

Date: January 8, 2024
Time: 11:00 A.M.
Location: 50 Water Street, 17th Floor,
Boardroom – In Person

I. Call to Order

Freda Wang

Adoption of the December 4, 2023 Minutes

II. Action Item: Bond Counsel Services Extension Request

Linda DeHart & Paulene Lok

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an eight-month extension contract with Hawkins Delafield & Wood LLP (“Hawkins”) to continue providing bond counsel services related to the structuring and continuing implementation of the System’s tax-exempt financing program for the period beginning December 1, 2023 through July 31, 2024 under the same terms and conditions of the existing contract - at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

VENDEX APPROVED:

Hawkins Delafield & Wood LLP

EEO APPROVED:

Hawkins Delafield & Wood LLP

III. Financial Update

John Ulberg

IV. Old Business

Freda Wang

V. New Business

VI. Adjournment

Finance Committee MEETING - December 4, 2023

As Reported By: Freda Wang

Committee Members Present: Mitchell Katz, MD - left at 12:25 p.m., José Pagán, Freda Wang, Sally Hernandez-Piñero - left at 1:31 p.m., Patricia Marthone, Barbara Lowe - joined at 12:48 p.m.

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 called for a motion to approve the October 16, 2023 minutes of the Finance Committee meeting.

Upon motion made and duly seconded the minutes of the Finance Committee meeting held on October 16, 2023 were adopted.

Executive Session

Ms. Wang called for a motion to enter into an executive session to discuss confidential and privileged matters that may be related to threatened and potential set of litigation.

Upon motion made and duly seconded the board convened an executive session.

The Board reconvened in public session at 12:35 p.m.

Overview of HERRC Financial Update

Mr. Keely read the resolution into the record:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute contracts with **Cherokee Nation Management and Consulting, LLC, International Rescue Committee, Inc., Horne LLP, Rapid Reliable Testing NY LLC dba DocGo Inc., and Medrite LLC dba Medrite Urgent Care for HERRC case management services** at a not to exceed amount of \$176,800,000 for a contract term of one year and two six-month renewal options exercisable at the discretion of the System

Dr. Ted Long commenced the presentation with an overview of the HERRC program and a financial update. H+H has overseen the Humanitarian Emergency Response and Relief Centers (HERRC) per Emergency Executive Order 224 since October 2022. There are currently 16 H+H HERRC sites serving over 23,000 guests daily. At the 24/7 Arrival Center, more than 79,000 asylum seekers have been served to date. Compared to other cities,

at the NYC Arrival Center asylum seekers are screened for diseases, mental health, and health care is offered upon arrival. All H+H HERRCs provide basic human necessities such as food, clothing and shelter and resettlement and transport to friends or family in and beyond NYC. In the NYC November Plan, H+H received for the HERRC program \$2.17B in FY-24 and \$2.82B in FY-25. H+H has incurred \$429.3M of HERRC expenses in Q1 of FY-24. OMB has provided H+H with revenue through the HERRC MOU with the Mayor's Office to cover committed expenses to date.

Ms. Wang polled the committee questions.

Ms. Hernandez-Piñero inquired regarding the occupancy at the HERRC sites and how big is the range.

Dr. Long responded that the largest site is the Row Hotel where there are close to or up to 4,000 people and that is family with children. Whereas, there are smaller sites such as the Wingate Hotel, which has about 170 rooms and there is a much smaller number of people there each day. The amazing thing here is that there are 4,000 people that are being helped each day and all kids go to school each morning.

Ms. Wang asked if the sites are 100% occupied at all times. Dr. Ted Long agreed.

Ms. Wang inquired regarding the case management services that will be offered, if these will be a Citywide effort and not only for the 16 H+H sites.

Dr. Long agreed, and added that case management is the process of identifying barriers and helping people to overcome their barriers. Dr. Katz and himself are case managers in medical care for instance. In NYC, about 90% of asylum seekers not only in the H+H sites but all over the city have completed a survey where we know where the individual is in the process and they have told us what their barriers are. For which, when we bring the resolution to the Board, we are able to bring targeted help to overcome the specific barriers as everybody has a different situation and we have the data to start the process and really hit the ground running something that no other city has.

Ms. Wang added that when we speak of HERRC we refer to the 16 centers, but when we speak of HERRC expenses and how much funding is received for HERRC in the Financial Plan that also refers to the arrival center and everything we are doing related to HERRC. Dr. Ted Long agreed.

ACTION ITEM: HERRC Case Management Services

Mr. Chris Keeley - Senior Assistant Vice President - Office of Operations in Ambulatory Care and the HERRC program, read the resolution into the record and proceeded with the presented:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute contracts with Cherokee Nation Management and Consulting, LLC, International Rescue Committee, Inc., Horne LLP, Rapid Reliable Testing NY LLC dba DocGo Inc., and Medrite LLC dba Medrite Urgent Care for HERRC case management services at a not to exceed amount of \$176,800,000 for a contract term of one-year and two six-month renewal options exercisable at the discretion of the System.

Mr. Chris Keeley began by providing the background and current state of NYC H+H's casework services at HERRC sites. H+H currently provides general casework services at HERRC sites to assist guests with court dates, child care plans, work authorization, resource navigation, discharge planning, etc.

H+H seeks to strengthen and expand casework services for exit planning to support guests moving onto the next chapter of their lives as the system continues to lead this effort citywide. The System currently holds contracts with two of the proposed HERRC casework vendors; DocGo and Medrite. The vendors historical spend at NYC H+H was presented. An RFP was done to expand casework capacity and service scope, as well as bring in national expertise from organizations that have worked with these populations. Multiple reference checks for Cherokee Nation Management and Consulting, LLP, International Rescue Committee, Inc. and Horne LLP are being conducted. NYC H+H expenses will be covered by HERRC MOU with the Mayor's Office.

An overview of the RFP Criteria and procurement process was presented by Mr. Keeley. The performance evaluation for Rapid Reliable Testing DBA DocGo and Medrite was also presented.

Ms. Hernandez-Piñero inquired regarding the average revenue for the vendors that were selected.

Mr. Keeley responded he does not have the exact number handy, will follow up, but expects it would be in the north of \$3 Million per year.

