

**Date:** October 22, 2024  
**Time:** 11:00 A.M.  
**Location:** 50 Water Street, 17<sup>th</sup> Floor,  
Boardroom – In Person

**I. Call to Order**

*Freda Wang*

Adoption of the July 1, 2024 Minutes

**II. Action Item: Independent Registered Municipal Advisor Services**

*Linda DeHart*

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with PFM Financial Advisors LLC for the provision of Independent Registered Municipal Advisor Services on behalf of the system for an initial period of three-years and two one-year renewal options, exercisable at the discretion of the System, for an amount not to exceed \$1,125,000.

VENDEX PENDING:

PFM Financial Advisors LLC

**III. Action Item: Bond Issuance Underwriters**

*Linda DeHart*

Authorizing the New York City Health and Hospitals Corporation (the “System”) to approve and appoint twenty-two firms to provide Bond Underwriting Services. Of the twenty-two firms, five will be approved to provide investment banking services and serve as senior managing underwriters and 17 firms will be approved to serve as co-managing underwriters as designated on Exhibit A. Services will be provided on behalf of the System for a five-year period. An NTE was not established for this RFP.

VENDEX PENDING:

BofA Securities, Inc., J.P. Morgan Securities LLC, Jefferies LLC, Morgan Stanley & Co. LLC, Samuel A. Ramirez & Company, Inc., Academy Securities, Inc. AmeriVet Securities, Inc., Bancroft Capital, LLC, Barclays Capital Inc. Blaylock Van, LLC, BNY Mellon Capital Markets, LLC, Cabrera Capital Markets, LLC, Essex Securities LLC, Janney Montgomery Scott LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Raymond James, Rockfleet Financial Services, Inc., Roosevelt & Cross Incorporated, Stern Brothers & Co., TD Securities (USA) LLC, Wells Fargo Securities, LLC

**IV. Financial Update**

*John Ulberg*

**V. Old Business**

Freda Wang

**VI. New Business**

**VII. Adjournment**

## **Finance Committee MEETING - July 1, 2024**

**As Reported By: Freda Wang**

**Committee Members Present:** Mitchell Katz, MD, Freda Wang, Sally Hernandez-Piñero

### **CALL TO ORDER**

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 11:05 a.m.

Ms. Wang called for a motion to approve the May 6, 2024 minutes of the Finance Committee meeting.

Upon motion made and duly seconded the minutes of the Finance Committee meeting held on May 6, 2024 were adopted.

### **FINANCIAL UPDATE**

Mr. Ulberg opened the presentation with the FY-24 YTD Highlights. He conveyed that May closed with \$616M (22 days cash-on-hand). The budget underperformed by -0.4% and closed YTD April with a negative Net Budget Variance of -\$62.2M.

Mr. Ulberg continued that direct patient care receipts came in \$109.8M higher than the same period in FY-23 due to continued increases in IP and OP services in FY-24, UPL Conversion, and Medicaid rate increases - despite delayed cash performance due to Change Health Care (CHC) billing issues. Patient care revenue is recovering and expected to be back to budget by Fiscal Year-End.

Ms. Wang commented that the receipts number would be higher if the Change Health Care disruption had not happened. Mr. Ulberg agreed and continued.

IP Patient care volume in FY-24 has surpassed pre-COVID levels with IP discharges up by 1.7%, and OP visits up by 10.6%. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate over the base. Overall, our strategic financial initiatives have generated \$834.7M against an annual target of \$1.08B through March. Financial updates through this period are still in progress as some initiatives have been impacted by the interruption of Change Healthcare. Several areas of strong Q3 performance were noted. H+H also received \$26.8M in Behavioral Health Centers of Excellence funds against an award amount of \$41M. The System is investing in all areas of its Quality Improvement Plan that focuses on high-risk populations and high utilizers.

Mr. Ulberg presented the cash projections for FY-24. The System is estimated to close June with approximately \$600 million (21 days cash-on-hand) and expects to close July with approximately \$450 million (16 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 include the Staffing Glidepath, temp services, and sessional costs, which continue to present a financial challenge. Full-time RN hiring is well ahead of target by 360 RNs, beating the glidepath, and temps are meeting the glidepath reduction targets as orientation is complete which ranges from 3 to 6 months, and potentially beating the 18-months glidepath target. A sessional and locum expense reducing glide path has been implemented and is assumed to start in FY-24 Q3, reaching target by the end of FY-25.

City and State budgets currently presents a low risk to H+H. The City's Adopted Budget process is underway ahead of the start of the new fiscal year on July 1<sup>st</sup>. We do not expect major impacts in this plan. Moreover, H+H initial assessment of the SFY24-25 Enacted Budget is net neutral. H+H continues to track the implementation of the budget provisions.

Mr. Cassidy added that the City's Budget was Adopted by the Council on Sunday, June 30<sup>th</sup>.

Medicaid Recertification is currently meeting our budgeted recertification targets and continues to optimize our overall strategies to ensure that we stay on track.

Lastly, the Change Healthcare (CHC) Cyberattack presents a lower financial challenge to H+H as we continue to make progress. The incident has national impacts, primarily on health care provider organizations, retail pharmacies, and payors, which use CHC technologies/services. H+H has reconnected with CHC for pharmacy and has expedited a planned connection to Experian for all clearinghouse functions. H+H continues to work with Health Plans on ongoing operational issues caused by the disruption.

Ms. Tyler presented the financial performance highlights for FY-24 thru April Net Budget Variance. She noted that April ended with a net budget variance of -\$62.2M (-0.4%). Receipts exceeded budget by \$268M primarily driven by Patient Care and Risk Revenue. Risk is higher due to improved PMPM and other PY reconciliations. Patient billing revenue is behind target by 3% due to the impact of CHC. Disbursement exceeded budget by \$310M, which includes expenses associated with Temp coverage, Affiliation, Personnel Services including Overtime costs, and other increased patient care costs.

Mr. Wang noted there was a typo in the presentation stating ended in March, instead of ended in April as presented. The team agreed that the financial performance highlights for FY-24 thru April should be corrected to state ended in April.

Ms. Tyler provided the FY-24 thru April performance drivers updates. Cash receipts are 3% ahead of budget. Much of the overage can be attributed to Risk revenue exceeding target due to higher than anticipated PMPM and PY reconciliations.

Ms. Wang inquired regarding the supplemental payments. Once H+H gets the UPL conversion done, will there still be normal UPL.

Mr. Ulberg responded that our goal is to take the UPL dollars that we get on a Fee-for-Service basis coming in as a lump sum, and embed into the rates. There is a State plan awaiting submission to CMS on that, but it is certainly part of our agenda to build those dollars into it. What makes this difficult is that we are still waiting on outstanding payment for FY-23, prior year dollars, for services provided in 2023 and we would like to get those dollars as we are providing the services.

Ms. Tyler continued presenting the FY-24 thru April performance drivers updates. FY-24 thru April, cash disbursements are over budget by 4% primarily resulting from Temp spending and Agency costs exceeding target and other increased patient care costs. The System has redirected its attention to full-time recruitment and retention of H+H and Affiliate patient care staff in alignment with established staffing models to support our clinical services and overall volume increases.

Ms. Hernandez-Piñero inquired regarding the affiliations. Are those additional revenue that we built in that the affiliates can earn, or is it overrun by the affiliates?

Mr. Ulberg responded that it is a great question and we have looked into that. We continue to work on the true cost of the additional sessional and affiliation spending. We factor in that as we are bringing in additional providers it will drive additional revenue. In some cases, for the affiliates, it drives additional revenue for them as well for the work that the physicians provided. The savings opportunity is that we pay the affiliate twice, this is the same situation we had with the nurses, we pay our affiliates twice what we believed is a reasonable salary. The savings is substituting the affiliate contract which is very expensive for certain types of physicians to just having our own.

