enter into a 5-year best-interest contract extension with BASE Tactical Disaster Recovery, Inc. (“BASE Tactical”) to provide project management and consulting services for the repair, restoration and hazard mitigation of System facilities damaged by Hurricane Sandy with the System holding two 1-year renewal options for an amount not to exceed \$6,800,000 over the potential seven-year term.

Additionally - that the System is authorized to extend the current 2016 contract terms ending June 30, 2023 to December 30, 2023 to allow for the expenditure of the balance of \$1,407,641.37 for Superstorm Sandy.

EXECUTIVE SUMMARY
COORDINATED BEHAVIORAL CARE, INC.
HOUSING LOCATION AND PLACEMENT SERVICES

OVERVIEW: Four System facilities, NYC Health + Hospitals/Bellevue, NYC Health + Hospitals/Coler, NYC Health + Hospitals/South Brooklyn Health and NYC Health + Hospitals/Metropolitan were damaged by Hurricane Sandy in 2012. In 2015, the System, working with BASE Tactical and the City, secured \$1,722,705,384 in FEMA funds to perform emergency repairs and “mitigation” work to ensure that the impacted facilities can withstand a second Sandy-type storm. To date, a great deal of work has been completed. Notably, the Ruth Bader Ginsberg Pavilion at South Brooklyn Health has been substantially completed. Work at the four facilities has been done to repair damage caused by the storm and much work has been done to move sensitive equipment, such as electrical switch gear and elevator motors from basements to higher floors. However, more complex mitigation work remains. Among such work is the construction of a flood wall to the east and north of each of Bellevue and Metropolitan and an earthwork berm to the north of Coler.

VENDOR BACKGROUND: BASE Tactical is a small firm but with considerable relevant experience. The firm combines many years of having negotiated with FEMA with familiarity with construction contracts and hospital operations. BASE Tactical represented the City of Cedar Rapids in a \$3.18 Billion FEMA grant in 2008 and subsequently handled projects for Nashville, Denver, the Denver health system and anticipates work with Houston. Whereas, many people are familiar with FEMA rules, many fewer people know how FEMA applies its rules.

The System originally engaged BASE Tactical on an emergency basis in 2012 to provide disaster recovery consulting services including advising the System in its negotiations and other dealings with FEMA and assisting to manage the temporary repair and restoration of the impacted facilities. In May 2016, H+H conducted an open and competitive request for proposals process to procure a disaster recovery consultant and, with the approval of the System’s Board awarded BASE Tactical a three-year agreement with two 1-year options both of which the System exercised.

PROCUREMENT: The System seeks approval for a “Best Interest Extension” of the BASE Tactical agreement with an increase in its funding. As explained, considerable, mostly mitigation work remains to be done to spend down the FEMA grant. All that work involves executing preliminary plans presented to FEMA in 2015. Thus, it is necessary to have an intimate knowledge of the plans presented in 2015 and the understandings that established the context for such plans. Because BASE Tactical worked on such plans, it has that familiarity in a way that no new consultant could ever have. Additionally, it is a part of standard FEMA practice to audit all claims paid out and we anticipate such audits as to the System’s completed work. BASE Tactical helped to assemble those claims and so knows them in detail. Additionally, BASE Tactical understands and has established relationships with the many governmental bodies involved in the System’s disaster recovery claims. Besides FEMA, these include the New York State Office of Homeland Security through which the Federal funds flow, the City’s Office of Management and Budget that oversees all FEMA grants in the City, and all of the departments within the System that are involved. Given the length of BASE Tactical’s involvement, it has more historical knowledge of the impact on the System than all but a few System employees.

TERMS: \$1.4M was left unspent from the previous contract. \$6.8M is requested in new money. The total not-to-exceed cost for the proposed contract over its full potential 7-year term will not exceed the sum of those figures, \$8,200,000.

MWBE: BASE Tactical is committed to a 30% MWBE subcontracting plan.

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

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

Re: Vendor responsibility, EEO and MWBE status

Vendor: Base Tactical Disaster Recovery, Inc.

Date: February 28, 2023

Digitally signed by
Keith Tallbe
Date: 2023.02.28
14:24:25 -0500

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

<u>Vendor</u>	<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Base Tactical Disaster Recovery, Inc.	Approved	Approved	30%

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.

BASE Tactical Best Interest Renewal

**FEMA Reimbursement Consultant Services
and Hazard Mitigation for NYC Health + Hospitals**

Finance Committee Meeting - March 13, 2023

**Michline Farag, Sr Ast Vice President, Central Office Finance
Manny Saez, Sr Ast Vice President, Office of Facilities Development
Oscar Gonzalez, Sr Ast Vice President, Office of Facilities Development
Anniqua Brown, Sr Director, Office of Facilities Development**

For Committee Consideration

Authorizing New York City Health and Hospitals Corporation (the “System”) to enter into a 5-year best-interest contract extension with BASE Tactical Disaster Recovery, Inc. (“BASE Tactical”) to provide project management and consulting services for the repair, restoration and hazard mitigation of System facilities damaged by Hurricane Sandy with the System holding two 1-year renewal options for an amount not to exceed \$6,800,000 over the potential seven-year term.

Additionally - to extend the current 2016 contract terms ending June 30, 2023 to December 30, 2023 to allow for the expenditure of the balance of \$1,407,641.37 for Superstorm Sandy.

Background

- BASE Tactical is a disaster recovery consulting firm with expertise in business management and logistical coordination, providing services since 2008. Their specialty is in emergency management including FEMA Public Assistance grants (*Hazard Mitigation with 404/406 funding as well as FEMA 428 funds*) and construction management.
- A disaster recovery consulting firm is needed due to the administrative complexity of FEMA reimbursable work and the lack of in-house expertise and resources in this area.
- Currently, NYC Health + Hospitals has over \$1.7B in FEMA grant funding for Superstorm Sandy repairs with allotted FEMA Direct Administrative Cost dollars (DAC).
- BASE Tactical also provides services for Hurricane Ida grants development – currently in the process of applying for FEMA grants across NYC Health + Hospitals with its own approved DAC.
- BASE Tactical services are funded through FEMA grants via Direct Administrative Costs.
 - Direct Administrative Costs are defined as the administrative costs that enable grant development, grant reimbursement and grant closeout.
(*DAC \$\$ are calculated at 4% of total repair, restoration and mitigation dollars*)

Superstorm Sandy Projects

- NYC Health + Hospitals' major work relates to Superstorm Sandy and is on-going. BASE Tactical has provided critical input thus far in maintaining FEMA compliance requirements.
- Bellevue Hospital
 - Grant total: \$498M
 - NYC Health + Hospitals has completed nearly all of the Priority Mitigation Projects within the hospital regarding the medical gas system and flood barriers at elevators. To date, \$161M has been spent.
 - Additional major work is still ongoing toward completing the design of the community floodwall, estimated budget of \$247M, with a projected completion date of 2030.
- Coler Hospital
 - Grant total: \$180M
 - NYC Health + Hospitals has completed seven of our Primary Mitigation Projects within the facility, spending \$43M to date.
 - Ongoing Major Work project for the development of berm to protect Coler Hospital from a 500-year sea level rising, estimated budget of \$95M and projected to be completed by 2026/2027.

Superstorm Sandy Projects (cont.)

- Metropolitan Hospital
 - Grant Total: \$120M
 - NYC Health + Hospitals has completed our Critical Quick Connects project, spending \$13M to date.
 - Currently, we are developing a floodwall to protect the hospital from the 500-year sea level rising, estimated Budget of \$117M to be completed by Dec 2024.

- South Brooklyn Health
 - Grant total: \$922M
 - NYC Health + Hospitals has completed the majority of South Brooklyn Major Work including our Critical Services Structure (resilient acute care hospital) and building a new permanent mitigation structure. Currently, NYC Health + Hospitals has spent \$567M to date.
 - South Brooklyn Health New CSS 10 Story building is almost completed and is expected to be open by the end of this year/early 2024.