Ms. Lowe asked if we are also trying to reunite and relocate individuals with families in other States.

Mr. Keeley responded Yes, however we are unsure if that will be 1% of families or 30% of families. The plan is to ensure that if we have partners that can bring those pathways and bring those avenues, bring those

connections, we can leverage those. The vendors that we are seeking to move forward with, have national resources, so we can try to leverage that.

Ms. Lowe continued and asked if there is anything else that would need to be seeing before moving individuals to the next stage to ensure they do not fail.

Mr. Keeley responded that we are expecting the national experts we are bringing in, to help us think through what those prerequisites and requirements are, and we are going to be working with those families before we make that connection to ensure that they can do it successfully. We are going to be relying on their expertise.

Mr. Keeley continued by presenting the vendor background and assignment for the three new vendors. Cherokee Nation Management and Consulting, LLC is a federally licensed Minority Business Enterprise with experience completing over 115 emergency preparedness and response projects. Their approach to case management aligns with RGY (Red, Green, Yellow) coding and is able to provide a holistic resettlement and referral services, naming national resettlement as one of their 3 main programmatic pillars when approaching casework services. Cherokee have active recruitment pipelines across a variety of specialties and the agility to rapidly scale up or down in response to changing needs.

International Rescue Committee, Inc. is a non-profit industry leader capable of casework services and national resettlement, having provided asylum seeker casework and reception services to well over 100,000 asylum seekers across the country. Their approach centers on acknowledging migration-related stressors and systematic barriers. With their vast experience, they have worked with clients who come from over 170 countries, many of which are points of origin for HERRC guests and are helping with some novel models on how to really help individuals resettle.

Horne LLP have worked with State and Federal entities to provide national resettlement services to over 85,000 asylum seekers including work authorization, temporary protective status, and biometrics, as well as caseworker supports for 19,000+ New Yorkers during Hurricane Sandy's Emergency Response. Their approach involves conducting cultural assessments of targeted resettlement locations to ensure capacities for successful integration with formal (CBO, State) and informal (community, cultural) supports. Horne LLP is able to rapidly staff and deploy.

These vendors work will be assigned based on operational need, vendor capacity, and financial competitiveness. The contract terms allow contracts to be sunset at any time with less than 90-day notice, and work can be reassigned from a vendor with 30-day notice.

The MWBE analysis for each proposed vendor was presented by Mr. Keeley.

Dr. Katz inquired in regards to Cherokee Nation Management being a minority owned business but have not registered with the City. Mr. Keeley agreed and mentioned the vendor relayed they intend to do so.

The Office of Ambulatory Care is seeking approval to enter into contract with Cherokee Nation Management and Consulting, LLC, International Rescue Committee, Inc., Horne, LLP, Rapid Reliable Testing NY LLC dba DocGo Inc., and Medrite LLC dba Medrite Urgent Care for HERRC case management services at a not to exceed amount of \$176,800,000. The NTE is based on assumption that caseworkers will be available 16-hours a day and at a minimum available for 3 sessions per month for each HERRC household using historical rates. The contract start date is January 1st, 2024 with a term of one-year and two six-months renewal options exercisable at the discretion of the system.

Ms. Wang polled the committee for questions.

Ms. Hernandez-Piñero inquired regarding if there will be seminars or sessions to help people understand what other States or cities available to them and what is attractive about them that they can considered or will this be part of the one-on-one.

Mr. Keeley responded that the primary method we are assuming is incorporating as part of that one-on-one discussions. These are types of things that we have done in the past. There have been some programs within New York State where they have been able to offer resettlement upstate. We have possible pathways to agricultural jobs for example, and we are able to hold public information sessions and explain the jobs available and how to get involved.

Ms. Lowe asked what is the average size of a family.

Mr. Keeley responded that it is 3, often times two adults and one child or one adult and two children. We have a wide variety and mix of family types.

Ms. Wang inquired regarding how do vendors price their service; if it is on a daily rate, number of key families helped, or are these primarily driven by straight staff rates on an hourly rate for this type of staff versus that staff, etc.

Mr. Keeley answered that different vendors will have a slightly different staffing models, and as mentioned for instance with Cherokee Nation Management, they have the robust capability to do recruiting and onboarding of different types of caseworkers. Those different types of caseworkers, may have different hourly rates and depending on each case they may have more skilled case workers which would be at a higher rate. Whether the lesser skilled workers will have a lower rate and each of them will have a

different type of supervisory ratios depending on the intensity of that work and then the vendors are different within that. The standard would be as a team structure with hourly rates for the staff, however what those teams really look like varies.

Ms. Wang continued, how does this RFP results yielded compared to what our contract were prior to this RFP.

Mr. Keeley responded that they are very comparable. The current work that is being done that was cited at the beginning with DocGo and Medrite rates is very comparable to where we are at now. We are bringing in these new national experts, so there is an element of paying a premium for that expertise, but it is comparable in rates ultimately.

Dr. Katz added, that this is the kind of job that is really no economy of scale. It is a case manager with a person, you do 500 or 1000, you will need twice as many hours.

Ms. Wang added that we are bringing different skill set here and that does not sound like the cost differential.

Mr. Keeley agreed and continued, that ultimately the expectation in this space is that with this casework we are able to resettle those families, help them move out of the City, support and housing, and so the more expertise we bring will help lower the overall census, we can lower the overall expense to the City. We do not need as many hotels as other HERRC resources. What we are looking to do is invest in helping folks be independent.

Ms. Wang inquired on the plan to allocate work to the different types of organizations. There are 5 vendors, what criteria will be used to decide how to use them.

Mr. Keeley responded that we are working through this at the moment. Working with them operationally to better understand where their deepest strengths are within the expertise that they bring. We expect to look at a couple of these national experts to first work on those greens and yellows and work with those folks who are sort of closest to being able to move out, who have some of those lowest barriers to help move out first, to help them resettle quickly. We will probably end up using one of the other vendors or a combination on those for red families that have the higher barriers that need more intensive case management. We will probably wind up splitting it that way but we have lots of ongoing conversations to have with each partner.

Ms. Wang inquired regarding who has been doing the work with the RGY coding.