Dr. Katz clarified that the cost of sessional or locums is twice what the cost would be if we hired someone on our own. In terms of doctors, the only true H+H doctors are at Kings County and a few of the other hospitals. We also think of them as our own if we hire them thru the affiliate and they are full-time person. As oppose to our locum, we also do locums thru affiliate and we do sessional thru affiliate, but the most efficient from a cost point of view is permanent thru us or thru an affiliate.

Ms. Wang added it is permanent versus temporary.

Dr. Katz added that there is sort of three levels. There is permanent, sessional and locums, and you go higher. Sessional are generally our employees working additional hours and getting a better rate than regular. The locums are not ours and paid much higher, where the affiliates get into a contract with a locum to provide the additional services and those are the most expensive.

From a clinical staff perspective, there is always some bumpiness in going from nurse registry to nurse permanent positions. Sometimes it shows that we are a little overstaffed in the registry but what we think is the staffing plan is actually understaffed. It is not a 100% due to tracking of the registry is not as tight as tracking of actual people. A hospital may have said we need 97 nurses but it may turn out that the staffing plan was 92 nurses. Then we need to figure out which number is correct, we are always focused on clinical operations and we are trying to provide the correct number of nurses, we are not trying to save money or spend more money so we need to figure out if it is 92 or 97. Sometimes the lower number is right and sometimes the higher number is clinically right. Ultimately, having our own makes budgeting much clearer and more accurate, any time you go to registry is definitely different.

Ms. Farag added, that this is where the models are definitely helpful on the nursing side as it gives us a sense of what is the true clinical needs.

Dr. Katz continued adding that we are doing that now for physicians in a much deeper way than H+H has ever done. All physicians hiring has been by tradition, which means each hospital is a little different based on its tradition. One hospital may have always had one anesthesiologist on call, and other may have two anesthesiologists on call for no particular reason or science to tell why there are two or three anesthesiologists on call at night. We are trying to at least get to an agreement on how many patients equal the doctors just as we are doing on nursing so that there is less variability or at least we can explain the variability that there is.

Ms. Wang added if we can predict based on census.

Dr. Katz added that in an ideal world because of our clinical focus everything would be based on census. We have more patients therefore more doctors, more nurses and more revenue to pay for it. You have less patients then you go down. That was not the history 6 years ago as everything was fixed staffing to the nurse plan. This number of people was not all based on history, if census went up then people would be wildly understaffed and if census went down we lost a huge amount of money because people were not productive.

Ms. Wang asked how do we keep the right mix if we go into permanent staffing and away from registry.

Dr. Katz answered that we would watch the census. If the census goes up for instance Bellevue, our chief example where is running 200 censuses higher.

There was a nursing plan but that nursing plan is certainly inaccurate, which was created several years ago and we need to keep updating it. Within the nursing plan there are ratios of these many patients leads to these many nurses. As they show our census is higher, then Finance can say you should be hiring X more nurses to deal with it.

Ms. Hernandez-Piñero added that there is going to be a lag. Dr. Katz agreed that there is a little bit of a lag.

Ms. Farag added that there is a percent in the model that allows for flexibility exactly of those things, for coverage, adds or vacancies. There is a percent of the model that includes temps and overtime to be able to step in quickly until they hire people or get them thru orientation. There is always a factor of turnover that we have to account for, a level of flexibility in the model.

Dr. Katz added that registry also has the additional issues that if the nurse does not come we do not pay and the nurse does not earn any money. Registry does not have sick leave, vacation or anything else as we are not the employer. We require 8 hours of nursing and if they do not provide we do not pay. Our staffing is not like that we as a System have generous vacation and sick leave, and that is all good but leads to people being on the schedule but not working. Periodically we receive complaints that we had six on schedule but there were not six who arrived. In a registry setting that does not happen.

Ms. Tyler added that we are also building the revenue budget out to align with those staffing budgets. The period we are picking up for those revenue assumptions is the same period we are picking up for the staffing model assumptions. As more staffing models are built in and we are hiring staff outside of those models, our PS models will be more aligned with the actual activity.

The revenue performance for FY-24 thru April was presented by Ms. Tyler. FY-24 direct patient care revenue (IP and OP) is \$109.8M higher than FY-23 actuals. Year-over-year variances are understated due to Change Healthcare Billing issues. Patient revenue increases year-over-year can be attributed to approved State Medicaid increases, and Federal approved Billing UPL.

Mr. Melican provided an update on Medicaid Recertification results that remain in line with NYC Health + Hospitals Financial Plan 3/4ths of the way through. NYC H+H is currently averaging 78% for June 2023 through April 2024 cohorts recertified from the biggest health plan partners. Recertification percentages for MetroPlusHealth and Healthfirst members dipped over winter holidays but are showing signs of recovery. Further, atypically high recertification percentage for Healthfirst for December 2023 cohort is primarily driven by automatic extension of coverage for large cohort of aged, blind and disabled members with coverage through

LDSS-HRA who were due for recert in that month. Lastly, NYC H+H continued focus on helping patients recertify whenever possible.

Ms. Wang commented regarding the financial plan budget line assumptions of 76%, we are averaging 78% and our goal was 80%.

An overview of NYC Health + Hospitals continuing to make progress in recovering from Change HealthCare Cyberattack was presented by Mr. Melican. In terms of CHC Cash Impact to H+H, delayed claims lead to low cash collections in March and April with approximately \$200M behind in cumulative cash collections through April. Further, H+H cash backlog has been fully recovered by mid-May. However, work continues to fully recover cash owed. H+H pockets of claims require attention as Medicaid and other payers' appeals are delayed.

Ms. Wang asked if we can address those issues with our Experian contract.

Mr. Melican responded that we are moving to Experian and is a two-part problem in that. Some of these are coming in through Change Health Care and others are moving to Experian at the same time. Where is that remittance right now, is it being sent by the payor to Change Health Care or are we waiting on it through Experian. We have our tracker on who we are missing and where we think that is and that is what we are waiting on.

Ms. Wang asked if to the extent that those might get aged out, we have a good tracking in being able to recover any.

Mr. Melican responded that we have been working with Megan from Managed Care, communicating with our payors requesting the leniency on timely filing. The biggest one being Medicaid and on June 17<sup>th</sup> they came out with a delay reason code, the code we append to our claim to say it was impacted by Change Health Care and they are giving us until August 30<sup>th</sup>. Other payors, Healthfirst in particular have been good with us and we were able to already send them a list of claims that were impacted and then we will track those receipts. We are working to what we call pockets of denials.

Mr. Ulberg added that we are following the guidance that was put out by the Department of Financial Services, they have asked plans and providers to work together to identify where you had a batch of claims that were hung up and we can track those and we keep communicating with those plans to say please help us and be patient with us because we are moving between two systems.

Ms. Wang asked if the only way to track them is just based on the date.

Mr. Melican responded that we have tagged everyone on the claims. We have a list of 420 thousand plus claims that we have tagged and we are running those claims to make sure we were paid on those or an adjudication as those remittances come in, so that is our pocket.



An update on H+H's operational recovery efforts was presented by Mr. Melican. Revenue Cycle is accelerating planned implementation of paperless billing - live since 02/28, and Change Healthcare ceased statement operations as new vendor identified and planned to go live on July 24<sup>th</sup>. Expedited planned July 1<sup>st</sup> implementation of Experian clearinghouse, and optimization is ongoing. H+H is live with eligibility and claims with the exception of dental claims which is planned to go live on 07/24. H+H has reconnected with Change Healthcare for most payers with the largest backlog from Medicaid, and expect to fully transition and go live with Experian by July 15<sup>th</sup>. The live dates for eligibility, and claims were noted. Revenue Cycle is currently working with facilities to address backlogs in eligibility and claims/denials follow-up due to delays in remits processing.

Dr. Katz commended the team regarding the newly added text messages notification for patients with the payment information, it is very clear and prompt.

Mr. Melican thanked Dr. Katz for his review.

Ms. Meagher provided an update on the VBP Quality Program performance. For Healthfirst average facility improvement by measure for CY-23 versus CY-22, all but 2 measures improved over CY-22. NYC H+H Facilities in top 10 of the Healthfirst's network for overall quality rating in both Medicaid and Medicare programs. NYC H+H incentive earnings increased by 57% in CY-23 with highest earnings to date at \$14.595M. NYC H+H increased earnings by 251% since 2020.