COVID-19 Services - Emergency Contracting

- BASE Tactical also provides services for our response to COVID-19. COVID-19 work is separate from the base contract renewal, contracting with BASE Tactical for COVID-19 services procured through emergency contracting.
- BASE Tactical has provided services from the beginning of the pandemic, assisting in grants development and reimbursement processes. We are currently wrapping up their COVID-19 services since FEMA has issued a cut off date for COVID-19.
- BASE Tactical's COVID Task Order Status -

	Dollar Amount
Budget: Services from 03.01.20 – 02.28.21	\$1,500,000.00
Budget: Services from 02.28.2021 – 02.28.2023	\$3,120,000.00
Spent to Date	(\$2,069,592.29)
Dollars Left	\$2,550,407.71

Request for Extension

- BASE Tactical was procured in 2016 via public RFP. The existing contract expires on June 30, 2023.
- OFD/Finance is requesting:
 - to extend the term of the current 2016 contract to December 2023 to allow for the spend of the remaining \$1,407,641.37M for Superstorm Sandy FEMA work.
 - a 'best interest' extension for an additional seven years (five years and two one-year extensions) at \$6.8M in additional dollars.
- This extension is specific to the work around Hurricane Sandy Projects (Bellevue, South Brooklyn Health, Coler and Metropolitan Hospital), which may go beyond city fiscal year 2030 as well as any Hurricane Ida needs.
- BASE Tactical has a 30% MWBE goal on their contract and has achieved 61% to date with CJE Services LLC for services relating to damage site assessment.

All Contracts	Balance	Dollar Amount
2016 Contract	Total Contract Value (07.01.16 - 06.30.23)	\$15,518,873.32
	Spent to Date (as of 11.30.22)	(\$14,111,231.95)
	Balance	\$1,407,641.37
New Contract Request	Best "Interest" Renewal additional 7 years (07.01.23 – 06.30.30)	\$6,800,000.00

- FEMA consulting fees are reimbursable by FEMA and must meet their price reasonableness guidelines. These guidelines include fees by resource type, by task, and time billed for task by the appropriate resource.
- BASE Tactical was one of the early consulting firms specializing in FEMA reimbursement; the market has grown with traditional consultants without this level of expertise entering the field.
- The rates charged Base Tactical met the price reasonableness guidelines of FEMA that they apply across the industry.
- NYC Health + Hospitals FEMA Grants Unit reviews all invoices to ensure all work indicated is validated.

- The challenge with onboarding a new vendor mid-project is that a new vendor would accept no liability to claims that are currently submitted. Also, any new vendor would require significant re-work of the documentation and supporting due diligence of the claims, which would be cost prohibitive.
- BASE Tactical has been providing FEMA consultation services at NYC Health + Hospitals since 2013 and has an understanding of all NYC Health + Hospitals facilities and the damages sustained from Hurricane Sandy.
- BASE Tactical provides strategic advisory services in regards to how NYC Health + Hospitals should approach the rebuild, mitigation of all facilities, while maintaining reimbursement compliance with FEMA.

Finance Committee Request

- Authorizing New York City Health and Hospitals Corporation (the “System”) to enter into a 5-year best-interest contract extension with BASE Tactical Disaster Recovery, Inc. (“BASE Tactical”) to provide project management and consulting services for the repair, restoration and hazard mitigation of System facilities damaged by Hurricane Sandy with the System holding two 1-year renewal options for an amount not to exceed \$6,800,000 over the potential seven-year term.

Additionally - to extend the current 2016 contract terms ending June 30, 2023 to December 30, 2023 to allow for the expenditure of the balance of \$1,407,641.37 for Superstorm Sandy.

- Extension will be specific to the work related to:
 - Hurricane Sandy
 - Hurricane Ida
- Anticipated start date is July 1, 2023

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to contract with Coordinated Behavioral Care, Inc. (“**CBC**”) to provide housing location and placement services (“**HLPS**”) for a term of three years with one 1-year option exercisable only by the System for an amount not to exceed \$14,054,014 over the potential four-year term.

WHEREAS, on average, at any time, the System has over 49,000 patients who are experiencing homelessness; and

WHEREAS, patients experiencing homelessness present at the System’s Emergency Departments at approximately three times the rate other patients do and their hospital stays are approximately three times as long as is typical of other patients; and

WHEREAS, it follows, and research bares out, that getting such patients into stable housing will save lives, improve health outcomes and reduce the expensive use of emergency and in-patient healthcare; and

WHEREAS, the work of locating available housing for individuals experiencing homelessness and placing individuals experiencing homelessness in such housing is time consuming and requires specialized knowledge and skill; and

WHEREAS, the System’s staff and ability to perform HLPS is limited; and

WHEREAS, the System undertook an RFP process to procure a vendor to perform HLPS in which a request for proposals was sent to 15 vendors in addition to being posted in the City Record, a pre-proposal conference was held where 20 organizations attended, four vendors presented proposals, two respondents were interviewed, after which the Evaluation Committee gave CBC the highest rating, an evaluation endorsed by the Contract Review Committee; and

WHEREAS, CBC is a not-for-profit IPA, or an Integrated Practice Association, and a lead Health Home with many provider members and over ten years of experience working on housing, homelessness, outpatient mental health and substance abuse programs; and

WHEREAS, the System, Behavioral Health division, has previously contracted with CBC Contractor for the “Pathway Home” project and has highly rated CBC’s performance; and

WHEREAS, the System’s through its Housing for Health unit will be responsible for the management of the proposed contract.


NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to contract with Coordinated Behavioral Care, Inc. (“**CBC**”) to provide housing location and placement services (“**HLPS**”) for a term of three years with one 1-year option exercisable only by the System for an amount not to exceed \$14,054,014 over the potential four-year term.

EXECUTIVE SUMMARY
COORDINATED BEHAVIORAL CARE, INC.
HOUSING LOCATION AND PLACEMENT SERVICES

- OVERVIEW:** On average, at any time, the System has over 49,000 patients experiencing homelessness. Such patients present at the System’s Emergency Departments at about three times the rate of other patients and their hospital stays are about three times as long as is typical of other patients. These patients have inferior health outcomes and put an outsized strain on the System. It follows, and research bares out, that getting such patients into stable housing saves lives, improves health outcomes and reduces the expensive use of emergency and in-patient healthcare. The work of locating available housing for individuals experiencing homelessness and placing individuals experiencing homelessness in such housing is time consuming and requires specialized knowledge and skill; and the System’s staff and ability to perform HLPS is limited. Accordingly, the System seeks an outside vendor capable of performing HLPS at a large scale.
- PROCUREMENT:** The System undertook an RFP to procure a vendor to perform HLPS. A request for proposals was sent to 15 vendors in addition to being posted in the City Record. A pre-proposal conference was held where 20 companies attended. Four vendors presented proposals. The Evaluation Committee considered the proposals, conducted interviews and gave CBC the highest rating, an evaluation endorsed by the Contract Review Committee.
- VENDOR BACKGROUND:** CBC is a large IPA consisting of many behavioral health providers and organizations. CBC is also a lead Health Home. For ten years, CBC’s focus has been on New Yorkers experiencing homelessness. CBC has deep expertise in dealing with patients suffering from behavioral health and substance use disorders. CBC’s Pathway Home project provides intensive case management and treatment to assist behavioral health patients to transition from institutional environments to life in the community. The System’s Behavioral Health division has contracted with CBC for the Pathway Home project and is very pleased with the work performed.
- SCOPE:** CBC will bring considerable resources and expertise to its work for the System. It will take a “whatever it takes” approach to get System patients housed. CBC has relationships with many of the developers and operators of supportive housing in the City some of which are participants in its IPA. It will provide a range of services not commonly available in the System including locating supportive and non-supportive permanent housing, assisting patients through their housing journey, and assuring a successful transition to permanent housing.
- They will perform this work by conducting housing assessments in the field to establish a permanent housing plan for patients They will match patients to appropriate housing based on their needs and collecting and submitting income and identity documents required for housing applications. CBC will escort patients to interviews and assure that a patient is able to complete the rental process and move in successfully. They will work with building owners to complete the rent-up process, including applying for applicable City move-in funds and providing move in packages, as needed. CBC will monitor, track, and report the progression of System patients, and coordinate with System stakeholders. During that time, they will respond to tenants and owners to support a successful transition to permanent housing.
- TERMS:** The total not-to-exceed cost for the proposed contract over its full potential four-year term will not exceed \$14,054,014
- MWBE:** CBC is a not-for-profit and thus outside the scope of the System’s MWBE program.