Mr. Keeley responded that this is some of the work DocGo and Medrite has been doing so far. The goal is to scale up to meet the needs of the full population across the City to be able to move quickly and help get those green and yellow on their feet and outside of the System.

Dr. Long added that he has been thinking about this from an effectiveness point of view but there is also an efficiency component. When some of these new organizations come on, they will be speaking with somebody who they have on their computer screen to their barriers as listed, whether red, yellow, green, and what some of their goals are to help them to complete their journeys. This will be a supercharged effort as they will not be starting from scratch, they will be able to build on a very strong base that may not be available in other Cities.

Ms. Lowe asked what would an evaluation look like over a period of time.

Dr. Long responded that a key component of the evaluation is how successful are we in helping someone complete their journey after they have left our City system and resettle somewhere with either friends, family in NYC or ticketed to a sibling in Chicago and found the job that they wanted as we can afford OSHA training for them. Ultimately, a big important metric of success for us will be how many asylum seekers in our System with our help has been able to leave the system and complete their journey and celebrate their birthdays in their new apartment.

Ms. Hernandez-Piñero inquired regarding the system success mentioned. What has happened to those people who time-out of the 60-days and moved out and cycled back in.

Dr. Long responded that there have been no families with children who have reached the 60-days in terms of notices that have been given. This will be an important piece of helping families with children be successful in taking the next step forward, in particular among adults. We have had initially 60-day notices and 30-day notices and when adults have reached that time period, are leaving sites where they currently at and we have had an effort on our end to help them through a similar type of case management to help identify what their barriers are and help them be able to successfully leave. That is why the vast majority of adults that have received a notice have not come back into the City system. Dr. Long will confirm the exact statistics, but he believes is about 23%.

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

ACTION ITEM: HERRC Catering Services

Mr. Chris Keeley - Senior Assistant Vice President - Office of Operations in Ambulatory Care and the HERRC program, read the resolution into the record and proceeded with the presented:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute contracts with Rethink Food NYC, Inc., LIC COM LLC dba Kommissary, Bridging Cultures Group, Inc., and R.C. Stillwell LLC dba Riviera Caterers for HERRC catering services at a not to exceed amount of \$355,000,000 for a contract term of one-year and two six-month renewal options exercisable at the discretion of the System.

Mr. Chris Keeley began by providing the background and current state of NYC H+H's catering services at HERRC sites. Currently providing 3 culturally competent and nutritious meals per day daily at HERRCs sites operated by NYC H+H. H+H seeking vendors to continue to provide access to nutritious and culturally competent food for these individuals and families. The System currently holds contracts with two of the proposed HERRC catering vendors; ReThink Food and LIC Com, LLC. The vendors historical spend at NYC H+H was presented. An RFP was done to competitively bid for these services and identify additional vendors that maybe well-suited to this work. Multiple reference checks for Bridging Cultures Group, Inc., and R.C, Stillwell LLC dba Riviera Caterers are being conducted. NYC H+H expenses will be covered by HERRC MOU with the Mayor's Office.

Dr. Ted Long presented the successes of HERRC Food program. Some of the HERRC Food Program successes include soliciting guests' feedback to be able to provide culturally competent meals of choice, operational improvements and efficiencies, partnerships for leftovers, and cost savings.

An overview of the RFP Criteria and procurement process was presented by Mr. Keeley. The performance evaluation for ReThink Food and LIC Com dba Kommissary was also presented.

Mr. Keeley continued by presenting the vendor background and assignment for the two new vendors. Bridging Cultures Group, Inc. is an Arab-American Woman-Owned MWBE vendor capable of providing full services within 10 days of contracting. The Menu blueprint meets cultural competency goals of diverse and regionally appropriate meals that comply with NYC Food standards, with meals designed to scale as needed. Bridging Cultures Group have also done long standing community work throughout the City. R.C. Stillwell LLC dba Riviera Caterers is an MWBE vendor experienced in providing meal services to asylum seekers and working in a food service capacity with the City. Riviera Caterers sample menu is encompassing of regional cuisine goals and vendor was a leader on adaption of NYC Food standards when Executive Order 8 was signed. This vendor also has the

ability to rapidly deploy following contracting, with marginal capacity to operationalize new sites overnight. These vendors work will be assigned based on operational need, vendor capacity, and financial competitiveness. The contract terms allow contracts to be sunset at any time with less than 90-day notice, and work can be reassigned from a vendor with 30-day notice.

The MWBE analysis for each proposed vendor was presented by Mr. Keeley. Three of the awardees are MWBEs and ReThink Food is a non-profit.

Dr. Katz asked in regards to ReThink Food, assuming work is given to other minority business, do those work show as part of the spend or not?

Mr. Tallbe responded that if the vendors are not registered as diverse vendors with the City or State, they would not show.

Dr. Katz continued, a non-profit business using a minority business to provide services and minority business gets some of the money, the dollars show or do not.

Mr. Tallbe responded that the dollars typically do not show. We have 2 large contracts with non-profits where we track them, but we have not historically tracked those non-profits doing business with certified diverse vendors. Our current policy has that we do not have a goal setting on non-profit.

Dr. Katz agreed on that is how non-profits law works, there is no goal setting on non-profits. However, as we show our data based on spend, if a non-profit is spending the money through a City or State entity that should show in our stats.

Mr. Tallbe responded that we could apply it. We currently have 2 non-profits that have goals where we negotiated with them and although they are non-profit we asked them to have goals. Nevertheless, and we do track those, but it is not our standard practice to do.

Follow-up: Dr. Katz added if we could look into whether it could be a standard practice. Mr. Tallbe responded absolutely.

Dr. Katz continued, in the case of an application where we would certainly wish them to do City although as a matter of inclusiveness we include the State, can we include that as part of our standard to please do the City.

Mr. Keeley responded that in the case that mentioned the State here having some certifications pending, was just a coincidence as these vendors were already in the process before they came to our attention.

The Office of Ambulatory Care is seeking approval to enter into contract with ReThink Food NYC, Inc., LIC COM LLC dba Kommissary, Bridging Cultures Group, Inc., and R.C. Stillwell LLC dba Riviera Caterers for HERRC Catering

services at a not to exceed amount of \$355,000,000. The NTE is based on maximum occupancy at HERRC Sites for guests 3 meals a day utilizing historical rates. The contract start date is January 1st, 2024 with a term of one-year and two six-months renewal options exercisable at the discretion of the system.