Dr. Katz added that Healthfirst is not our plan and we are not the dominant provider, and we are in the top 10. All the hospitals and all clinical practices in NY and we are 5 of the first 10 in Medicaid and 7 of 10 on the Medicare side. We sent an email to Pat noting that H+H is doing well on your modeling, how about helping us on the housing front as we have had great success with MetroPlusHealth with housing their clients, would you like to help us given our performance and she said she was happy to learn more. It is very objective, it is not us saying we are doing a good job, it is a plan that it is not ours and we are not the dominant providers saying we are doing a really good job on quality.

Ms. Meagher added that one thing to flag on the financial end is that the incentive earnings that we are going to be eligible for in future years may be compromised. Specifically, the State halved the quality pool in the Medicaid program, and there will be a point that we will not be able to exceed the dollar amount year over year because the pool of dollars will be compressed. We can still aim to have in that middle chart as many of our facilities in the top of the quality performance and still feel very proud of that.

Mr. Ulberg added that we would plead with the State and the legislation to restore those dollars. They are so valuable to us as our whole model is based on value-based payments. To the extent that we can earn our margin based on quality metrics is exactly how we planned to bill H+H and for them to cut the pool and they are cutting it year after year, it's a multi-year cut. It is only down to \$50-60M dollars and should be \$100M. It is the right way to spend government money is to let us compete on quality measures as it keeps a focus that you would otherwise lose if it is not there. It has our focus and we are performing pretty well.

Ms. Wang asked if the cut is on the Medicaid side.

Mr. Ulberg responded that it is on the Medicaid side but there is money being added on the Essential Plan, so they are trying to balance it out a little but those are two different populations. We would just ask if they can find the money to restore those pools.

Ms. Wang commended the team for their terrific work.

An overview of the CMS Final Rules issued in April 2024 was presented by Ms. Meagher. The Centers for Medicare and Medicaid Services (CMS) published consequential final rules for the 2025 Medicare Advantage Program and new access, finance and quality rules for the Medicaid and Child Health Plus programs effective July 2024. These Final Rules have an immense amount of details but there are several important impacts that NYC Health + Hospitals will be monitoring over the coming months and years. These include new standards to enhance access and quality in Medicaid Managed Care and Child Health Plus value-based contracts. Changes to Medicaid State Directed Payments, and requirement for Medicaid Managed Care plans who also offer Dual Special Needs Plans (DSNPs) to coordinate all benefits for members.

Ms. Wang asked if these rules will take effect immediately.

Mr. Ulberg responded that these will take effect in 2027, so we have some time on most of these as they pushed out the dates. He continued stating that he applauds CMS on the rules. We are built to be a good partner with CMS to implement all aspects of the rules. The DSNP is a hard one, the State has been on it for a long time. It has a lot of people that are Fee for Service Medicaid and they are a tough group, they can be SSI, disabled, and we need to understand who they are, what services are they using. It does make sense to coordinate both the Medicaid and Medicare together at-risk relationship. It will require some changes and thoughtful thinking and partnership with providers and plans to get it done and from now to 2027 there is enough time to do this and we believe it will benefit the patients in the long run.

Ms. Wang asked if the Medicaid State Directed payments affects us.

Mr. Ulberg responded that it definitely does. We use the State Directed Payment process to do our UPL payments. CMS again has come up with very

good approaches to allow us to perhaps even expand beyond using the UPL as a benchmark. They also have requirements on value and producing good outcomes and there also timeline associated with this that are also reasonable, so we have opportunity here for us and UPL has been fantastic in terms of keeping the financial plan in balance. We have some work to do on that and that will come sooner than 2027.

Ms. Farag presented an overview of the FY-25 Budget Development Planning - Phase III. NYC H+H continues strategizing and raising the bar in Managed Care and Revenue Cycle. Some areas of opportunity on Ambulatory Care OP Growth include provider template optimization and standardization, new patient access innovation, E-consult relaunch and primary care staffing model. Business plans and new cross-facility partnerships emphasis on enterprise radiology, OR efficiency and expansion, and oncology services, therapies and treatment. Continued work on developing physician workforce plan budgeting and recruitment investments and continue locum reduction glidepath. Lastly, other area of focus is managing increased demand including length of stay reduction investments, overtime management, infrastructure investments and temp agency continued glidepath.

Ms. Hernandez-Piñero inquired on the dental benefits not being able to reconnect on Change Health Care.

Mr. Melican responded that dental claims has been a problem and we just reconnected on the 26<sup>th</sup>. Change Health Care could not reconnect on dental, we connected with all managed care plans on the 25<sup>th</sup> and with Medicaid and it has been a struggle on the dental side and very difficult for us. We have a big AR and we will get those claims out and then come back to Experian. We will have a bit of a recovery on the dental side.

Ms. Wang commended the team for the update and great work managing all challenges in FY-24 and a good fiscal year end. Planning for FY-25.

Ms. Wang polled the Committee for questions. There being no further questions, Ms. Wang thanked and commended the team for the great work.

#### **ADJOURNMENT**

There being no further business to bring before this committee, the meeting adjourned at 11:50 A.M.

## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an agreement with PFM Financial Advisors LLC for the provision of Independent Registered Municipal Advisor Services on behalf of the System for an initial period of three-years and two one-year renewal options, exercisable at the discretion of the System, for an amount not to exceed \$1,125,000.

**WHEREAS**, Financial Advisors provide services that support the System by providing expertise and resources that would be cost prohibitive for NYC Health + Hospitals to deploy; and

**WHEREAS**, the Request for Proposals for the provision of Financial Advisor services was released on June 28, 2024 through its Supply Chain Services unit, followed by a pre-proposal conference, attended by two vendors; and

**WHEREAS**, of the two vendors that attended the pre-proposal conference, two vendors submitted proposals; and

**WHEREAS**, in conformance with its procurement operating procedure, the System received and evaluated proposals from two vendors and evaluated such proposals among a diverse evaluation committee; and

**WHEREAS**, PFM Financial Advisors LLC was selected; and

**WHEREAS**, the Vice President of Finance, will be responsible for the administration 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 one agreement with PFM Financial Advisors LLC for the provision of Independent Registered Municipal Advisory Services. The initial term shall be three-years and two one-year renewal options, solely exercisable by the System, for an amount not to exceed \$1,125,000.

**EXECUTIVE SUMMARY**  
**RESOLUTION TO AUTHORIZE AN AGREEMENT**  
**WITH**  
**PFM FINANCIAL ADVISORS LLC**

<b>OVERVIEW</b>	The purpose of these agreements is to provide Financial Advisor services of Independent Registered Municipal Advisory Services.
<b>PROCUREMENT</b>	The System undertook an RFP to procure vendors to provide Financial Advisor services.
<b>NEED</b>	Financial Advisor services support NYC Health + Hospitals' by providing expertise and resources that would be cost prohibitive for NYC Health + Hospitals to deploy internally.
<b>TERMS</b>	The agreement will be issued for a five-year term, with a not to exceed of \$1,125,000.
<b>MWBE</b>	Due to the limited opportunity for subcontracting, no subcontracting goal was placed on this solicitation.

To: Colicia Hercules  
From: Chief of Staff, Office of the Chair  
Re: Vendor Responsibility, EEO and MWBE Status for Board Review of Contracts for Independent Registered Municipal Advisor Services  
Date: September 25, 2024

Digitally signed  
by Irmali  
Rivera-Bazan  
Date: 2024.09.26  
10:08:19 -0400

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

<u>Vendor Name</u>	<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
PFM Financial Advisors LLC	Pending	N/A	No

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.