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

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

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

Vendor: Coordinated Behavioral Care Inc.

Date: March 1, 2023

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

Exempt

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.

Housing Location and Placement Services

Application to Award Contract - Coordinated Behavioral Care, Inc.

**Finance Committee Meeting
March 13, 2023**

**Matthew Siegler, SVP
Leora Jontef, AVP Housing + Real Estate
Fionnuala Seiferth, Director**



For Committee Consideration

Authorizing New York City Health and Hospitals Corporation to sign a three year agreement with Coordinated Behavioral Care, Inc. (CBC) for the provision of Housing Location and Placement Services (HLPS) with one one-year option for renewal for a total not-to-exceed of \$14,054,014 over the potential four year term.

H+H Housing for Health facilitates housing opportunities and supports for patients experiencing homelessness

Why Housing for Health?

50,000 H+H patients are experiencing homelessness and 22,000 H+H patients are also DHS clients

- On average, patients experiencing homelessness visited the **ED 3x more often** than non-homeless patients
- Patients experiencing homelessness were more likely to have an inpatient visit and **stayed 3x longer** across their admissions
- Evidence is clear that where you live affects your health and well being.

Housing Opportunity Strategy

- ★ Provide Housing Navigation Services
- ★ Fund Medical Respite Beds for Frail Patients
- ★ Fund Supportive Services in Permanent Housing
- ★ Dedicate NYC Health + Hospitals Land for Affordable and Supportive Housing

Nearly 500 H+H patients permanently housed

Over 800 H+H Patients utilized Medical Respite with 25% stably housed post stay

Expediting this population into stable housing saves lives, improves health outcomes, and reduces the expensive emergency health care and in patient resources

Mayor Eric Adams' Housing Blueprint

H+H Housing for Health's efforts, including this proposal, were included in the Mayor's Housing Blueprint released June 2022

Housing Our Neighbors:
A Blueprint for Housing and Homelessness

The City of New York
Mayor Eric Adams

Chief Housing Officer
Jessica Katz

NYC

Strengthen housing navigation services and supports

High housing costs are only one of many obstacles that New Yorkers face when navigating the city's highly competitive housing market. Housing navigation services are crucial resources that can help New Yorkers find a home that they can afford and meets their preferences and needs. The City will strengthen housing navigation services and supports so that those most in need can find a home.



SPOTLIGHT: Create new housing navigators at H+H

Even with high-quality medical services, a lack of stable housing can prevent New Yorkers from staying healthy. H+H is committed to strengthening resources to move vulnerable patients experiencing homelessness into housing. Recognizing that housing is a social determinant of health, H+H will create dedicated housing navigators to help H+H patients access housing. These services will leverage trusted relationships with health care providers, and supplement those provided in shelter. While the H+H care team focuses on a patient's health care needs, a housing navigator will bring the necessary expertise to focus on the patient's housing needs.

Mayor Adams Expands Efforts to Connect Patients Experiencing Homelessness to Stable, Affordable Housing, Delivers on Promise in Housing Blueprint Released Earlier This Year

November 3, 2022

Video available at: https://youtu.be/X_6B3O6kitc



As Strategy to Good Health, 'Housing for Health' Initiative Will Focus on Four Strategic Areas: Navigation Services, Medical Respite Beds, Affordable Housing on Hospital Property, and Social Service Support for Patients in Permanent Housing

Program Will Leverage NYC Health + Hospitals Land to Create Nearly 650 New Affordable Homes Over Next Five Years

Patient Success Story

- Jesus Cerda, now 27 years old, had been homeless since he was 16. In 2022, Jesus was admitted to the Comprehensive Psychiatric Emergency Program at Harlem Hospital
- Jesus was connected to Housing for Health and the Metro Plus Housing Taskforce, who referred him to permanent supportive housing at the T Building in Queens
- In July 2022, Jesus moved into a studio apartment at the T Building!
- He continues to receive on-going care from H+H and is currently pursuing his B.A. at CUNY

“I am more relaxed mentally and that has brought me inner peace,” said Cerda, now several months into his apartment. “For what I’ve been through, I feel like a king. I feel good.”



“When I first entered the shelter system a couple of years ago, I was emotionally drained and so stressed out that I couldn’t sleep,” said Jesus Cerda, resident of the T building. “I had a mental break down, and I ended up the Psychiatric Unit at Harlem hospital. When I was discharged, my caseworker told me that I qualified for an apartment at the T building. In July, I was finally able to move in, and I couldn’t be happier. Now I have my own studio apartment. It is truly a fantastic feeling to have tranquility, the ability to cook my own meals, and focus on my next steps in life. I finally feel happy and in control of my life.”

Existing literature shows that permanent housing assistance reduces the use of costly acute care services for patients experiencing homelessness (Hunter et al., 2017). H+H Housing for Health analyzed preliminary data and saw similar trends:

With support from the DnA team, HfH evaluated Epic data to measure acute care utilization one year pre- and post-housing placement. Sample included 54 patients housed by HfH between 1/1/2021 and 6/30/2021. Analysis found an overall trend of reduced utilization in ED and inpatient care post-placement into permanent housing

CHANGES IN ACUTE CARE UTILIZATION PER PATIENT IN THE YEAR AFTER RECEIVING HOUSING COMPARED TO THE YEAR PRIOR

Type Of Acute Care Utilization	Prior	Post	Relative Change
# of ED visits	1.74	1.53	-12.1%
# of psychiatric ED visits	0.3	0.13	-56.7%
# of med-surg inpatient admissions	0.85	0.5	-41.2%
# of BH admissions	0.76	0.35	-53.9%
Total med-surg inpatient days	8.1	3.4	-58.0%
Total BH inpatient days	18.4	7	-62.0%



Housing for Health will conduct this analysis on a regular basis to track the impact of housing on patients' health outcomes

Data Period: 1/1/2021-6/30/2021, N=54

Source: [RAND Evaluation of Los Angeles County Housing for Health Permanent Supportive Housing Program, 2017](#)



Current State of Housing Coordination H+H



Today, Patient Care Team:

- Refer patients to HfH
- Complete housing profile/assessment
- Complete housing applications
- Collect vital and income documentation (multiple requests typical for most housing opportunities)
- Outreach to shelter for housing updates
- Confirm HfH facilitated housing interviews and viewings with patient

This is burdensome for staff and inefficient for patients.

In order to secure housing, patients experiencing homelessness need specialized support

- NYC housing space is niche and complex
- Despite “source of income” discrimination protections, landlords often need additional assurances from partners like NYC H+H

In April 2022, H+H released an RFP for comprehensive housing placement services.

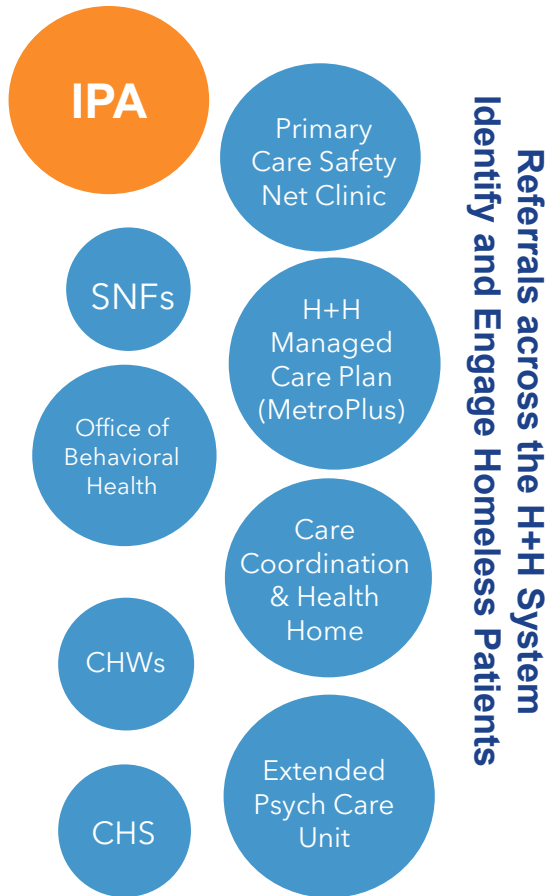
This scope reflects best practices as modeled in Health Services of Los Angeles County, as well as discussions with internal stakeholders to understand staff and patient needs, and first-hand experience facilitating housing placements.