Ms. Wang polled the committee for questions.

Ms. Lowe commended the team for the impressive work.

Ms. Wang asked if the cap is the same for all.

Mr. Keeley responded that on the RFP the cap was set to come in at or below \$14.40 per person and they all did. Some of them that we are moving forward with came even further and said they would come in at under \$14 if certain scale was met for instance do more than 5,000 or 20,0000, or certain number of meals during a certain time. They get that economy of scale. We have been working since the beginning of the HERRC program to bring down the catering prices considerably and we are looking forward to bring it from that \$14.40 even further down in the months ahead as we continue to work through the logistics of how to move this more efficiently while having our Food standards and having good food quality.

Dr. Katz asked what is our current average rate. Mr. Keeley responded \$14.40.

Ms. Wang added it has come down from what we have been spending. For the \$60.8M that has been spent, is that a year's worth of spending?

Ms. Rubin responded that it is since we launched in October 2022.

Ms. Wang asked if we are expecting a large increase due to population increase, as our rates are better.

Ms. Rubin responded that it is also due to the uncertainty of the future, making sure that we have enough buffer if the City needs to respond and support any other sites moving forward.

Ms. Wang thanked the team.

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

ACTION ITEM: HERRC Laundry Services

Mr. Chris Keeley – Senior Assistant Vice President – Office of Operations in Ambulatory Care and the HERRC program, read the resolution into the record and proceeded with the presented:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute contracts with HappyNest, Inc., Sodexo, Inc., Sun International Trading LLC, and Burnblu 2081 Flatbush Ave LLC dba Blu Laundry Services for HERRC laundry services at a not to exceed amount of \$33,800,000 for a contract term of one-year and two six-month renewal options exercisable at the discretion of the System.

Mr. Chris Keeley began by providing the background and current state of NYC H+H's laundry services at HERRC sites. Currently providing routine laundering services at all HERRC sites operated by NYC H+H. H+H seeking vendors to continue providing effective laundering services at significant scale. Many asylum seekers arrive with minimal clothing and need reliable access to laundering services. H+H currently holds contracts with two of the proposed HERRC laundry service vendors; Sodexo and HappyNest. The vendors historical spend at NYC H+H was presented. An RFP was done to competitively bid for these services and identify additional vendors that may be well-suited for this work. Multiple reference checks for Sun International Trading LLC and Burnblu 2081 Flatbush Ave LLC dba Blu Laundry Services are being conducted. NYC H+H expenses will be covered by HERRC MOU with the Mayor's Office.

An overview of the RFP Criteria and procurement process was presented by Mr. Keeley. The performance evaluation for Sodexo and HappyNest was also presented.

Mr. Keeley continued by presenting the vendor background and assignment for the two new vendors. Sun International Trading LLC is an Asian woman-owned MWBE with 10 years' City contract experience, capable of rapidly scaling. The facilities are conveniently located in multiple boroughs, positioned to strategically serve HERRC families with minimal disruption to service. Burnblu 2081 Flatbush Ave LLC is applying for MWBE status directly, in addition to plan for adequate subcontracting. This vendor has capacity to deploy immediately. The work will be assigned based on operational need, vendor capacity, and financial competitiveness. The contract terms allow contracts to be sunset at any time with less than 90-day notice, and work can be reassigned from a vendor with 30-day notice.

The MWBE analysis for each proposed vendor was presented by Mr. Keeley. The vendor diversity team set a goal of 30% on this solicitation. The awarded vendors include one MWBE. The three non-MWBE vendors have agreed to utilization plans meeting the 30% goal, with the exception of Sodexo, which has submitted a plan of 16% and negotiations are continuing and believe that by the Board meeting that number will increase. Sodexo scoring was strong enough on all other criteria that they were able to make it into the top 4 awarded vendors.

The Office of Ambulatory Care is seeking approval to enter into contract with HappyNest, Inc., Sodexo, Inc., Sun International Trading LLC, and Burnblu 2081 Flatbush Ave LLC dba Blu Laundry Services for HERRC Laundry services at a not to exceed amount of \$33,800,000. The NTE is based on maximum occupancy at HERRC Sites and guests receiving laundering on a weekly basis utilizing historical rates. The contract start date is January 1st, 2024 with a term of one-year and two six-months renewal options exercisable at the discretion of the system.

Ms. Wang polled the committee for questions.

Ms. Hernandez-Pinero asked if these rates cover bedding as well.

Mr. Keeley responded that there are very few sites where we actually needed to do that as the hotels includes bedding in their nightly room rates. However, there are certain sites where we wanted to have that flexibility and we have tapped into those linen services with HappyNest and Sodexo. The Roosevelt Hotel provide the linen services and housekeeping services just like they would if they were a hotel open to the public.

Dr. Katz added that it was important to the unions to be able to ensure their employees would not all be on the street if we did those jobs ourselves there will be all these people unemployed from those hotels.

Ms. Lowe inquired regarding Sodexo and the long history we have with them.

Mr. Keeley added that this contract would be a separate contract for HERRC services separate aside from the systemwide Sodexo contract.

Dr. Ted Long added that it is important to point out that it is a good example of we have had a long history with them on the hospital side as we were building these sites, we operated them like we would operate a hospital. We broke down each service, including laundry, we had the opportunity to build off of our relationship and experience with Sodexo to move at the pace we needed to move at and now we are going to the RFP process to make sure we have the most competitive bids.

Ms. Wang inquired regarding the different pricing models for HappyNest, are the other vendors a similar model and how did the RFP process help in terms of pricing results.

Mr. Keeley responded that in terms of the pricing results, the new vendors are coming in more on the per pound scenario, HappyNest is more of the outlier as far as we can tell in terms of a per bag scenario. However, that works well for us at certain locations that HappyNest per bag scenario in small to medium size sites, there is actually more efficiency towards doing a per bag rate as it is less staff intensive and we find other efficiencies in the system of doing that way. However, we are seeing the new vendors coming in at a per pound rate, and believe it will be tough for these local

laundromats to compete with somebody as large as Sodexo on a per pound rate as they are currently coming in at a higher rate.