**Independent Registered Municipal  
Advisor Services Application to Enter into  
Contract with PFM Financial Advisors LLC**

Finance Committee Meeting  
October 22, 2024

Linda DeHart  
Vice President, Finance

## For Committee Consideration

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an agreement with PFM Financial Advisors LLC for the provision of Independent Registered Municipal Advisor Services on behalf of the System for an initial period of three-years and two one-year renewal options, exercisable at the discretion of the System, for an amount not to exceed \$1,125,000.



# Background & Current State

- Debt Finance is soliciting for Independent Registered Municipal Advisor Services in order to contract with a qualified vendor(s) to provide advice and assist the System in financial decision making relating to current and future financing strategies and options.
  - The associated NTE for these services is \$225,000 per annum, and will be capped lower during years where financing does not take place.
- Municipal Advisor Services (formerly referred to as Financial Advisor Services) were last solicited through public RFP in 2017.
- PFM Financial Advisors LLC is our incumbent vendor and has been serving in this municipal advisor role since 2002.
  - The contract award in 2017 included a \$170,000 per annum NTE authorization, with \$124,245 spend to date.

# RFP Criteria

- Minimum Criteria

- 5 years of experience with public finance advisory services
- 5 years of experience advising public or voluntary hospitals and/or other health care institutions in debt issuances and other financing alternatives
- Advise on at least \$500 million worth of municipal and/or healthcare bond deals in NY State in past 5 years

- Substantive Criteria

- Vendor experience 40%
- Ability and feasibility of meeting the SOW 35%
- Cost 15%
- MWBE 10%

- Evaluation Committee

- Corporate Reimbursement/ Debt, NYC Health + Hospitals
- Corporate Comptroller/ Cash, NYC Health + Hospitals
- Office of Management and Budget
- Office of the New York City Comptroller

# Overview of Procurement

- 6/28/24: RFP Posted on City Record. 11 vendors received the RFP materials directly.
- 7/8/24: Pre-proposal conference calls held. 2 vendors attended the call.
- 7/25/24: Proposals due, 2 proposals were submitted
- August 2024: Evaluation committee submitted final scores. Below is the top scoring proposer:
  - PFM Financial Advisors LLC

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>PFM Financial Advisors LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extend applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	n/a
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition? *	n/a
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	n/a
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	
<b>Good</b>	

# Vendor Diversity

- The procurement for these services falls under OP 40-58 rather than OP 100-05, which is our regular procurement OP. Thus this procurement is not subject to the Vendor Diversity Policy OP 100-10.
- Nonetheless, the vendor diversity team reviewed the scopes of work under this solicitation and found no subcontracting opportunities, as vendors self-perform this work. Accordingly no goal was set.
- The vendor diversity team identified four MWBEs for direct invite, none of which responded to the solicitation.

## Finance Committee Request

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an agreement with PFM Financial Advisors LLC for the provision of Independent Registered Municipal Advisor Services on behalf of the System for an initial period of three-years and two one-year renewal options, exercisable at the discretion of the System, for an amount not to exceed \$1,125,000.

## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to approve and appoint twenty-two firms to provide Bond Underwriting Services. Of the twenty-two firms, five will be approved to provide investment banking services and serve as senior managing underwriters and 17 firms will be approved to serve as co-managing underwriters as designated on Exhibit A. Services will be provided on behalf of the System for a five-year period. An NTE was not established for this RFP.

**WHEREAS**, Bond Underwriting vendors provide services that support the System by providing expertise and resources necessary to successful issuance of System bonds; and

**WHEREAS**, the Request for Proposals for the provision of Bond Underwriting was released on June 28, 2024 through its Supply Chain Services unit, followed by a pre-proposal conference, attended by eighteen vendors; and

**WHEREAS**, in conformance with its procurement operating procedure, the System received and evaluated proposals from twenty-two vendors and evaluated such proposals among a diverse evaluation committee; and

**WHEREAS**, the following twenty-two vendors on the attached Exhibit A were selected; and

**WHEREAS**, the Vice President of Finance, will be responsible for the management of underwriting services.

**NOW THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to approve and appoint five firms to provide investment banking services and serve as senior managing underwriters and approve and appoint 17 firms to serve as co-managing underwriters as designated on Exhibit A. Services will be provided on behalf of the System for a five-year period. An NTE was not established for this RFP.

**EXECUTIVE SUMMARY  
RESOLUTION TO APPROVE AND APPOINT  
TWENTY-TWO VENDORS**

<b>OVERVIEW</b>	The purpose of this approval and appointment is to provide Bond Underwriting services - five vendors to serve as senior managing underwriters to provide investment services and 17 vendors to serve as co-managing underwriters.
<b>PROCUREMENT</b>	The System undertook an RFP to procure vendors approved to provide Bond Underwriting services.
<b>NEED</b>	Underwriters support NYC Health + Hospitals' successful issuance of System bonds through provision of financing and market strategy expertise, marketing and distribution of bonds, and possible commitment of capital.
<b>TERMS</b>	Approve and appoint twenty-two vendors for a five-year term. An NTE was not established for this RFP.
<b>MWBE</b>	Due to the limited opportunity for subcontracting, no subcontracting goal was placed on this solicitation.



## Exhibit A

### Senior Managing Underwriters

1. BofA Securities, Inc.
2. **J.P. Morgan Securities LLC**
3. **Jefferies LLC**
4. **Morgan Stanley & Co. LLC**
5. **Samuel A. Ramirez & Company, Inc.**

### Co-Managing Underwriters

6. Academy Securities, Inc.
7. AmeriVet Securities, Inc.
8. Bancroft Capital, LLC
9. Barclays Capital Inc.
10. **Blaylock Van, LLC**
11. **BNY Mellon Capital Markets, LLC**
12. Cabrera Capital Markets LLC
13. Essex Securities LLC
14. **Janney Montgomery Scott LLC**
15. **Loop Capital Markets LLC**
16. **Mischler Financial Group, Inc.**
17. Raymond James
18. **Rockfleet Financial Services, Inc.**
19. **Roosevelt & Cross Incorporated**
20. **Stern Brothers & Co.**
21. **TD Securities (USA) LLC**
22. **Wells Fargo Securities, LLC**

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

From: Irmali Rivera-Bazan  
Associate Counsel, Office of Legal Affairs

Irmali Rivera-Bazan  
Digitally signed by Irmali Rivera-Bazan  
Date: 2024.10.11 09:23:11 -04'00'

Re: Vendor Responsibility, EEO and MWBE status for Board Review of Contracts for Bond Issuance Underwriters

Date: October 11, 2024

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

<b><u>Vendor Name</u></b>	<b><u>Vendor Responsibility</u></b>	<b><u>EEO</u></b>	<b><u>MWBE</u></b>
BofA Securities, Inc.	Pending	N/A	No
J.P. Morgan Securities LLC	Pending	N/A	No
Jefferies LLC	Pending	N/A	No
Morgan Stanley & Co. LLC	Pending	N/A	No
Samuel A. Ramirez & Company, Inc.	Pending	N/A	Yes
Academy Securities, Inc.	Pending	N/A	Yes
AmeriVet Securities, Inc.	Pending	N/A	No
Bancroft Capital, LLC	Pending	N/A	No
Barclays Capital Inc.	Pending	N/A	No
Blaylock Van, LLC	Pending	N/A	Yes
BNY Mellon Capital Markets, LLC	Pending	N/A	No
Cabrera Capital Markets LLC	Pending	N/A	Yes
Essex Securities LLC	Pending	N/A	Yes
Janney Montgomery Scott LLC	Pending	N/A	No
Loop Capital Markets LLC	Pending	N/A	Yes
Mischler Financial Group, Inc.	Pending	N/A	Yes
Raymond James	Pending	N/A	No
Rockfleet Financial Services, Inc.	Pending	N/A	No
Roosevelt & Cross Incorporated	Pending	N/A	No
Stern Brothers & Co.	Pending	N/A	Yes
TD Securities (USA) LLC	Pending	N/A	No
Wells Fargo Securities, LLC	Pending	N/A	No

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.