The vendor will employ a “whatever it takes” approach to get our patients housed:

- ✓ **Find Permanent Housing Opportunities**
 - Recruit additional housing opportunities** including supportive, affordable and private market housing through CBC and partners’ housing vacancies and relationships
 - Match patients to housing opportunities**

- ✓ **Support Patients Through The Permanent Housing Placement Process**
 - Conduct housing assessments in the field** to determine the permanent housing plan for patients
 - Complete housing packets** including completion of supportive housing applications and collection of supporting materials like vital and income documents
 - Facilitate Rent-ups** including escorting patients to apartment viewings, working with management to complete the rent-up process, and submitting for applicable move-in funds.
 - Coordinate with other stakeholders** on housing progression including shelter and H+H care teams
 - Monitor, track, and report housing progression** of H+H patients

- ✓ **Support Successful Transition to Permanent Housing**
 - Respond to tenants and owners** to support successful transition to permanent housing
 - Provide tenant move-in packages** including one-time furniture and apartment readiness supplies



Referral Source:

- Place referral to Housing for Health for patients experiencing homelessness
- Coordinate with vendor, as needed, on social and clinical service needs of patient

HLPS Vendor:

- Identify and secure permanent housing opportunities for H+H patients
- Support patients through the permanent housing placement process
- Support successful transition into housing

This contract will support H+H to connect homeless patients to permanent housing, including single homeless adults served by our Special Populations initiative.

Overview of Procurement

- 05/27/22: RFP published on City Record, sent directly to 15 vendors
- 06/15/22: Pre-proposal conference held, 20 vendors attended
- 07/21/22: Proposal deadline, 4 proposals received
- 10/25/22: Evaluation committee completed first round of scoring. Two firms were shortlisted
- 11/10/22 – 11/14/22: Shortlisted firms were interviewed and provided responses in writing for evaluation committee review
- 12/5/22: Evaluation Committee finalized scoring; CBC was the highest rated proposer
- 2/14/23: Received CRC Approval to enter contract

Vendor: Coordinated Behavioral Care (CBC)

CBC is a not for profit entity launched in 2011 as a lead Health Home and behavioral health IPA

- Mission: CBC leverages community partnerships to coordinate integrated medical and behavioral health interventions that, coupled with a specialized emphasis on social determinants of health, promote a healthier New York.
- CBC and partner agencies have all served people experiencing homelessness for 10 years or longer, including with outpatient mental health and substance use treatment programs, Health Home care management, Pathway Home care transitions services, ACT teams, shelters, safe havens, transitional and/or permanent housing, and Safe Options Support (SOS) homeless outreach teams
- CBC has a demonstrated knowledge of shelter, housing, and support services resources for people experiencing homelessness in NYC and experience in facilitating permanent housing placements.
 - Demonstrated ability to engage with clients experiencing homelessness at points of care, within shelter and H+H facilities to meet patients where they are
- H+H Office of Behavioral Health has an existing contract with CBC for Pathway Home and have highly rated CBC's performance

Contract Terms and Expectations

- NYC Health + Hospitals will sign a 3 year contract with Coordinated Behavioral Care (CBC) with a one-year option for renewal.
- Estimated average annual case load of 600 patients served for a goal of 400 housing placements per year. This is an average of ~\$5,000 per patient served.
- CBC and partner agencies will recruit hundreds of additional housing opportunities including supportive, affordable and private market housing
- Annual budget includes funding for:
 - **Personnel:** CBC program support staff and partner agencies' client-facing staff
 - **Operations:** including rent, insurance, program supplies, IT/equipment, etc.
 - **Tenant stability costs:** apartment move in packages and tenant stability funds
 - Small contingency funds for flexibility, innovation, and program improvement

Authorizing New York City Health and Hospitals Corporation to sign a three year agreement with Coordinated Behavioral Care, Inc. (CBC) for the provision of Housing Location and Placement Services (HLPS) with one one-year option for renewal for a total not-to-exceed of \$14,054,014 over the potential four year term.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to execute five-year agreements with each of the five law firms Abrams Fensterman, LLP, Law Office of Barbara J. Berwitz, McAloon & Friedman, P.C., Alaw Offices of David Smoren, PLLC and Vigorito, Barker, Patterson, Nichols & Porter LLP (the “**Firms**”) for the provision of legal representation in matters under the New York State Mental Hygiene Law (Behavioral Health and/or Guardianship) on behalf of the System on an as-needed basis for an initial period of three years with two one-year options to renew for an amount not to exceed \$12,000,000 over the entire potential five-year term.

WHEREAS, the System currently manages matters arising under New York State Mental Hygiene Law such as Article 9 (Hospitalization of the Mentally Ill), Article 33 (Rights of Patients), and Article 81 (Proceedings for Appointment of a Guardian for Personal Needs or Property Management); and

WHEREAS, in a typical month over the last 2 years, the System has handled, with the support of outside law firms, approximately 60 Treatment over Objection cases, 120 Retention/Release cases, 15 Assisted Outpatient Treatment cases, and over 300 appearances; and

WHEREAS, the Request for Proposals for Legal Representation in Matters under New York State Mental Hygiene Law was released on December 20, 2022 through its Supply Chain Services Unit and under the supervision of the Contract Review Committee leading to the selection of the Firms to handle the System’s cases on an as-needed basis; and

WHEREAS, the Senior Vice President and General Counsel will be responsible for the management of the proposed agreements.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to execute five-year agreements with each of the five law firms Abrams Fensterman, LLP, Law Office of Barbara J. Berwitz, McAloon & Friedman, P.C., Alaw Offices of David Smoren, PLLC and Vigorito, Barker, Patterson, Nichols & Porter LLP (the “**Firms**”) for the provision of legal representation in matters under the New York State Mental Hygiene Law (Behavioral Health and/or Guardianship) on behalf of the System on an as-needed basis for an initial period of three years with two one-year options to renew for an amount not to exceed \$12,000,000 over the entire potential five-year term.

**EXECUTIVE SUMMARY
FIVE LAW FIRMS**

- OVERVIEW:** The System currently manages matters arising under New York State Mental Hygiene Law such as Article 9 (Hospitalization of the Mentally Ill), Article 33 (Rights of Patients), and Article 81 (Proceedings for Appointment of a Guardian for Personal Needs or Property Management). In a typical month over the last 2 years, the System has handled, with the support of outside law firms, approximately 60 Treatment over Objection cases, 120 Retention/Release cases, 15 Assisted Outpatient Treatment cases, and over 300 appearances.
- PROCUREMENT** The Request for Proposals for Legal Representation in Matters under New York State Mental Hygiene Law was released on December 20, 2022 through its Supply Chain Services Unit and under the supervision of the Contract Review Committee leading to the selection of the Firms to handle the System's cases on an as-needed basis
- COSTS:** Total not-to-exceed cost for the potential five-year contract will not exceed \$12,000,000.
- MWBE:** There was no subcontracting goal initially set on this solicitation as each vendor was expected to continuously manage each case from start to finish, with no opportunity for subcontracting. After review of the proposals and further discussions with the awarded vendors, one subcontracting opportunity was identified. One of the awarded vendors, The Law Office of Barbara J. Berwitz, is a NYS-certified MWBE. The remaining vendors subcontract out all courier services and have agreed to utilize a certified MWBE firm for these services. It is expected that this scope will amount to approximately 10% of contract value per vendor.

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: Mental Hygiene Legal Services

Date: March 1, 2023

Rivera
Bazan
Imail

Digitally signed by
Keith Tallbe
Date: 2023.03.01
09:21:00 -0500

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

<u>Vendor</u>	<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Abrams Fensterman, LLP	Pending	Pending	10%
Law Office of Barbara J. Berwitz	Pending	Pending	NYS-MWBE
McAloon & Friedman, P.C.	Approved	Pending	10%
Alaw Offices of David Smoren, PLLC	Pending	Pending	10%
Vigorito, Barker, Patterson, Nichols & Porter LLP	Pending	Pending	10%

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.