Ms. Wang inquired regarding the evaluation committee, are these new individuals we hired for HERRC or that moonlight. Mr. Keeley advised that it is a mix. There will be a few on this list that are moonlighting and then 1 or 2 that are new hires. Ms. Wang thanked the team.

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

FINANCIAL UPDATE

Mr. Ulberg opened the presentation with the FY-24 Quarter 1 Highlights. He conveyed that September closed with \$962M (36 days cash-on-hand). The budget overperformed at 1% and closed September with a positive Net Budget Variance of \$49M.

Mr. Ulberg continued that direct patient care receipts came in \$133.89M higher than the same period in FY-23 partially due to SBH bills held in PY Q1, continued increases in IP and OP services in FY-24, and overall improved cash performance. Patient care volume in FY-24 has surpassed pre-COVID levels (1%), and is 9% ahead of FY-20 pre-COVID OP visits. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate over the base. Overall, our strategic Financial Initiatives are underway. So far, Q1 performance generated \$217M against an annual target of \$1.08B. Financial updates are still in progress within areas of Revenue Cycle and System Efficiencies. Several areas of strong Q1 performance were noted.

Mr. Ulberg presented the cash projections for FY-24. The System is estimated to close November with approximately \$650 million (24 days cash-on-hand) and expects to close December with approximately \$500 million (18 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.

Mr. Ulberg continued presenting the external risks. Several areas of focus are staff recruitment, retention, temp services and sessional costs which continue to present a financial challenge. The system is focused on the 18-month RN glidepath, which assumes hiring to start ramping up in FY-24 Q2. NYSNA negotiations closed on August and H+H implemented the "All Hands-on Deck" approach to recruit and retain RNs. Sites are tracking well towards achieving FY-24 glidepath targets. The system is rolling off or converting non-clinical temps where appropriate. RN temp agency ramp down is expected to follow completion of orientation for new hires starting end of Q2 of FY-24. FY-23 Sessional spending surpassed FY-22 actuals and budget across all facilities and is currently being monitored.

H+H is diligently working to address inflationary pressures and supply chain related costs continue to present a financial challenge as facilities submitted \$90M in gap closing plans to reduce spend including OTPS discretionary spending. City and State budget challenges remain and H+H continues to closely monitor this as City's November Plan included another PEG. Federal Budget and regulatory impacts continue to present a financial challenge due to the Medicare DSH cuts rule currently delayed and IPPS rule being implemented. H+H is tracking potential impacts. Lastly, Medicaid Recertification is currently meeting our budgeted recertification targets and continue to optimize our overall strategies to ensure that we stay on track.

Ms. Lowe inquired on the Medicaid Recertification, if H+H has received any information for potential impacts for retirees.

Mr. Ulberg responded that the Medicaid recertification is a process that was held due to the pandemic by the Federal government and is in place now and is a cumbersome process. As mentioned, there is a portion of the recertification that is done by paper and it is the SSI population, the vulnerable population and we may need to have a conversation about that with the State. The State has been very good and open to us, and shown interest as we have been in constant communication. The Feds on the Medicaid Recert piece has given States some flexibility. It is very likely that those who would recertify be eligible rather than losing their insurance coverage, and if we can go back and check to refund any of those that did not qualify. It's about finding that balance as it may be a small percentage of the population instead of the risk of losing that connection and losing that clinical relationship with that population. It is very important to us as that is a large portion of the population we serve. The report we receive from the health insurance plans on how they are doing versus other benchmarks, show that we are for the most part doing a very good job. It is nice having good partners with your health plans, especially on complicated important issues like Medicaid Recert.

Ms. Wang added that due to time constraints we should continue with the main highlights of the presentation.

Mr. Cassidy presented the November 25 Financial Plan - PEG. OMB released the Nov 25 Financial Plan on 11/16. As part of the plan, NYC Health + Hospitals along with other City agencies, was given a City Tax Levy (CTL) budget savings target also known as a Program to Eliminate the Gap of 5% per year. NYC Health + Hospitals met its PEG target by in-housing consultant work, internally driven programmatic modifications, billing improvements, and Central Office contract and administrative expense reductions, and funding shifts. There are no impacts on patient services.

Ms. Farag presented the financial performance highlights for FY-24 thru September Net Budget Variance. She noted that September ended with a net budget variance of \$48.9M (1%). Receipts exceeded budget by \$140M Primarily

driven by Patient Care Risk Revenue. Risk is higher due to improved PMPM and other PY reconciliations. Disbursement exceeded budget by \$91M, which includes expenses associated with Temp coverage, affiliation, and PS/Overtime costs.

Ms. Farag continued providing FY-24 thru September performance drivers updates. Cash receipts are 6% ahead of budget. Much of the overage can be attributed to Risk revenue exceeding target due to higher than anticipated PMPM and PY reconciliations. FY-24 thru September, cash disbursements are over budget by 4% primarily resulting from Temp spending and Agency costs exceeding target.

The revenue performance for FY-24 thru September was presented by Ms. Farag. FY-24 direct patient care revenue (IP and OP) is \$133.9M higher than FY-23 actuals. Patient revenue increases year-over-year can be partially attributed to PY hold on SBH bills (\$40M), PY UPL takeback (\$17M), Health Care Worker (HCW) Bonus (\$11M), overall increased volume and cash performance on revenue improvement initiatives.

Ms. Wang polled the Committee for questions. There being no further questions, Ms. Wang thanked the team.