# **Underwriting Services**

## **Application to Appoint a Pool of 5 Senior Manager and 17 Co-Manager Firms**

**Senior Managers: BofA Securities, Inc.; J.P. Morgan Securities LLC; Jefferies LLC;  
Morgan Stanley & Co. LLC; Samuel A. Ramirez & Company, Inc.**

**Co-Managers: Academy Securities, Inc.; AmeriVet Securities, Inc.; Bancroft  
Capital, LLC; Barclays Capital Inc.; Blaylock Van, LLC; BNY Mellon Capital  
Markets, LLC; Cabrera Capital Markets LLC; Essex Securities LLC; Janney  
Montgomery Scott LLC; Loop Capital Markets LLC; Mischler Financial Group, Inc.;  
Raymond James; Rockfleet Financial Services, Inc.; Roosevelt & Cross  
Incorporated; Stern Brothers & Co.; TD Securities (USA) LLC; Wells Fargo  
Securities, LLC**

**Finance Committee Meeting**  
**October 22, 2024**

**Linda DeHart**  
**Vice President, Finance**

## For Committee Consideration

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to approve and appoint twenty-two firms to provide Bond Underwriting Services. Of the twenty-two firms, five will be approved to provide investment banking services and serve as senior managing underwriters and 17 firms will be approved to serve as co-managing underwriters as designated on Exhibit A. Services will be provided on behalf of the System for a five-year period. An NTE was not established for this RFP.
- **Senior Managers:** BofA Securities, Inc.; J.P. Morgan Securities LLC; Jefferies LLC; Morgan Stanley & Co. LLC; Samuel A. Ramirez & Company, Inc.
- **Co-Managers:** Academy Securities, Inc.; AmeriVet Securities, Inc.; Bancroft Capital, LLC; Barclays Capital Inc. ; Blaylock Van, LLC ; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Essex Securities LLC; Janney Montgomery Scott LLC; Loop Capital Markets LLC; Mischler Financial Group, Inc.; Raymond James ; Rockfleet Financial Services, Inc.; Roosevelt & Cross Incorporated; Stern Brothers & Co.; TD Securities (USA) LLC; Wells Fargo Securities, LLC

# Background & Current State

- Debt Finance is soliciting for a pool of qualified firms to serve as senior managing or co-managing underwriters relating to any proposed future debt issuance or placement by the System.
- Underwriting Services were last solicited through public RFP in 2015.
- The 2015 RFP resulted in selection of three vendors to serve as senior managers and seventeen vendors as co-manager underwriters.
- The procurement does not include a not-to-exceed amount as no contractual payments being committed to any of the vendors.

# RFP Background

- The public RFP was issued in order to select a pool of senior managing underwriters and a pool of co-managing underwriters to support the System in meeting its financing needs during the upcoming five-year period.
  - Senior managers will assist with development and structuring of specific financing plans, market strategies and approaches for debt issuances to ensure successful underwriting and marketing of the NYC Health + Hospitals' bonds at the lowest cost.
  - Co-managers will support marketing and distribution efforts related to debt issuances based on existing market conditions.
  - Bond underwriters may also commit capital as required in underwriting H+H's bonds and provide support for the bonds in the secondary market.
- The selection of the two pools was based on each company's ability to provide NYC Health + Hospitals with the highest quality of financial market strategy and underwriting services.
- Appointment to these pools does not guarantee participation in any future bond issuance.
- Any future bond issuances are subject to approval of the Board of Directors. <sup>4</sup>

# RFP Criteria

- **Minimum Criteria**

- **Senior Managers**

- Firms must have a minimum of five years experience as senior managing underwriter of municipal bond issues
    - Senior managed at least \$1 billion of municipal and/or healthcare bond deals in the previous three years.

- **Co-Managers**

- Firms must have a minimum of three years experience in underwriting municipal bond issues

- Firm or key staff must be licensed by FINRA

- **Evaluation Committee**

- Corporate Debt Finance, NYC Health + Hospitals
  - Corporate Comptroller, NYC Health + Hospitals
  - NYC Office of Management and Budget
  - Office of the New York City Comptroller

- **Substantive Criteria**

- Vendor experience 50%
  - Ability and feasibility of meeting the SOW 40%
  - MWBE 10%

# Overview of Procurement

- June 28, 2024: RFP Posted on City Record. 31 vendors received the RFP materials directly.
- July 9, 2024: Pre-proposal conference call was held with 18 vendors attending.
- July 26, 2024: Proposals due, 22 proposals were submitted
- September 2024: Evaluation committee submitted final scores for the Senior Manager(s). The following top 5 scoring proposers were selected:
  - BofA Securities, Inc.
  - J.P. Morgan Securities LLC
  - Jefferies LLC
  - Morgan Stanley & Co. LLC
  - Samuel A. Ramirez & Company, Inc.
- September 2024: Evaluation committee submitted final scores for the Co-Manager(s). All scored proposers were selected for the pool:
 

<ul style="list-style-type: none"> <li>▪ Academy Securities, Inc.</li> <li>▪ AmeriVet Securities, Inc.</li> <li>▪ Bancroft Capital, LLC</li> <li>▪ Barclays Capital Inc.</li> <li>▪ Blaylock Van, LLC</li> </ul>	<ul style="list-style-type: none"> <li>▪ BNY Mellon Capital Markets, LLC</li> <li>▪ Cabrera Capital Markets LLC</li> <li>▪ Essex Securities LLC</li> <li>▪ Janney Montgomery Scott LLC</li> <li>▪ Loop Capital Markets LLC</li> <li>▪ Mischler Financial Group, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Raymond James</li> <li>▪ Rockfleet Financial Services, Inc.</li> <li>▪ Roosevelt &amp; Cross Incorporated</li> <li>▪ Stern Brothers &amp; Co.</li> <li>▪ TD Securities (USA) LLC</li> <li>▪ Wells Fargo Securities, LLC<sup>6</sup></li> </ul>
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# Vendor Performance

- Reference checks have been conducted for all vendors newly qualified.
- The vendor performance for all previously qualified vendors have been deemed satisfactory or better.

# Vendor Diversity

- The procurement for these services falls under under OP 40-58 rather than OP 100-05, which is our regular procurement OP. Thus this procurement is not subject to the Vendor Diversity Policy OP 100-10.
  
- Nonetheless, the vendor diversity team reviewed the scopes of work under this solicitation and found no subcontracting opportunities, as vendors self-perform this work. Accordingly no goal was set.
  
- One of the senior managing firms, Samuel A. Ramirez & Company, Inc. is a NYC/NYS certified Hispanic MBE.
  
- Seven of the co-managers are MWBEs.
  - Mischler Financial Group: NYC Hispanic MBE
  - Essex Securities: NYC Asian MBE
  - Cabrera Capital Markets: NYC/NYS Hispanic MBE
  - Stern Brothers & Company: NYC/NYS Non-Minority Female
  - Blaylock Van, LLC: NYC/NYS Black MBE
  - Academy Securities, Inc: NYC/NYS Hispanic MBE
  - Loop Capital Markets LLC: NYC Black MBE

## Finance Committee Request

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to approve and appoint twenty-two firms to provide Bond Underwriting Services. Of the twenty-two firms, five will be approved to provide investment banking services and serve as senior managing underwriters and 17 firms will be approved to serve as co-managing underwriters as designated on Exhibit A. Services will be provided on behalf of the System for a five-year period. An NTE was not established for this RFP.
- **Senior Managers:** BofA Securities, Inc.; J.P. Morgan Securities LLC; Jefferies LLC; Morgan Stanley & Co. LLC; Samuel A. Ramirez & Company, Inc.
- **Co-Managers:** Academy Securities, Inc.; AmeriVet Securities, Inc.; Bancroft Capital, LLC; Barclays Capital Inc. ; Blaylock Van, LLC ; BNY Mellon Capital Markets, LLC; Cabrera Capital Markets LLC; Essex Securities LLC; Janney Montgomery Scott LLC; Loop Capital Markets LLC; Mischler Financial Group, Inc.; Raymond James ; Rockfleet Financial Services, Inc.; Roosevelt & Cross Incorporated; Stern Brothers & Co.; TD Securities (USA) LLC; Wells Fargo Securities, LLC