**Mental Hygiene Law Panel:
Behavioral Health and Guardianship Matters**

Application to Award Contract - Abrams Fensterman, LLP, McAloon & Friedman, P.C., Vigorito, Barker, Patterson, Nichols & Porter LLP, Law Office of Barbara J. Berwitz, and Law Offices of David Smoren, PLLC

Finance Committee Meeting - March 13, 2023

**Andrea G. Cohen, General Counsel & SVP
Preethi Swamy, Senior Counsel
Beth Brooks, Senior Director Legal Affairs**

For Committee Consideration

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute agreements with each of the five law firms Abrams Fensterman, LLP, McAloon & Friedman, P.C., Vigorito, Barker, Patterson, Nichols & Porter LLP, Law Office of Barbara J. Berwitz, and Law Offices of David Smoren, PLLC (the “Firms”) for the provision of legal representation in matters under the New York State Mental Hygiene Law (Behavioral Health and/or Guardianship) on behalf of the System on an as needed basis for an initial period of three years with two one-year options to renew for an amount not to exceed \$12,000,000 over the entire potential five year term.

- NYC Health + Hospitals requires expertise and experience in Behavioral Health and Guardianship matters arising under NYS Mental Hygiene Law.
 - Behavioral Health matters include involuntary commitment and involuntary treatment.
 - Guardianship matters include appointment of guardians.

- In a typical month, NYC Health + Hospitals handles approximately 300 appearances for Behavioral Health matters.

- Over the last 3 year contract cycle, outside counsel usage was roughly \$2,000,000 per year. It is estimated that the average annual spend for outside counsel will increase by about 20% based on legal fee inflation, 5 year term of agreement, and an anticipated increase in case volume due to city initiatives increasing behavioral health service utilization.

- It is anticipated that the majority of the spend will arise from Behavioral Health matters.

Historical and Current Contract Value

	Behavioral Health	Guardianship	Total
FY 22	\$1,776,548	\$162,911	\$1,939,459
FY 23 * *partial through 02/23	\$1,257,389	\$137,928	\$1,395,318

Current State: Panel and Assignment

- **Current contracts were awarded after a 2019 RFP. The work is actively managed by assigned attorneys in the General Counsel's Office.**

- **The General Counsel's Office currently uses a panel of 5 firms to perform this critical work. These five firms responded to this RFP and have been selected for the Committee's consideration.**

- **Assignment for Behavioral Health Matters**
 - Generally, one firm is assigned to handle matters arising for all hospitals within a borough. Since courts are borough based, this approach is most efficient. Given, the high volume and regularity of cases, this approach also provides consistency for the hospital. The exception is Manhattan.

- **Assignment for Guardianship Matters**
 - Firms are selected to represent a facility on a case by case basis considering attorney availability and the issues to be addressed in the case.

- **The current contracts expire on March 31, 2023.**

RFP Minimum Criteria

- **Minimum Criteria to Provide Services under Behavioral Health**
 - The firm must employ at least 2 attorneys with 5 years of experience and expertise in handling matters pursuant to Article 9 and Article 33 of the New York State Mental Hygiene Law, in addition to 14 NYCRR § 527.8

- **Minimum Criteria to Provide Services under Guardianship**
 - The firm must employ at least 2 attorneys with 5 years that must have experience and expertise in handling matters pursuant Article 81 of the New York State Mental Hygiene Law

- **Minimum Criteria to Provide Services under Behavioral Health and Guardianship**
 - Applicants for both Behavioral Health and Guardianship matters must meet the qualifications stated above
 - 5 years in business

RFP Criteria

➤ Substantive Criteria

- 60% Experience and Expertise
- 40% Cost

➤ Evaluation Committee:

- Director of Behavioral Health
- Director of Mental Health Services
- Director of Social Work
- Senior Counsel
- Associate Counsel
- Senior Counsel

Vendor Diversity Efforts

- The vendor diversity team identified three potential MWBEs. One is currently providing services.
- The team outreached the other two.
 - Of those two, one did not have expertise in this area, and the other expressed no interest in the RFP
- There was no Diversity Vendor Component Percentage initially set on this solicitation as each vendor was expected to self-perform all work.
- When the Team performed its routine due diligence in reviewing the proposals, however, it identified a subcontracting opportunity for MWBEs which was courier services. All firms have agreed to utilize MWBEs for their courier services.*
- The Diversity Vendor Component Percentage has been revised and all vendors have agreed to a 10% Diversity Vendor Component Percentage.

* Courier Services vendors are actively being procured and will be available for the Board presentation.

Selected Firms

- The firms selected are currently performing services under the prior agreements:
 - Abrams Fensterman, LLP – Guardianship and BH
 - McAloon & Friedman, P.C., - BH only
 - Vigorito, Barker, Patterson, Nichols & Porter LLP – Guardianship and BH
 - Law Office of Barbara J. Berwitz - Guardianship
 - Law Offices of David Smoren, PLLC – Guardianship

Finance Committee Request

- The Office of Legal Affairs is seeking authorization to execute agreements with each of the five law firms Abrams Fensterman, LLP, McAloon & Friedman, P.C., Vigorito, Barker, Patterson, Nichols & Porter LLP, Law Office of Barbara J. Berwitz, and Law Offices of David Smoren, PLLC (the “Firms”) for the provision of legal representation in matters under the New York State Mental Hygiene Law (Behavioral Health and/or Guardianship) on behalf of the System on an as-needed basis for an initial period of three years with two one-year options to renew for an amount not to exceed \$12,000,000 over the entire potential five-year term.

- April 1, 2023 anticipated start date with contract terms being three years with two one-year renewal options exercisable at the discretion of NYC Health + Hospitals



NYC Health + Hospitals
Finance Committee Meeting
March 13, 2023



FY23 Quarter 2 Highlights

- The system closed January with approximately **\$500 Million (21 days cash-on-hand)**.
- Closed Q2 with a **Negative Net Budget Variance of \$89.1M (-1%)**
- Direct Patient Care Receipts (I/P and O/P) came in **\$42.6M higher than the same period in FY22** continuing the pace of positive performance that we experienced during FY22.
- Patient care **volume** in FY23 **has returned to pre-COVID levels**, and is 3% ahead of FY20 in OP visits. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate.
- Overall, our strategic Financial Initiatives remain on track with, generating over \$397M thru Quarter 2 of FY23 with a line of sight that meets our FY23 target of \$675.6M. Areas of strongest net performance as of the quarter include:
 - Value-Based Payment Initiatives and Managed Care Initiatives (\$134M)
 - Revenue Cycle Improvement (\$110.6M)
 - Growth & Service Line Improvements (\$98.2M)

- The system closed January with approximately \$500 Million (21 days cash-on-hand).
- The system also expects to close February with approximately \$650 Million (26 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 patient volume and COVID-19.

SFY23-24 Executive Budget Highlights

Positive

- 5% Medicaid Rate Increase for Inpatient and Nursing Homes
- Essential Plan rates increases for Hospitals Statewide
- \$1B Capital Transformation Funds – Seeking a set aside for Safety Net funding Statewide
- Extension of UPL Conversion Authorization
- Coverage/Reimbursement Expansions

Negative

- Implementation of pharmacy carve-out (340B Pharmacy Cut)*
- Elimination of Quality Pools
- Continuation of Capital Rate Cut
- Safety Net needs not addressed

*Senator Rivera has a 340B alternative bill proposal that H+H is reviewing which seems favorable compared to the State's current proposal

