FINANCE COMMITTEE AGENDA

Date: April 8, 2025
Time: 12:00 P.M.
Location: 50 Water Street, 17th Floor, Boardroom – In Person

I. Call to Order *Freda Wang*
Adoption of the October 22, 2024 Minutes

II. Executive Session

III. Action Item: Medical Necessity Denial Services *Marji Karlin, Alison Smith & Heather Sewell*
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Managed Resources, Inc. for medical necessity denial services at a not to exceed amount of $60,100,000.00, which includes a 20% contingency, for a contract term of three years and two one-year renewal options exercisable at the discretion of the System.
VENDEX APPROVED: Managed Resources, Inc.

EEO APPROVED: Managed Resources, Inc.

IV. Action Item: Managed Temporary Staffing Services *Yvette Villanueva*
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a best interest renewal contract with RightSourcing, Inc. for managed temporary staffing services at a not to exceed amount of $1,900,000,000, which includes a 20% contingency, for a contract term of three years with two one-year renewal options exercisable at the discretion of the System.
VENDEX APPROVED: RightSourcing, Inc.

EEO APPROVED: RightSourcing, Inc.

V. Financial Update *John Ulberg*

VI. Old Business Freda Wang
VII. New Business
VIII. Adjournment

Finance Committee MEETING – October 22, 2024

As Reported By: Freda Wang

Committee Members Present: Mitchell Katz, MD, Freda Wang, Erin Kelly representing Ann Williams-Isom in a voting capacity, 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 11:29 a.m.

Ms. Wang noted for the record that according to the **By-Laws - Section 14**, **Committee Attendance**, if any member of a standing or special committee of the Board will not be present at a scheduled committee meeting, the member may ask the Chair of the Board to request that another Board member, not a member of that committee, attend the scheduled meeting and be counted as a member for purposes of quorum and voting:

José Pagán has authorized that Erin Kelly representing Anne Williams-Isom be counted for the purposes of quorum and voting on his behalf.

Ms. Wang called for a motion to approve the July 1, 2024 minutes of the Finance Committee meeting.

Upon motion made and duly seconded the minutes of the Finance Committee meeting held on July 1, 2024 were adopted.

RECUSAL

Freda Wang recused herself and left the room for the discussion of the two resolutions. Dr. Katz led the meeting for the discussions.

ACTION ITEM: Independent Registered Municipal Advisor Services
Ms. Linda DeHart – Vice President – Finance, read the resolution into the record and proceeded with the presented:

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.

Ms. Linda DeHart began by providing the background and current state of Municipal Advisor Services. This solicitation from Debt Finance is for Independent Registered Municipal Advisor Services in order to contract with a qualified vendor to provide advice and assist the System in financial decision making related to current and future financing strategies and options. The associated NTE for these services is $225,000 per annum which will be capped lower during years where financing does not take place. Formerly referred to as Financial Advisor Services, Municipal Advisor Services, were last solicited through public RFP in 2017. Current incumbent vendor PFM Financial Advisors LLC has been serving the System 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.

An overview of the RFP Criteria and procurement process was presented by Ms. DeHart. The vendor performance evaluation for PFM Financial Advisors LLC was also presented.

The procurement for these services falls under OP 40-58 rather than OP-100-05, which is NYC Health + Hospitals' 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.

Ms. Hernandez-Piñero inquired about the types services PFM Financial Advisors has provided to the System that we look forward to them providing in this contract.

Ms. Dehart responded that PFM due to their broad experience act as our eyes and ears in the marketplace. They are able to assess current market conditions and advise us on new financing strategies. They work hand in hand with us in any financing effort as an independent counterpoint to our bankers and the rest of the teams that we are working with and pricing when we do any financing. If we are doing something outside of the bond market, they survey the market and actual institutions for interest. In terms of what we are proposing, they help us in any discussion with rating agencies and informed us on what is going on. We find them to be quite valuable and believe they have improved our performance in all our financing activities.

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

ACTION ITEM: Bond Issuance Underwriters
Ms. Linda DeHart – Vice President – Finance, read the resolution into the record and proceeded with the presented:

> **Authorizing 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.**

Ms. Linda DeHart began by providing the background and current state of Underwriting Services. This solicitation for Debt Finance is 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 the selection of three vendors to serve as senior managers and seventeen vendors as co-managers underwriters. The procurement does not include a not-to-exceed amount as no contractual payments being committed to any of the vendors.

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 NYC Health + Hospitals' 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. Selection 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.

An overview of the RFP Criteria and procurement process was presented by Ms. DeHart. The vendor performance evaluation was also presented. Reference checks have been conducted for all vendors newly qualified. The vendor performance for all previously qualified vendors have been deemed satisfactory or better.