# Vendor Performance Appendix

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Blaylock Van, LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	
<b>Satisfactory</b>	

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>BNY Mellon Capital Markets, LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	<b>Satisfactory</b>

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>J.P. Morgan Securities LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating	
Good	

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Janney Montgomery Scott LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating	
Satisfactory	



# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Jefferies LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	
<b>Satisfactory</b>	

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Loop Capital Markets LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work?	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	
<b>Satisfactory</b>	

# Vendor Performance

<b>Department of Supply Chain</b>	
<b>Vendor Performance Evaluation</b>	
<b>Mischler Financial Group, Inc.</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	<b>Satisfactory</b>

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Morgan Stanley &amp; Co. LLC</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extend applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	
<b>Good</b>	

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Rockfleet Financial Services, Inc.</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating	
Satisfactory	

# Vendor Performance

<b>Department of Supply Chain</b>	
<b>Vendor Performance Evaluation</b>	
<b>Roosevelt &amp; Cross Incorporated</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	n/a
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	n/a
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	n/a
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	<b>Satisfactory</b>

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Samuel A. Ramirez &amp; Company, Inc.</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extend applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating	
Satisfactory	

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>Stern Brothers &amp; Co.</b>	
<b>DESCRIPTION</b>	<b>ANSWER</b>
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	
<b>Satisfactory</b>	



# Vendor Performance

Department of Supply Chain Vendor Performance Evaluation TD Securities (USA) LLC	
DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating	
Satisfactory	

# Vendor Performance

Department of Supply Chain Vendor Performance Evaluation Wells Fargo Securities, LLC	
DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?*	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work?	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?*	N/A
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?*	N/A
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating	
Satisfactory	

# Exhibit A

## Senior Managers

- BofA Securities, Inc.
- **J.P. Morgan Securities LLC**
- **Jefferies LLC**
- **Morgan Stanley & Co. LLC**
- **Samuel A. Ramirez & Company, Inc.**

## Co-Managers

- Academy Securities, Inc.
- AmeriVet Securities, Inc.
- Bancroft Capital, LLC
- Barclays Capital Inc.
- **Blaylock Van, LLC**
- **BNY Mellon Capital Markets, LLC**
- Cabrera Capital Markets LLC
- Essex Securities LLC
- **Janney Montgomery Scott LLC**
- **Loop Capital Markets LLC**
- **Mischler Financial Group, Inc.**
- Raymond James
- **Rockfleet Financial Services, Inc.**
- **Roosevelt & Cross Incorporated**
- **Stern Brothers & Co.**
- **TD Securities (USA) LLC**
- **Wells Fargo Securities, LLC**



**NYC Health + Hospitals**  
**Finance Committee Meeting**  
**October 22, 2024**

# FY24 Year-End Highlights




- The system closed June with **\$581.8 Million (20 days cash-on-hand)**.
- Closed June with a **positive Net Budget Variance of \$177.9M (1%)**.
- Direct Patient Care Receipts (I/P and O/P) came in **\$321M higher than the same period in FY23 due to** continued increases in IP and OP services in FY24 (OP visits up 4% and IP discharges up 2% from FY23), UPL Conversion, and Medicaid rate increases – despite delayed cash performance due to Change Health Care (CHC) billing issues.
- FY24 Patient care volume has surpassed FY20 pre-COVID levels with Inpatient discharges up by 1.2%, and Outpatient visits up by 10.7%. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate over the base.
- Strategic Financial Initiatives with annual target of \$1.08B, we have a line of site of \$1.02B in FY24 cash. Financial updates are still in progress as some initiatives have been impacted by the interruption of Change Healthcare. Cash Payments are expected to continue to flow into FY25. Key initiatives with strong performance are;
  - Managed Care Initiatives High Cost Outliers
  - Completed Managed Care Contract Negotiations
  - Financial Counseling Enhancements

- The system is estimated to close September with approximately \$615 Million (21 days cash-on-hand).
- The system expects to close October with approximately \$600 Million (20 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.

# The Journey We've Been On

## – FY24 Accomplishments

- Recertified 77% Medicaid eligible individuals into the program exceeding our 75% target by 2%. At the same time enrollment of at-risk members into MetroPlus (603,911 in FY24) and Healthfirst (161,143 in FY24) set a new all-time high.
- Risk-pool performance also reached a historic mark bringing in \$889.3M in receipts. H+H earned about \$75 pmpm in FY24.
- Exceeded RN GlidePath through “All Hands on Deck” approach hiring 1,660 RNs and shedding over 880 temp RNs, eliminating over \$100M in excessively expensive contract costs.
- Successfully, managed the Change Healthcare Cyber Attack while also shifting to a new clearinghouse Experian—all lost claims expected to be recovered once Medicaid remittance are cleared.
- NYC Care enrollment reached over 125,000 members – up 382% from the program’s first year and surpassing the original enrollment goal of 100,000 members.
- Piloted One Stop Benefits, screening over 1,000 patients connecting to over 900 benefits.
- Achieved \$81M in expense reduction / revenue generating efforts against \$90M gap closing target.

Risk	Status
<p><b>Affiliate/H+H Locum Reduction Glidepath</b></p> <ul style="list-style-type: none"> <li>○ Similar to nursing effort last year (“All-Hands on-Deck”), HR and CMOs office will partner together with the respective affiliate to develop a plan to right size locums usage over the next 18 months. It is the collective goal to reduce the system’s dependency on locums through hiring permanent positions committed to the H+H mission.</li> </ul>	
<p><b>City/State/Federal Budget Actions</b></p> <ul style="list-style-type: none"> <li>○ The City is planning for the release of its November Plan.</li> <li>○ The State will be releasing its Mid-Year budget update in October; first quarter of SFY24-25 was \$2B better than projected. We are beginning to plan for the upcoming budget cycle.</li> <li>○ Congress passed a Continuing Resolution that will keep government running thru December 20, 2024. DSH cuts are still slated to begin January 1, 2025 and continued delay will require action by Congress/federal Administration.</li> </ul>	
<p><b>Change Healthcare (CHC) Cyberattack</b></p> <ul style="list-style-type: none"> <li>○ The incident had national impacts, primarily on health care provider orgs, retail pharmacies, and payors, which use CHC technologies/services. H+H reconnected with CHC for pharmacy and has expedited a planned connection to Experian for all clearinghouse functions. Cash receipts recovered and we continue to work with Medicaid and the Health Plans to reconcile remittance files and resolve any outstanding A/R issues.</li> <li>○ To date, H+H has recovered greater than 95% total dollars impacted by the outage leaving 3- 5% which is still under review. NYS DOH has extended the timely filing deadline thru the end of October which will be the final extension.</li> </ul>	