Financial Performance

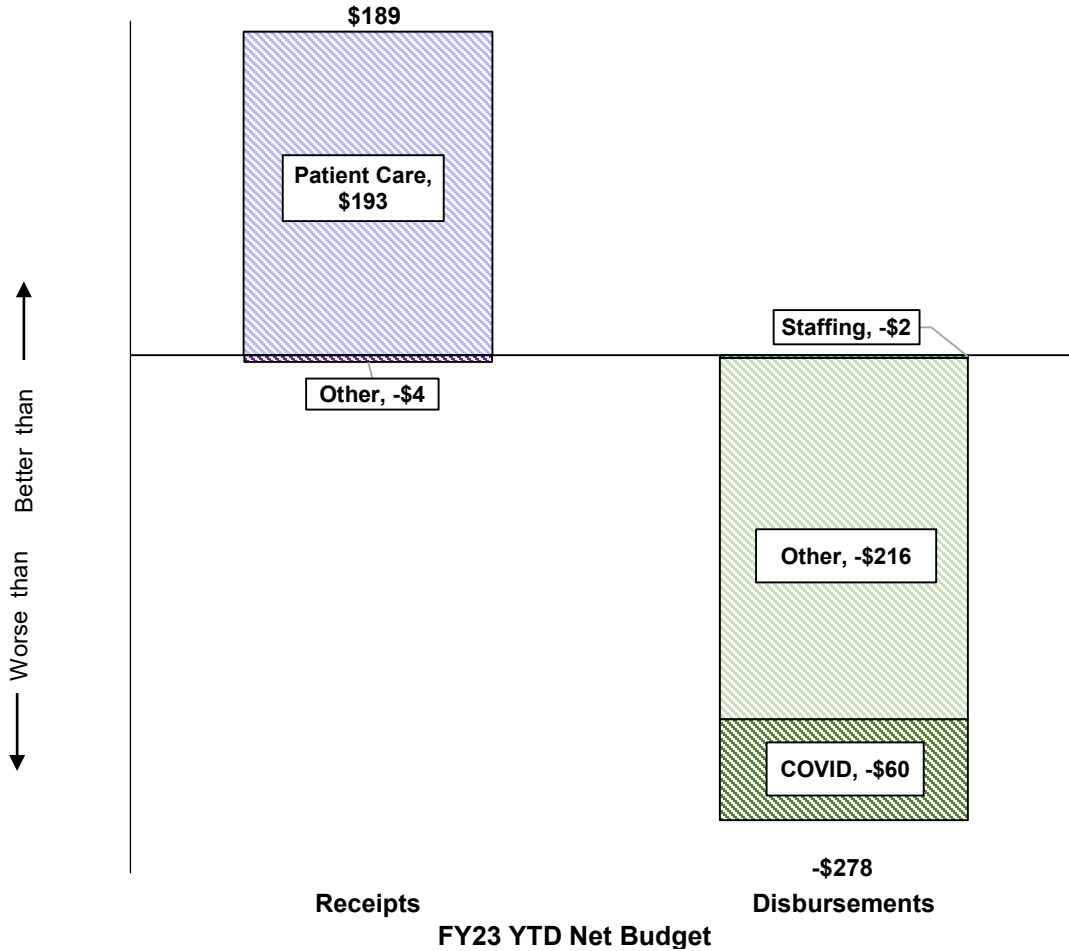
FY 2023 December YTD



Highlights

Ended December with a net budget variance of **-\$89.1M -1%** where

- Receipts exceed budget by \$189M Primarily driven by Patient Care Risk Revenue. Risk is higher due to MetroPlus payment on behalf of prior year and improved PMPM.
- Disbursements exceed budget by \$278M, which includes expenses associated with COVID, and Temp coverage costs.



Notes:

1. Test and Trace not included in the Net Budget Variance.

Cash receipts are 5% ahead of budget. Majority of the overage can be attributed to Risk revenue exceeding target due to prior year earnings, and higher than anticipated PMPM.

- IP/OP rates, volume, and cash performance (**\$56.8M**) - IP discharges are 1% below budget target, losses offset by improved rates and cash collections. PACS cash higher than target due to delay in prior year billing hitting in current year and retro rate adjustments for higher CMI. OP volume ahead of target by 2% rates ahead of target by 26%.
- MetroPlus PY Overpayment (**-\$28M**) – One time takeback as a result of PY overpayment in Q4 of FY22.
- Risk Pool Performance and Timing (**\$164M**) - ahead of budgeted target by 105% primarily due to CY22 Risk PMPM performance coming in better than planned. 23% of the variance due to unbudgeted PY reconciliations being collected this year.
- Unbudgeted appeals and settlements revenue offset with decreased miscellaneous revenue.

Summary Receipts Performance (FY23 thru Dec)	YTD Variance against Budget (\$M)
IP/OP Volume, Rates, and Cash Performance	\$56.8
MetroPlus One time takeback	(\$28.1)
Risk Pool	\$164
Other	(\$4)
Grand Total	\$189.0[+5%]

**excludes testing*

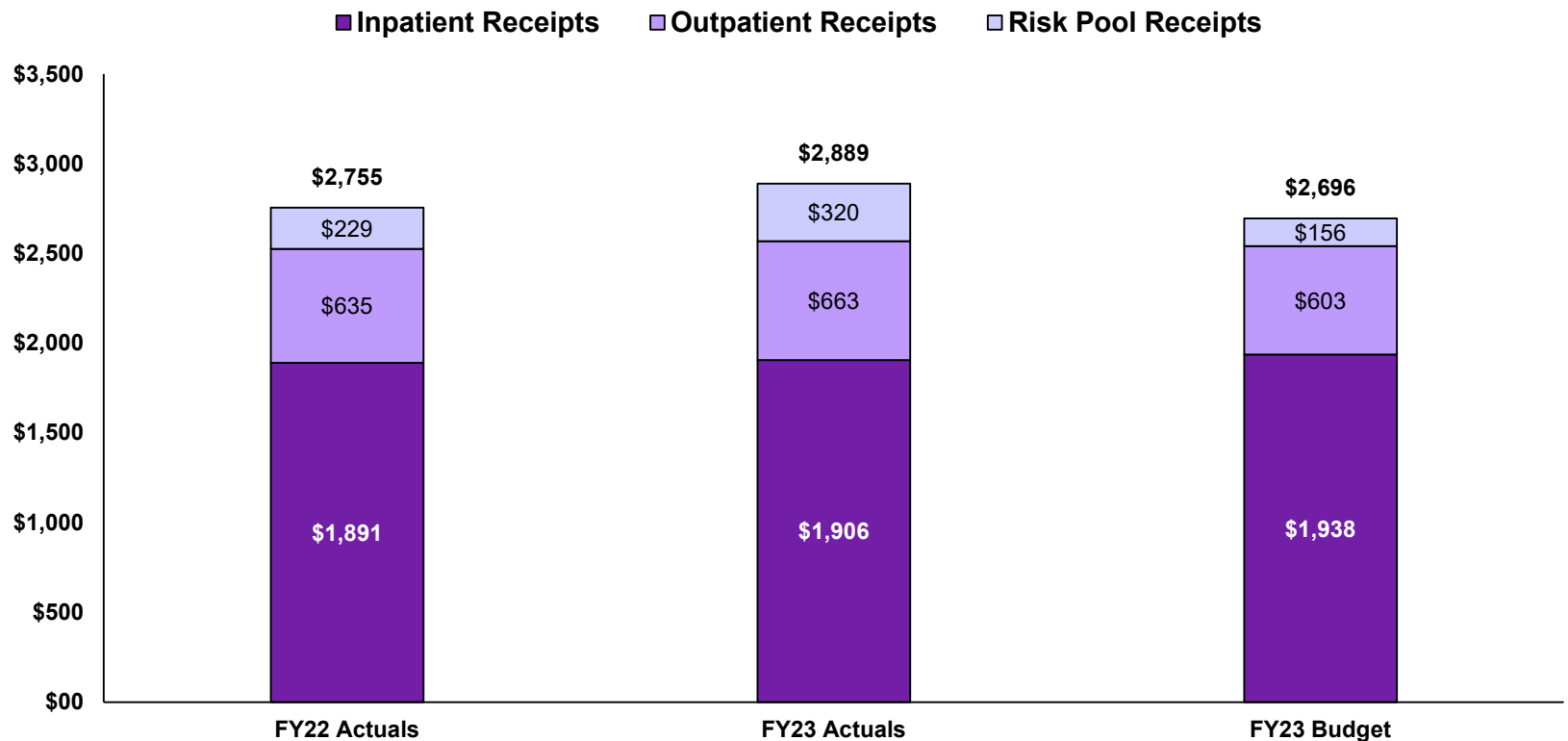


Cash disbursements are over budget by 7% primarily from unbudgeted COVID and Temp spending and Agency costs exceeding target.