ADJOURNMENT

There being no further business before this committee, the meeting adjourned at 1:47 PM.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an eight-month extension contract with Hawkins Delafield & Wood LLP (“Hawkins”) to continue providing bond counsel services related to the structuring and continuing implementation of the System’s tax-exempt financing program for the period beginning December 1, 2023 through July 31, 2024 under the same terms and conditions of the existing contract - at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

WHEREAS, the System currently finances major capital projects, ongoing capital improvements and major movable equipment through funds received from the proceeds of tax-exempt bonds and/or leases issued by the System or by other issuers on behalf of the System; and

WHEREAS, the specialized services of experienced bond counsel are needed to prepare and review documents, to issue formal independent legal opinions relating to security and tax law, and other areas, and to provide related legal advice; and

WHEREAS, Hawkins has served as bond counsel to the System since 1995, and was most recently selected to continue serving in that role through a competitive Request for Proposal (“RFP”) conducted in 2018;

WHEREAS, Hawkins’ extensive health care experience and reputation among the credit rating agencies and the investment banking community has served the System well in the past; and

WHEREAS, this eight-month extension of the existing bond counsel service will provide for the continuation of bond counsel services until the awarding of new contracts under an RFP for comprehensive legal services (including bond counsel service) being conducted by the Office of Legal Affairs; and

WHEREAS, the overall management of this extension contract will be under the direction of the Senior Vice President, Finance/Chief Financial Officer and Vice President, Finance.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute an eight-month extension contract with Hawkins Delafield & Wood LLP to provide bond counsel services related to the structuring and continuing implementation of the System tax-exempt financing program for the period beginning December 1, 2023 through July 31, 2024, under the same terms and conditions of the existing contract - at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

EXECUTIVE SUMMARY

Hawkins Delafield & Wood LLP

Bond Counsel Services

NEED: The System funds a vast majority of its major capital expenditures with the proceeds of bonds, notes, leases, or other publicly traded securities issued either by the System or by a third-party on the System's behalf. This activity has become increasingly diverse as various financial products were introduced in response to market changes. Currently, the System's debt portfolio encompassed various fixed and variable rate bond issues, equipment leases, and lease-leaseback financings. The System cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure and ancillary documents.

SCOPE: Due to the diversity of the System's financing program, Hawkins' services will necessarily range over a broad set of issues. These include, but are not limited to:

- Providing legal counsel in matters related to the structuring and ongoing implementation of the System's financing programs;
- Preparing and/or reviewing legal documents (i.e., disclosure, security and ancillary documents) of lease and bond issue transactions, and assisting the System in negotiating such transactions;
- Rendering bond counsel opinions with regard to the System's authority to issue debt, the adequacy of disclosure, the legal validity of such transactions under State law securities, tax-related issues and other pertinent legal matters;
- Informing rating agencies, credit enhancers and the System's personnel of legal issues as it pertains to proposed future System bond transactions; and
- Preparing arbitrage rebate compliance reports for all of the System's tax-exempt obligations.

PROCUREMENT: Hawkins was selected to serve as system bond counsel from 1995 to 2023 through competitive Request for Proposal ("RFP") processes, with the exception of 2001 to 2004, where the System's Board of Directors approved Hawkins as its bond counsel for a three-year sole source contract primarily due to the wealth and depth of Hawkins' health care experience, and its thorough working knowledge of the System's legal and business components gained over the years.

Hawkins' knowledge had proven to be extremely beneficial to the System. Due to its past experience with the System, Hawkins has an intimate understanding of the System's credit, its legal structure and its relationship with the City of New York, resulting in effective advocacy on the System's behalf. This can be demonstrated by Hawkins' successful interpretation of the System's lockbox security structure to credit rating agencies, which resulted in a Moody's upgrade from Baa3 to A3 in 2001. In 2015, Hawkins

was instrumental in the creation of the secondary lien security structure that afforded the System's the ability to borrow short-term capital funds from the commercial banking community to finance medical and IT equipment purchases as well as small scale renovation projects. Hawkins' extensive health care experience and outstanding reputation among the credit rating agencies and the investment banking community has served the System very well in the past.

As all legal services (including bond counsel services) will be consolidated and managed by the Office of Legal Affairs, this eight-month extension of the existing contract will allow time for the issuance of the new legal services RFP and the selection of a bond counsel firm going forward.

HOURLY RATES: Existing rates for Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

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

From: Keith Tallbe
Chief Procurement Counsel
Office of Legal Affairs

Tallbe,
Keith

Digitally signed by Tallbe, Keith
Date: 2024.01.05 10:11:48 -0500

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

Vendor: Hawkins Delafield & Wood LLP

Contract: Bond counsel services

Date: January 5, 2024

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.

Bond Counsel Services

Contract Extension Request Finance Committee

January 8th, 2024

**Linda DeHart, Vice President
Paulene Lok, Senior Director
Finance**

For Finance Committee Consideration

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an eight-month extension contract with Hawkins Delafield & Wood LLP (“Hawkins”) to continue providing bond counsel services related to the structuring and continuing implementation of the System’s tax-exempt financing program for the period beginning December 1, 2023 through July 31, 2024 under the same terms and conditions of the existing contract - at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

Extension of Bond Counsel Services

- Specialized services of experienced bond counsel are needed to prepare and review documents, issue formal independent legal opinions relating to security and tax law, and other areas, and to provide legal advice related to the System's capital financing program.
- Hawkins Delafield & Wood LLP has served as bond counsel since 1995, and was most recently selected to continue serving in that role through a competitive Request for Proposal ("RFP") conducted in 2018 under OP 40-58 (Debt Finance & Treasury), which requires presentation to the Finance Committee and approval by the Board.
- This eight-month extension contract will provide for the continuation of bond counsel services until the awarding of new contracts under an RFP for comprehensive legal services (including bond counsel service) being conducted by the Office of Legal Affairs.
- Bond Counsel staff will be paid on a per hour basis based at existing rates.

Finance Committee Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an eight-month extension contract with Hawkins Delafield & Wood LLP (“Hawkins”) to continue providing bond counsel services related to the structuring and continuing implementation of the System’s tax-exempt financing program for the period beginning December 1, 2023 through July 31, 2024 under the same terms and conditions of the existing contract - at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.








NYC Health + Hospitals
Finance Committee Meeting
January 8, 2024



FY24 Cash Projections

- The system is estimated to close December with approximately \$500 Million (18 days cash-on-hand).
- The system expects to close January with approximately \$600 Million (22 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.