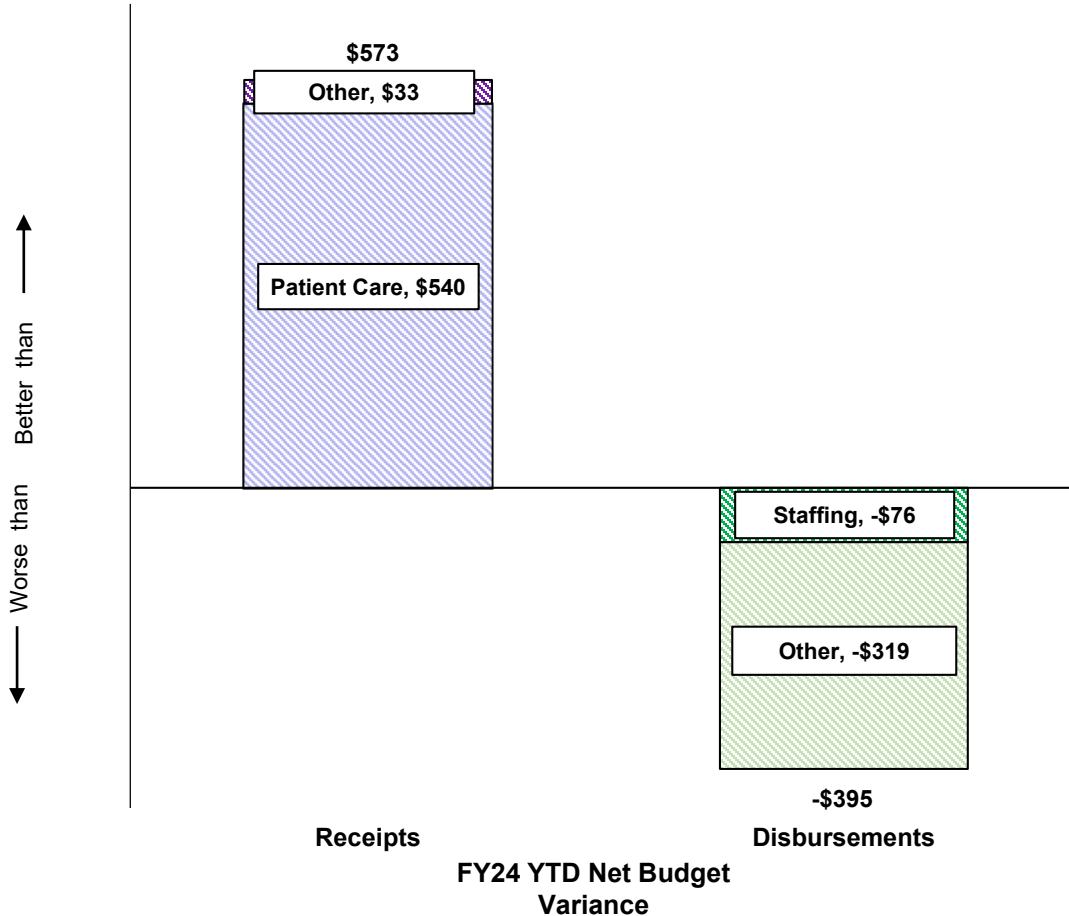
# **Financial Performance**

## **FY 2024 June YTD**

### Highlights

Ended June with a net budget variance of \$177.9M 1% where

- Receipts exceed budget by \$573M Primarily driven by Risk Revenue. Risk is higher due to improved PMPM and other PY reconciliations.
- Disbursements exceed budget by \$395M, which includes expenses associated with Medical/surgical supplies, Pharmaceuticals, Temp coverage, PS/Overtime, and Affiliation costs.



**NOTES:**

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

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

- **IP/OP (+\$1.6M)** – FY24 Billing Cash is right on target despite potential cash delays from CHC.
- **Risk Pool Performance and Timing (+\$538.2M)** - ahead of budgeted target by 153% primarily due to CY23 Risk PMPM performance coming in better than planned. 17% of the variance due to unbudgeted reconciliations being collected this year.
- **Other revenue (+\$33.2M)** – FY24 surplus is attributable to collected prior year Medicare and Medicaid appeals for patient care revenue.

Summary Receipts Performance (FY24 Close)	YTD Variance against Budget (\$M)
IP/OP	\$1.6
Risk Pool	\$538.2
Other (mainly prior year patient care revenue appeals and settlements)	\$33.2
<b>Grand Total</b>	<b>\$573 [+6%]</b>

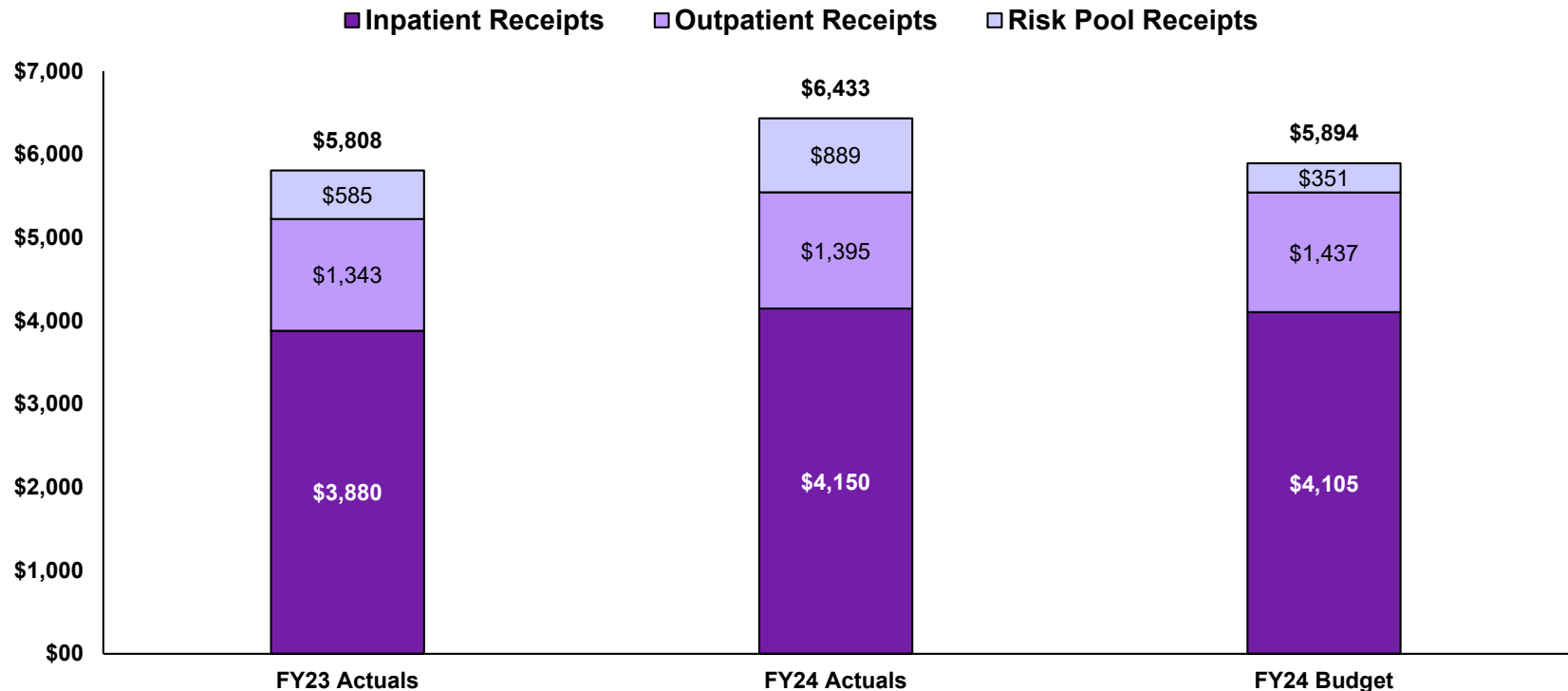
## Drivers of Expense Budget Variance

Cash disbursements are over budget by 4% primarily from Temp spending and Agency costs exceeding target and other increased patient care costs

- The System has redirected its attention to full time recruitment & retention of H+H and Affiliate patient care staff in alignment with established staffing models to support our clinical services and overall volume increases.
- Personnel Services (**-\$37.3M**) – driven by overtime in areas of nursing as well as facilities support services. Roll-out of additional staffing models and processes in both clinical and non-clinical areas, nurse hiring, and updates of newly implemented models (EVS, FAN) are in progress to right size staffing and reduce overtime reliance in those areas.
- Affiliations (**-\$39.2M**) – sessional and locum usage
- Temps (**-\$168M**) – as the hiring has ramped up, excess temp expenses have started to decrease as outlined in the System’s glide path. In the last quarter the average monthly payment has decreased by 45% compared to the first half of the fiscal year and will continue to decrease as newly-hired nurses complete orientation, and roll-off.
- Other Discretionary spend (**-\$150.7M**) – Medical supplies and other patient care costs associated with increased patient volume. Other drivers include costs associated with aging infrastructure and inflation.