- **COVID Emergency Spend (-\$60.2M)** – 41% 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 medical supplies, labs and other COVID support needs.
- **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 (-\$179.9M)** - 77% of the variance comes from nursing and nursing support
 - **Other Discretionary Spend (-\$38.0M)** - overspending driven by medsurge supplies and pharmaceuticals

Summary Disbursements Performance (FY23 thru Dec)	YTD Variance against Budget (\$M)
COVID Emergency Coverage (Staffing and Non-Staffing OTPS).	(\$60.2)
Agency Patient Care Temp Staffing Coverage	(\$179.9)
Other Discretionary Spend	(\$38.0)
Grand Total	(-\$278.2) [-7%]

- FY23 direct patient care revenue (I/P & O/P) is \$42.6M higher than FY22 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.
- Compared to same time last year, discharges are up 3.8%, visits are up 1% (excluding testing), and Case Mix Index (CMI) is slightly lower by -0.2%.

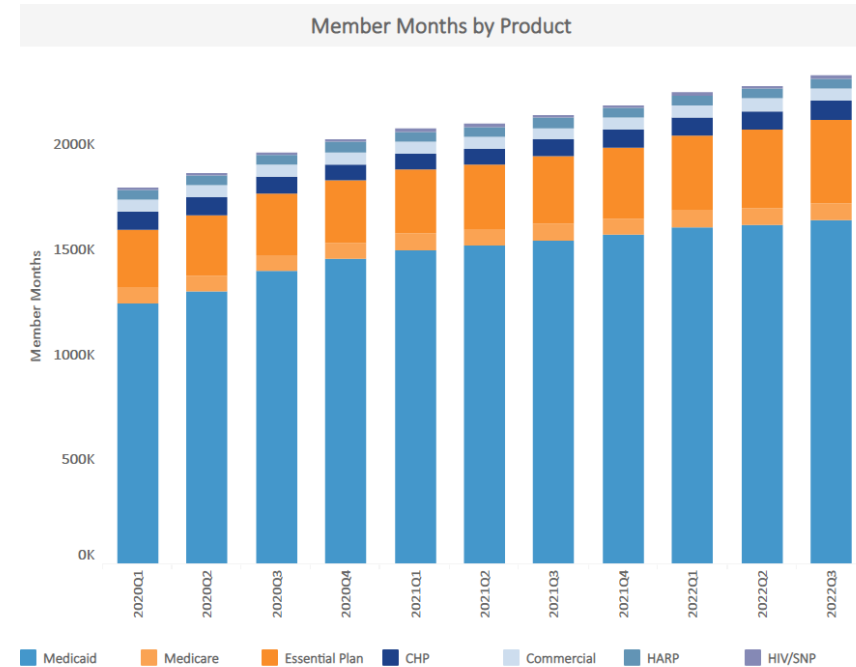


Revenue Cycle



Medicaid Recert Strategy

- NYSOH/HRA automatically extended Medicaid coverage for members enrolled on or after March 18, 2020 due to the ongoing Public Health Emergency (PHE)
- NYC H+Hs MetroPlus Health and Healthfirst membership have grown by 100k and over 14k, respectively, since April 2020!
- SDOH recently issued guidance on NY unwind timelines with Medicaid applications returning to normal rules on **March 31, 2023** and the first group of discontinuances on **July 1** (renewal notices to be issued starting **April 1**)
- As recertification requirement is phased back in we want to ensure we assist members with maintaining coverage



*MetroPlus and Healthfirst Medicaid, Essential Plan, HARP, and HIV SNP member months, 2020 through 2022 Q3

Medicaid Recert Strategy

- NYC H+H implementing standalone strategies and strategies with our MCO partners
- **Communications** to Patients (e.g. mail, flyer, email, text, MyChart, website)
- Proactive **outreach** to patients who may need recertification assistance
- **Coordination** between Centralized Telephonic and local Financial Counseling teams
- **Leverage interactions with patients** to direct to recertification resources (e.g. scheduling, registration, care team, CHWs, Care Gap outreach)
- **Consistent approach** for patients with Medicaid coverage regardless of plan
- **Monitor** our success
- More to come!

✓ MetroPlusHealth

- Provider Townhalls (In-Person & Virtual)
- Concierge Program onsite at NYC H+H Facilities
- Recertification Communication Campaign
- CVS Partnership
- Proactive member outreach in coordination with NYC H+H to reduce duplication and improve member/patient experience

FY23 Highlights

VBP Update – Q1 2023



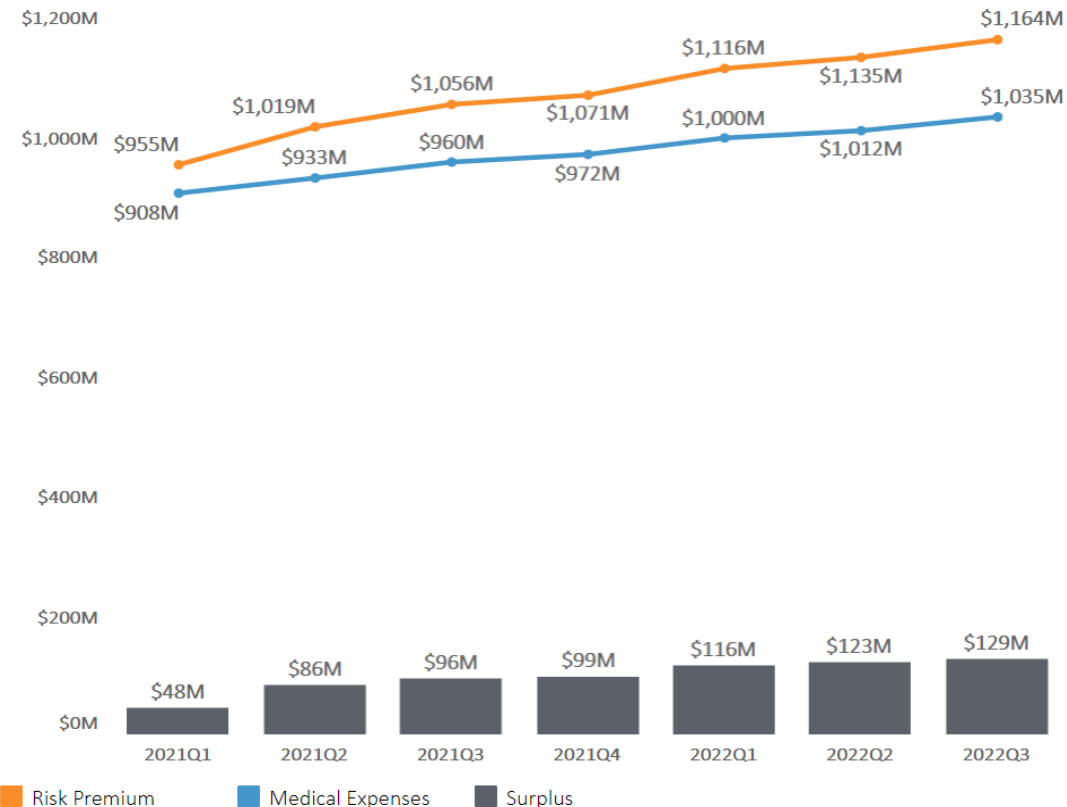
NYC H+H Members at Financial Risk as of February 2023

Since the beginning of the COVID pandemic, NYC Health + Hospitals has seen significant membership growth, specifically for members with Medicaid Managed Care.

	Jul 20	Feb 23	% change
MetroPlus Medicaid	388,021	469,766	21%
MetroPlus Commercial	106,869	164,990	54%
Healthfirst Medicaid	91,315	107,760	18%
Healthfirst Medicare	25,887	28,708	11%
Healthfirst Commercial	21,623	23,328	8%
TOTAL	633,715	794,552	25%

Financial Goals for VBP Membership

MetroPlus and Healthfirst Combined Risk Surplus



Risk Surplus Highlights

- ✓ H+H’s risk pool savings continue to increase
- ✓ Earnings for the most recent quarter totaled \$129M

Risk Surplus Focus for 2023

Accurate Premium Revenue

Improve documentation accuracy on claims billed so that risk scores reflect patient complexity, likely increasing premium dollars into our risk pools.

1. Social Determinant of Health (SDoH) screening & Use of Z-codes
2. Asthma is the most freq “Common Fall Off” conds for CRG; Asthma Med Ratio is a low performing VBP measures
3. Outreach and engage non-utilizing members, who otherwise bring down overall risk score; dedicated outreach work with MetroPlus members yielded \$38M in new premium revenue over 1 yr period.
4. Improve patient satisfaction scores - an increasingly important driver of premium revenue.