The procurement for these services falls under OP 40-58 rather than OP-100-05, which is the System's 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.

Dr. Katz polled the committee for questions.

Ms. Hernandez-Piñero praised the team on having an MWBE as a senior manager and having seven MWBEs as co-managers. Ms. DeHart added that the team is pleased about this.

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

Freda Wang returned for the Finance presentation and resumed chairing the Committee meeting.

FINANCIAL UPDATE

Mr. Ulberg opened the presentation with the FY-24 Year-End Highlights. He conveyed that June closed with $581.8M (20 days cash-on-hand). The budget overperformed by 1% and closed June with a positive Net Budget Variance of $177.9M.

Mr. Ulberg continued that direct patient care receipts came in $321M higher than the same period in FY-23 due to continued increases in IP and OP services in FY-24 (OP visits up 4% and IP discharges up 2% from FY-23), UPL Conversion and Medicaid rate increases – despite delayed cash performance due to Change Health Care (CHC) billing issues.

IP Patient care volume in FY-24 has surpassed pre-COVID levels with IP discharges up by 1.2%, and OP visits up by 10.7%. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate over the base. Our strategic financial initiatives with annual target of $1.08B, have a line of site of $1.02B in FY-24 cash. Financial updates through this period 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 FY-25. Several areas of strong Q4 performance were noted.

Dr. Katz noted that prior to COVID the trend in our patient care volume was down, not only is it up, we have actually changed the direction, which is quite impressive. Mr. Ulberg agreed and added that it is very much a team effort.

Mr. Ulberg continued presenting the cash projections for FY-25. The System is estimated to close September with approximately $615 million (21 days cash-on-hand) and 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.

Mr. Ulberg provided an overview of FY-24 Accomplishments. H+H recertified 77% of 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 FY-24) and Healthfirst (161,143 in FY-24) 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 FY-24. Further, 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.

We have successfully, managed the Change Healthcare Cyber Attack while also shifting to a new clearinghouse Experian; all lost claims are expected to be recovered once Medicaid remittance are cleared. Continued H+H's success with NYC Care enrollment reaching over 125,000 members, up to 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. Lastly, H+H achieved $81M in expense reduction/revenue generating efforts against $90M gap closing target.

Dr. Katz commended Marji and her team for their continued production of revenue and the general "leave no claim behind"; the switch of enrolling people ahead of their visits and ensuring we capture accurate information. The revenue cycle team keeps the doctors, the nurses, and the social workers working because without revenue we cannot do it. It has been such an amazing year to year growth, and one of the things is recognizing that if people have insurance or is eligible for insurance, But, if they are eligible for insurance, we want them to use it so that we have enough money for everybody who does not have insurance and revenue cycle has done a phenomenal job, and we continue to see both year to year improvements in the process of getting people through with their coverage ahead of time and noted in epic and in the general revenue dollars that keep growing. Again, these improvements are due to multiple things including the financial plans, growth in our services, but being able to bill insurance has been a huge part of the change and we thank the team so much for that.

Ms. Hernandez-Piñero noted that the 1,660 RNs not only generate an impressive hundred million dollars in savings, but they are also our nurses, allowing us to train them according to our standards and instill our vision. Beyond the financial benefits, this creates a whole new dynamic within the organization.

Dr. Katz added that he has asked Dr. Cineas to track the nurses as a cohort. Instead of waiting for their third year, as is usually done to assess retention, she will be giving awards at the one-year mark. The goal is to monitor these new nurses and determine how to keep them. While retaining 100% may not be feasible, it is important to understand why some might leave. We want to ensure that staff feel appreciated and that departures are due to better opportunities, rather than feeling unvalued or unable to practice nursing as they wish. Dr. Cineas will follow them as a cohort during this unique period, as we have onboarded a significant number of nurses in a relatively short time, all receiving competitive salaries. Our aim is to maintain a high percentage of these nurses after five years, and we are committed to putting substantial efforts into their retention.

Ms. Wang added that this is a great idea and thanked the team for including this slide in the presentation.

Mr. Ulberg continued presenting the external risks. Several areas of focus include the affiliate/H+H Locum reduction Glidepath which continue to present a financial challenge. 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.

City and State budgets currently presents a low risk to the System. The City is planning for the release of its November Plan. 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. 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.

Lastly, the Change Healthcare (CHC) Cyberattack presents a very low financial challenge to H+H as we continue to make progress. The incident had national impacts, primarily on health care provider ORGS, retail pharmacies, and payors, which use CHC technologies/services. NYC Health + Hospitals 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. 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.