Risk	Status
<p>Staff Recruitment/Retention/Temp Services/Sessional Cost</p> <ul style="list-style-type: none"> ○ The system is focused on the 18 month RN glidepath, which assumes hiring to start ramping up in FY24 Q2. NYSNA negotiations closed in August and H+H implemented the “All Hands on Deck” approach to recruit and retain RNs. Sites are tracking well toward achieving FY24 glidepath targets. ○ As of November 2023 H+H has a net increase of 652 FT/PT RNs since June 2023. 410 of the net new RNs are in the IP and ED Nursing models. ○ The system is rolling off or converting non-clinical temps where appropriate. ○ RN temp agency ramp down is expected to follow completion of orientation for new hires starting end of Q2 of FY24. ○ FY23 Sessional Spending surpassed FY22 Actuals/Budget across all facilities. A sessional and locum expense reducing glide path has been implemented and is assumed to start in FY24 Q3, reaching target by the end of FY25. 	
<p>Supply Chain/Inflationary Pressures</p> <ul style="list-style-type: none"> ○ Facilities submitted \$90M in gap closing plans to reduce spend - including OTPS discretionary spending. 	
<p>City/State Budget Challenges</p> <ul style="list-style-type: none"> ○ H+H is working with OMB on the January Plan, which includes a 5% PEG target. ○ Awaiting Governor’s Executive Budget released in January as well. 	
<p>Federal Budget/Regulatory Impacts</p> <ul style="list-style-type: none"> ○ DSH Cuts delayed until January 19th as part of newly passed CR. ○ IPPS Rule being implemented; H+H tracking potential impacts. 	
<p>Medicaid Recertification</p> <ul style="list-style-type: none"> ○ We are currently meeting our budgeted recertification targets and continue to optimize our overall strategies to ensure that we stay on track. 	



Revenue Cycle



Technology

Works In Progress

- Predictive denial analytics
- One-stop benefits
- Documentation analytics for missing charges
- Experian Implementation
 - Enhanced claim status
 - Denial prioritization
 - Insurance capture workflow enhancements

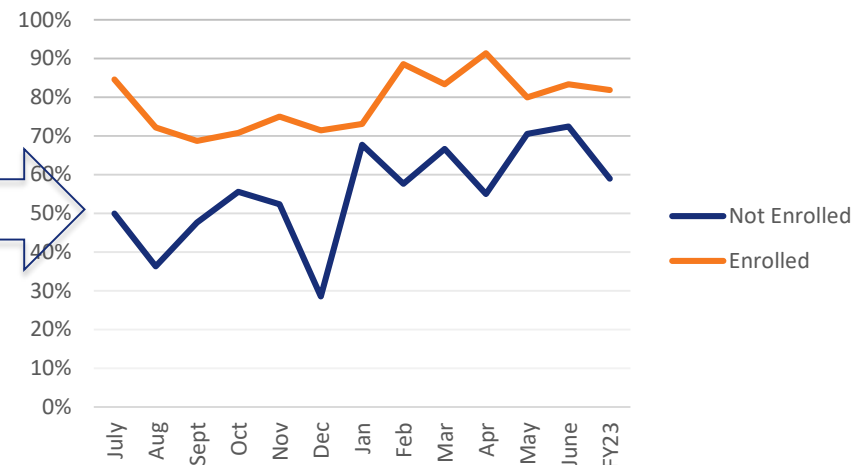
Pipeline

- Autonomous coding
- AI for scanning and indexing
- Generative AI to respond to billing inquiries, draft appeals
- Expansion of Robotics Process Automation

Revenue Cycle Institute FY23 Round-up

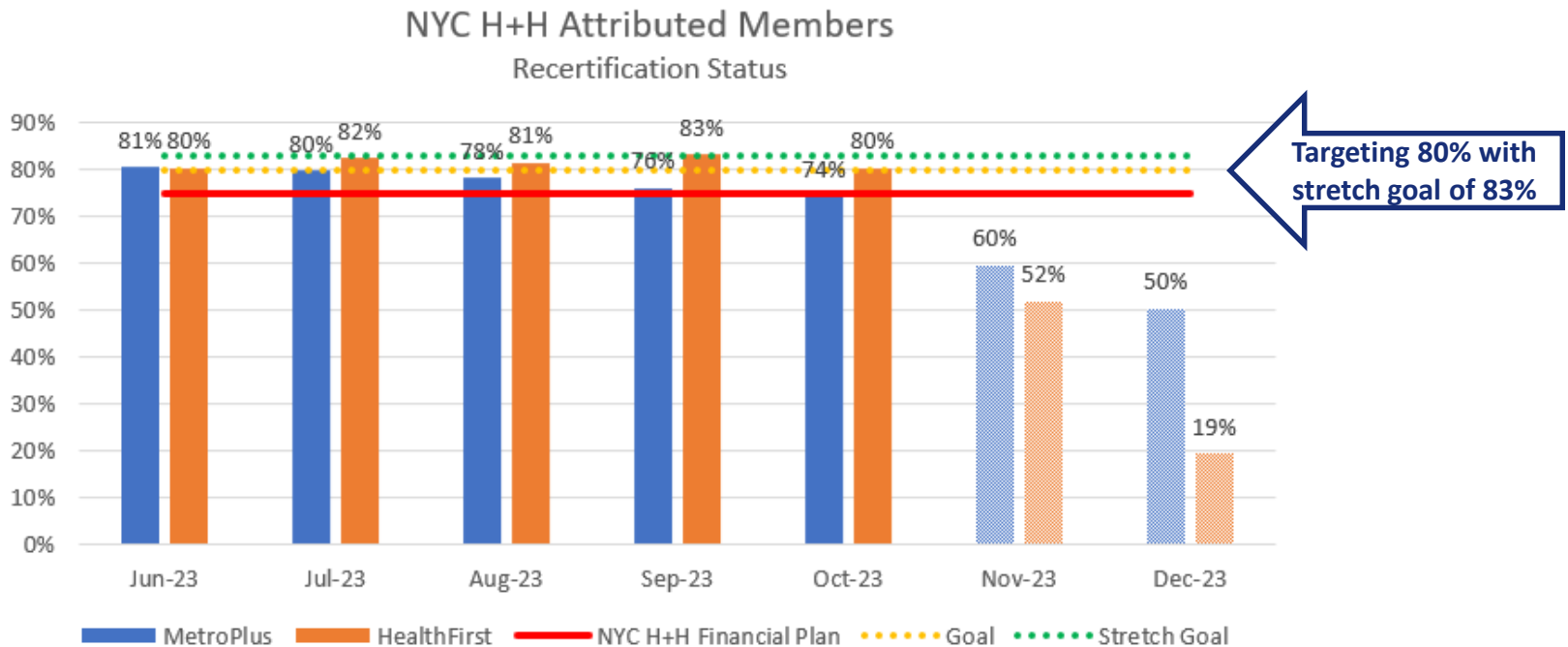
- 184 courses offered
- 10,731 class completions
- Roll-out of Revenue Cycle New Employee Onboarding Training led to improved retention of employees