Shrink Unnecessary Utilization

1. Link Members to Supportive Services
 1. BH Pathway Home Program
 2. SDOH support programs
 3. Transition of Care programs
2. Improve internal data tools for analyzing real-time financial performance

Note. Surplus includes combined financial performance of M+ & HF risk attributed membership. “Common Fall Off” = chronic condition diagnosed in past 2 yrs but not in current year

MetroPlus Final 2021 VBP Program Results

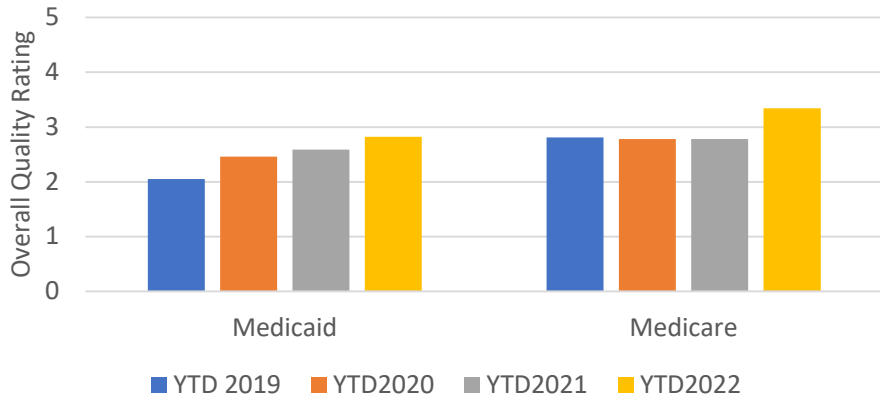
2021 M+ VBP Program:% of HEDIS Measures Achieving Statewide %ile Benchmarks				
Attribution	Line of Business	50th %ile or below	75th %ile	90th%ile
H+H	Medicaid	46%	31%	23%
Community		76%	13%	13%
H+H	HARP	55%	11%	33%
Community		100%	0%	0%
H+H	HIV SNP	75%	0%	25%
Community		100%	0%	0%

MetroPlus Program Highlights

- ✓ H+H earned **\$8.9M** (74% of max oppty) in performance incentives
- ✓ H+H earned bonus points for perf by reaching stretch targets on both non-HEDIS, CRG measures
- ✓ H+H attributed membership results outperformed community (non H+H clinician) membership for almost all measures

Healthfirst 2022 VBP Program Results to Date

YTD Healthfirst Overall Quality Rating



Healthfirst Program Highlights

- ✓ H+H performance is a $\frac{1}{4}$ star better than at this time last year for Medicaid and $> \frac{1}{2}$ star better for Medicare
- ✓ Results are now final and are expected to improve further

Note. Results for the 2021 MetroPlus VBP program were finalized in Jan 2023. "Community" attribution = mbrshp attributed to community providers (outside H+H) who then get attributed to H+H in the program. The 2022 Healthfirst program results are NOT final. Results will change until finalized in mid-2023.



- **MEMBERSHIP RETENTION:**
 - Retain members who will require recertification after a three year hiatus during COVID. Mostly impacts Medicaid members, but some Medicaid members will no longer be eligible for Medicaid and newly qualify for Essential Plan or Qualified Health Plan coverage. Anticipate 50k MetroPlus members will require recertification each month starting June 2023.

- **ACCESS TO QUALITY CARE:**
 - Drive up scores on patient surveys of perception of care (HCAHPS) through better alignment of provider/member panels, enhanced scheduling options, and timely/targeted outreach for care interventions.

Informational Item: Overview of January 24 Financial Plan

- James Cassidy, Director of Fiscal Affairs, Finance

January 24 Financial Plan

(includes COVID/T2)

	FY23	FY24	FY25	FY26	FY27
Total Revenues	10,545.9	9,331.6	9,395.2	9,221.3	9,268.0
Total Expenses	10,689.7	9,441.5	9,317.1	9,452.1	9,556.2
<i>Income/(Loss) = Net Margin</i>	<i>(143.8)</i>	<i>(109.9)</i>	<i>78.1</i>	<i>(230.8)</i>	<i>(288.2)</i>
<u>Closing Cash Balance</u>	<u>563.2</u>	<u>453.3</u>	<u>531.3</u>	<u>300.6</u>	<u>12.4</u>

- The City, in conjunction with H+H, released our FY24 January financial plan in mid-February.
- The system projects a negative operating margin of \$144M in FY23 due in large part to increased costs associated with temporary staffing and the delay in the receipt of federal revenues.
- The system projects a continued negative operating margin in FY24 of \$110M, as we continue to project delays in the receipt of federal revenues.
- By FY25, the system projects a positive operating margin of \$78M as we anticipate timeliness in federal revenues being received.
- Over each of these three years, the system anticipates stable and relatively consistent ending cash balances between \$453M and \$563M (20-24 days cash-on-hand).
- The plan includes Strategic Initiatives totaling \$1.1B in FY23, growing to \$2.0B by FY27 in order to partially offset the negative impact of DSH cuts, slated to begin on October 1, 2023 (resulting in \$600M in cuts annually). We continue to advocate to our federal partners for the continued delay or repeal of these harmful cuts.
 - If the DSH cuts continue to be delayed, the system's net margin would be approximately break even in FY26 and FY27, adjusting for changes in Strategic Initiatives.

NYC Health + Hospitals
FY 2024 January Financial Plan
Cash Basis
(\$ in millions)

	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
OPERATING REVENUES					
<u>Third Party Revenue</u>					
Medicaid	2,604.2	2,596.5	2,640.6	2,666.0	2,692.7
Medicare	1,513.0	1,481.7	1,496.4	1,481.0	1,495.9
Other Managed Care	591.0	497.6	514.5	519.4	524.6
Supplemental Medicaid	2,662.5	1,297.0	1,297.0	1,297.0	1,297.0
Disproportionate Share Hospital (DSH)	1,227.8	815.5	815.5	815.5	815.5
Other Supplemental Payments	1,434.7	481.6	481.6	481.6	481.6
Subtotal: Third Party Revenue	7,370.7	5,872.8	5,948.5	5,963.5	6,010.2
<u>Other Revenue</u>					
City Services	1,587.6	912.8	910.2	873.9	873.9
Grants and Other	544.2	832.0	837.0	837.0	837.0
Subtotal: Other Revenue	2,131.8	1,744.8	1,747.2	1,710.9	1,710.9
<u>Strategic Initiatives</u>					
Supplemental Medicaid Programs	408.4	967.2	952.5	800.0	800.0
Federal & State Charity Care	-	62.0	62.0	62.0	62.0
Revenue Cycle and Managed Care	337.6	337.6	337.6	337.6	337.6
Service Line Improvements	62.0	62.0	62.0	62.0	62.0
Value-Based Payments	51.3	51.3	51.3	51.3	51.3
Growth	184.0	234.0	234.0	234.0	234.0
Subtotal: Strategic Initiatives	1,043.3	1,714.1	1,699.4	1,546.9	1,546.9
TOTAL REVENUES	10,545.9	9,331.6	9,395.2	9,221.3	9,268.0
EXPENSES					
Personal Services	3,309.4	3,381.7	3,399.1	3,441.3	3,475.7
Fringe Benefits	1,814.8	1,815.5	1,864.3	1,915.0	1,964.7
Affiliations	1,539.8	1,575.2	1,629.9	1,678.7	1,695.4
Other Than Personal Services	4,065.7	2,924.2	2,753.9	2,822.1	2,850.3
Subtotal: Expenses	10,729.7	9,696.5	9,647.1	9,857.1	9,986.2
<u>Strategic Initiatives</u>					
System Efficiencies	20.0	20.0	20.0	20.0	20.0
Restructuring and Personnel	20.0	235.0	310.0	385.0	410.0
Subtotal: Strategic Initiatives	40.0	255.0	330.0	405.0	430.0
TOTAL EXPENSES	10,689.7	9,441.5	9,317.1	9,452.1	9,556.2
INCOME/(LOSS)	(143.8)	(109.9)	78.1	(230.8)	(288.2)
OPENING CASH BALANCE	707.0	563.2	453.3	531.3	300.6
CLOSING CASH BALANCE	563.2	453.3	531.3	300.6	12.4