Ms. Philogene presented the financial performance highlights for FY-24 thru June Net Budget Variance. She noted that June ended with a net budget variance of $177.9M (1%). Receipts exceeded budget by $573M primarily driven by Risk Revenue. Risk is higher due to improved PMPM and other PY reconciliations. Disbursement exceeded budget by $395M, which includes expenses associated with Medical/surgical supplies, Pharmaceuticals, Temp coverage, Personnel Services including Overtime costs, and affiliation costs.

Ms. Philogene provided the FY-24 thru June 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 June, 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.

The revenue performance for FY-24 thru June was presented by Ms. Philogene. FY-24 direct patient care revenue (IP and OP) is $321.0M higher than FY-23 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.

Dr. Katz noted that there is no increase in New York City population which could be another reason why visits are up, but that is not the case. It is clearly that people are choosing us at a higher rate than they once did.

Ms. Farag continued by presenting an overview of the FY-25 Keys to success strategies for managing volume and raising revenue targets. FY-25 will require a new level of revenue generation through efficient and strategic service provision to meet the commitments H+H’s made to investing in our staff, our facilities, and our communities. Several areas of focus include raising the bar in managed care and revenue cycle targets. While at the same time targeting our patient access. Expanding our cross-facility partnerships and using those relationships to maximize the services. The Physician workforce planning and recruitment investments. Managing increasing demand by length of stay reduction investments, and infrastructure investments. Continued effort of stabilizing our workforce across the system to provide quality care to our patients by meeting our staffing models through hiring full time staff, managing overtime and reducing reliance on temp agency and building new staffing models in areas where they do not yet exist, including non-clinical areas.

Dr. Katz discussed the challenges of establishing cross-facility partnerships within NYC Health + Hospitals, which has historically been a federation of hospitals with unique individual needs. He highlighted a successful consolidation in radiology that now allows readings to occur during evenings and weekends, reducing overtime costs. This model, while easier for radiology, is more complex for other services. Efforts are underway to establish system-wide coverage for specialties like neurology, which has historically been unavailable on weekends in places like Queens. The goal is to improve access to care and streamline coverage across hospitals, particularly for specialized services like maternal-fetal medicine. Dr. Katz emphasized that addressing both financial and the System's psychological barriers is crucial for success; convincing staff of the benefits of collaboration is essential for achieving cost savings and improved patient care.

Ms. Hernandez-Piñero praised the work at the call center, noting that this plays a crucial role in retaining existing patients and attracting new ones. She described the work as a heroic effort, emphasizing its importance in ensuring patients can easily get through and secure appointments.

Dr. Katz added that we have asked to redirect calls to the call center to ensure the calls are being answered instead of coming into a number that does not have coverage or no one answers. He noted the need to eliminate other numbers that often go unanswered, as patients might be dialing sub-specialty clinic numbers instead of the call center. He emphasized that the call center represents a well-organized strategy and that they maintain a log of every incoming call.

Ms. McLeod provided an overview of the HERRC program and a financial update. NYC Health + Hospitals currently oversees 13 NYC Health + Hospitals HERRC sites serving approximately 24,000 daily guests, a reduction of one HERRC site since Q3 close. At the 24/7 Arrival Center, over 162,000 asylum seekers have been served. The System committed $1.5B of HERRC expenses on behalf of the City in FY-24. In the City's Executive plan, NYC Health + Hospitals budget for the HERRC program is $1.55B in FY-24 and $1.72B in FY-25. The NYC Health + Hospitals FY-25 asylum seeker budget is currently higher than the FY-24 budget due to OMB FY-25 shelter census forecasts and cost trends. Currently, the asylum seeker census is trending below OMB's FY-25 forecasts. The FY-25 budget will be updated in future financial plans to reflect OMB forecasts at the time of each plan. OMB has provided the System with revenues to cover committed expenses to date through the HERRC MOU with the Mayor's Office.

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

ADJOURNMENT

There being no further business to bring before this committee, the meeting adjourned at 12:11 P.M.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "**System**") to execute a contract with Managed Resources, Inc. for medical necessity denial services at a not to exceed amount of $60,100,000.00, which includes a 20% contingency, for a contract term of three years and two one-year renewal options exercisable at the discretion of the System.

WHEREAS, medical necessity denials account for the greatest percentage of denied dollars resulting in loss revenue for the System; and

WHEREAS, the System has identified a need for denial management services, which would include appealing medical necessity denials and other case management-related denials, and analyzing denial trends with recommendations to reduce medical necessity denials; and

WHEREAS, the System conducted an open and competitive RFP process under the supervision, and with the assistance, of Supply Chain Services to select a vendor to provide medical necessity denial services, in which eight firms attended a pre-proposal conference; and

WHEREAS, of the eight proposals submitted, the sole vendor who received the highest rating has been selected for award; and

WHEREAS, the Revenue Cycle Services Department and its Chief Revenue Officer will be responsible for the management of the proposed contract.