Rev Cycle Employee Retention



Recertification Results Remain in Line with NYC H+H Financial Plan Halfway Through Unwind

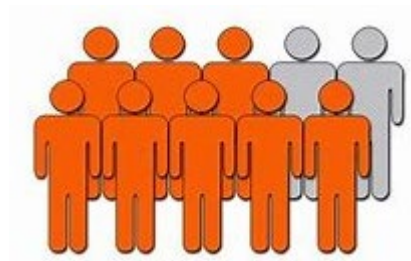
- NYC H+H averaging 80% of June-October 2023 cohorts recertified for biggest health plan partners
 - Recertification rate for MetroPlusHealth members has trended down slightly during this period, which we believe is primarily attributable to a lower recertification rate for certain immigrant populations
- Recertification rates for NYC residents is in line with the rest of NYS



Data from MetroPlus as of 12/4/23 and HealthFirst as of 11/10/23. Please note that members due for recertification can recertify through the end of the following month with no break in coverage if they remain enrolled with the same plan in the same line of business (and selected members with coverage through LDSS/HRA can recertify for an additional 4 months).

243k+ Managed
Care members attributed
to H+H due for recert
from June to December
2023

NYC H+H and Health Plans Continue to Collaborate and Optimize Workflows



153k renewed so
far

Current Focus	Headwinds
<ul style="list-style-type: none"> Centralized Telephonic Financial Counseling team and Health plans continue to coordinate on proactive outreach to members/patients <ul style="list-style-type: none"> Testing new tools to successfully complete more complex (e.g. LDSS/HRA) renewals over the phone Facility-based Financial Counselors helping patients with care appointments or who need in-person assistance 	<ul style="list-style-type: none"> Largest cohort of members/patients due for recert is December 2023 (almost 2x other months on average) Certain immigrant populations are not eligible upon renewal because they can't produce documentation to support a qualifying immigration status <ul style="list-style-type: none"> Education/scripting rolled out to Health Plan reps and Financial Counselors Upcoming expansion of comprehensive Medicaid Managed Care coverage to undocumented seniors aged 65+

FY24

VBP Update

VBP Priorities for FY24

Grow and retain VBP membership	
Prioritize recertification of Medicaid coverage	Green
Work to optimize Managed Care enrollment of our primary care physicians to pair members with providers with best schedule access	Red
Grow premium revenue base in VBP contracts	
Expand outreach to disengaged patients in our value based contracts to actively close gaps in care	Green
Collaborate with Revenue cycle Services to assess accurate diagnosis capture of polychronic attributed members and members with social needs	Green
Enhance scheduling to improve access and patient satisfaction (CAHPS) scores	Red
Improve quality and efficiency of care delivery	
Engage clinical teams to scale best care practices for patients with asthma and congestive heart failure	Yellow
Assess quantitative and qualitative impact of ongoing H+H care management programs on members of our VBP contracts	Yellow
Engage post-acute care teams in VBP program opportunities	Red

New VBP Budget Tools

1	Facility					
2						
3		COMBINED TOTAL				
4	Risk Pool KPI Metric	Baseline	Current Performance	Change from Baseline	Current Performance Acute Care Avg.	Current Performance Rank (Acute Care)
5	Overall Performance					
6	Total Premium					
7	Premium per member month				\$484	1
8	Total Medical Expense					
9	Medical Expense per member month				\$417	11
10	Total Surplus/Deficit					
11	Surplus/Deficit per member month				\$67	10
12						
13	Premium Drivers					
14	Total member months					
15	Estimated CRG/HCC score					
16	Estimated Total Premium gained/lost due to CRG score					
17	Estimated Premium gained/lost due to CRG score per member month				\$11	1
18						
19	Medical Expense Drivers					
20	Total IP spend incurred outside of H+H					
21	External IP spend per member month				\$50	8
22	Total SNF spend incurred outside of H+H					
23	External SNF spend per member month				\$7	8
24						
25						
26	Parameters					
27	Baseline Time Period					
28	Jan to Jun 2022; claims paid thru 06/30/2022					
29	Performance Time Period					
30	Jan to Jun 2023; claims paid thru 06/30/2023					
31	Attribution					
32	All metrics include hospital & community attribution					

If performance better than the acute care/ FQHC

If performance worse than the acute care/ FQHC

If performance improved compared to the

If performance worsened compared to the

If ranked top 3 for acutes or

If ranked bottom 3 for acutes

Support from VBP Coaches

VBP Coach Team: 6 person Central Office team helping H+H facilities improve performance in VBP contracts.

Patient Support

Med Adherence Program

- Called 7,202 risk members to help refill overdue prescriptions
- 3,329 were reached

Outreach to Schedule Members for Appts

- Scheduling post-partum and well child visits

Asthma Care

- 19% improvement YTD with coordinating controller meds for patients with asthma

Clinician Support

Pre-Visit Planning

- Informs PCPs of gaps in care for upcoming patient appts
- 332 Docs supported

Telehealth Program

- Support 4 docs doing target visits for pts w gaps in care
- >100 visits completed

VBP Trainings

- 19 trainings held for Acute, & Gotham staff on risk revenue opportunities and closing care gaps

NYC H+H Support

Supplemental Chart Rev

- > 1k charts reviewed for data to ↑ rates on key measures

VBP Perf Monitoring

- Give monthly updates to facility staff on VBP performance & support improvement efforts

Results:

- NYC H+H is earning more money in quality incentive programs and ranking higher in quality performance among peers.
- Risk acuity scores of risk attributed members have increased year over year
- MetroPlus quality performance has increased YTD on key metrics for diabetes care, cancer screenings and well child care.