Summary Disbursements Performance (FY24 Close)	YTD Variance against Budget (\$M)
PS/OT	(\$37.3)
Affiliations	(\$39.2)
Agency Patient Care Temp Staffing Coverage	(\$168.0)
Other Discretionary Spend	(\$150.7)
<b>Grand Total</b>	<b>(-\$395.2) [-4%]</b>

- FY24 direct patient care revenue (I/P & O/P) is \$321.0M higher than FY23 actuals. Year over year variances are partially understated due to Change Healthcare Billing issues.
- Patient revenue increases year over year can be attributed to approved State Medicaid increases, and Federal approved Billing UPL.
- Compared to same time last year, discharges are up 2.0%, visits are up 4% (excluding testing), and Case Mix Index (CMI) is slightly higher by 1.3%.



# **FY25 Budget Implementation Strategy**

# FY25 Keys to Success:

## – Managing Volume; Raising Revenue Targets

FY 25 will require a new level of revenue generation through efficient and strategic service provision to meet the commitments we've made to investing in our staff, our facilities, and our communities

- Raising the bar in Managed Care and Revenue Cycle targets
- Patient Access, Patient Access, Patient Access
- Expand cross-facility partnerships
- Physician workforce planning and recruitment investments
- Managing increasing demand by Length of Stay reduction investments
- Infrastructure investments
- Continued effort of stabilizing our workforce across the system to provide quality care to our patients:
  - meeting our staffing models through hiring full time staff, managing overtime and reducing reliance on temp agency (temp glidepath)
  - Building new staffing models in areas where they do not yet exist, including non-clinical areas (OFD, etc.)

# **City Initiatives:**

**Humanitarian Emergency Response  
and Relief Centers (HERRC)**



# HERRC Financial Overview

- ❑ H+H currently oversees 13 H+H HERRC sites serving ~24,000 daily guests.
  - ❑ A reduction of one HERRC site since Q3 close.
- ❑ Over 162,000 asylum seekers have been served at the 24/7 Arrival Center operated by H+H.
- ❑ H+H committed \$1.5B of HERRC expenses in FY24 on behalf of the City.
- ❑ The City has allocated the following to H+H HERRC in the City Executive Budget:

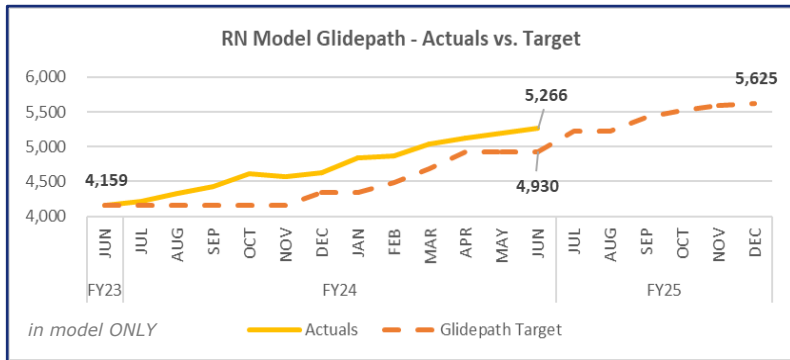
Fiscal Year	FY24	FY25
Total	\$1.55B	\$1.72B

- ❑ The H+H FY25 asylum seeker budget is currently higher than the FY24 budget due to OMB FY25 shelter census forecasts and cost trends.
  - ❑ Currently, the asylum seeker census is trending below OMB’s FY25 forecasts. The H+H FY25 budget will be updated in future financial plans to reflect OMB forecasts at the time of each plan.
- ❑ OMB has provided H+H with revenue to cover committed expenses to date through the HERRC MOU with the Mayor’s Office.

# Appendix

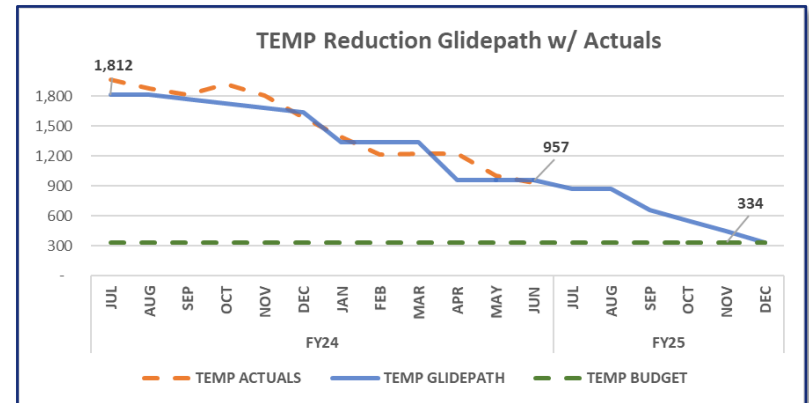
**RN Glidepath Update**

**H+H FTEs**



- Net increase of over **1,660 RNs** system wide.
- **1,107 RNs** hired in the IP and ED nursing models during FY24.
- H+H ended FY24 **ahead of the YTD Glidepath target by over 565 RNs.**

**TEMP FTEs**

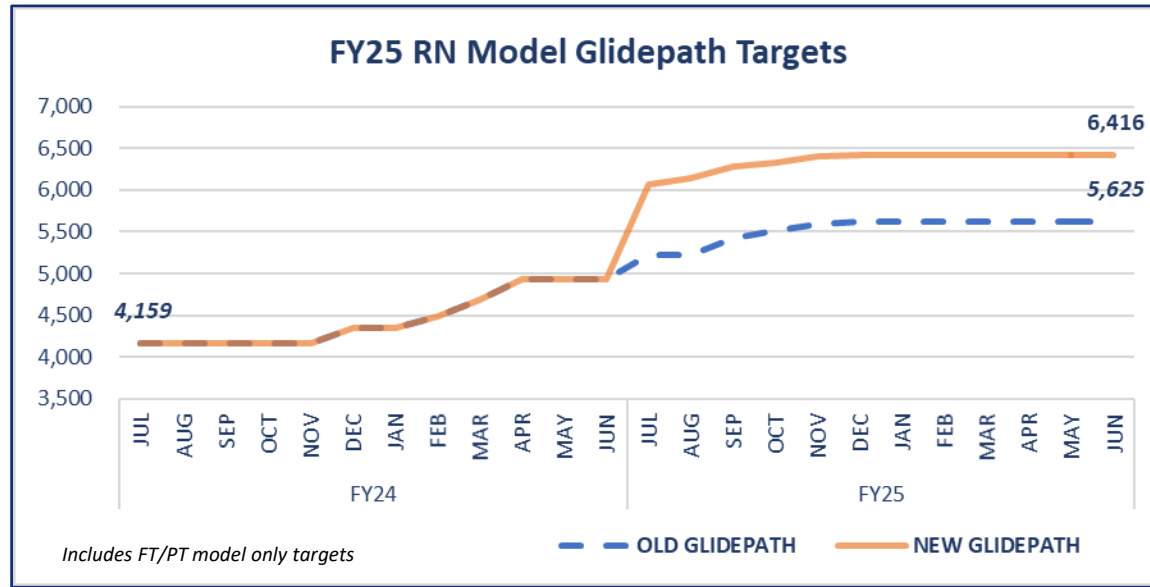


- Throughout FY24, there has been a net reduction of **880 RN temps** systemwide (65% reduction within the IP and ED Models).
- H+H is **on track** to reducing an overall target of **1,480 RN temps** by the second half of FY25.

**Allied & Non-Clinical Glidepath Update**

- During FY24, H+H decreased **104 allied temp FTEs** and **133 non-clinical temp FTEs.**
- With successful execution of the allied and non-clinical temp glidepath, an additional **78 temp FTEs** will be shed in FY25.

*\*data as of June 2024*



- Modifications were made to the FY25 glidepath targets based on the latest ADC driven budget and the addition of the Operating Room Model.
- Due to successful execution of the glidepath in FY24, H+H will continue to focus on reaching the new glidepath targets by the second half of FY25:
  - Hire an additional **691 model RN FTEs** (which includes 29 RNs from the OR model)
  - Reduce **559 more temps FTEs** (25 temps from the OR model)