NOW THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with Managed Resources, Inc. for medical necessity denial services at a not to exceed amount of $60,100,000.00, which includes a 20% contingency, for a contract term of three years and two one-year renewal options exercisable at the discretion of the System.

EXECUTIVE SUMMARY
MEDICAL NECESSITY DENIAL SERVICES
AGREEMENT WITH
MANAGED RESOURCES, INC.

OVERVIEW: The purpose of this agreement is to provide medical necessity denial services to ensure the System appeals denials for medical necessity to prevent loss of revenue from that admission regardless of pre-authorization from the payer.

PROCUREMENT: The System conducted an open and competitive Request for Proposals ("RFP") to procure a vendor to provide medical necessity denial services to the System on an as-needed basis. The RFP was sent directly to six prospective vendors, and eight prospective vendors attended a pre-proposal conference. A total of eight firms submitted proposals and, of the proposals submitted, the Evaluation Committee selected the top-rated proposer to provide medical necessity denial services to the System.

COSTS: The total not-to-exceed cost for the proposed contract over its full, potential five-year term is not to exceed $60,100,000.00, which includes a 20% contingency.

MWBE: An overall MWBE utilization goal of 30% has been established and accepted by the selected vendor.

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

From: Georgia Tsismenakis
Associate Counsel
Office of Legal Affairs

Georgia Tsismenakis
Digitally signed by Georgia Tsismenakis
Date: 2025.02.14 09:47:15 -05'00'

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract for Medical Necessity Denial services

Date: February 14, 2025

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

Vendor Legal Name	Vendor Responsibility	EEO	MWBE
Managed Resources, Inc.	Approved	Approved	30%

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

Medical Necessity Denials Application to Enter into Contract with Managed Resources, Inc.

Finance Committee Meeting
April 8, 2025

Marji Karlin, Chief Revenue Officer
Alison Smith, AVP Revenue Initiatives
Heather Sewell, Sr. Director Clinical Denials
Revenue Cycle Services

NYC HEALTH+ HOSPITALS

For Finance Committee Consideration

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a contract with Managed Resources, Inc. for medical necessity denial services at a not to exceed amount of $60,100,000.00, which includes a 20% contingency, for a contract term of three years and two one-year renewal options exercisable at the discretion of the System.

NYC HEALTH+ HOSPITALS

Background & Current State

- Revenue Cycle Services (RCS) is seeking to engage a vendor to continue denial management and appeal services for clinical denials systemwide.
  - A clinical denial is when the payer deems the services or treatment provided as not medically necessary to treat an illness or injury; and if NYC Health + Hospitals fails to appeal a denial, we lose all revenue from that admission regardless of pre-authorization from the payer.
  - NYC Health + Hospitals has historically lacked the bandwidth to address the full scope of medical necessity denials; current contract bridges the gap between denials appealed inhouse and the total volume of denials received.
- The last RFP for these services was conducted in 2019 to identify denials management vendors to manage and appeal clinical denials.
  - Contracts were issued to two vendors, R1 (aka Revint, aka Cloudmed) and Managed Resources with a total not-to-exceed amount of $11.1M. The current contracts are set to expire in March 2025.
- Vendor appeals are projected to collect $239M through end of contract.
  - $224M was generated through January of FY2025
- The spend for this contract is contingent on the funds generated. The current contract contingency rate is 12%. Current spend for this contract is $26.8M through January of FY2025, with the projected spend for the life of the contract is $28.5M.

Background & Current State

- Since the formation of the partnership between NYC Health + Hospitals and our Medical Necessity Denials Vendors, referral rates have significantly increased from 23% in FY2021 to 70% by FY2025. RCS originally projected 31k denials referred, however, more than 51k denials have been referred to date.
    - The following contributing factors reflect the increase in referrals:
        - Rise in patient admissions contributes to higher clinical denial volumes.
        - Scope of work was expanded to include all United Healthcare clinical denials and Medicaid FFS & Cost Outliers.
    - The increase in referrals led to higher than expected expenses.
        - Based on historical data from Allscripts, reimbursement per denial was projected at $6,322.
        - The actual average reimbursement per denial averages approximately $21,352.
        - At the standard 12% contingency fee, original payment per case was projected at $759.
        - Actual payment per case is $2,562.
    - The Overturn Rate ranged from 34% in FY2021 to 43% in FY2025.
- The increased overturn rate, the increased referral volume, and the increased value per denial resulted in a $17.4 million increase over the not-to-exceed contract value. However, this service is projected to collect $239M, which represents a 738% return on investment for NYC Health + Hospitals since the contract's inception.

NYC HEALTH + HOSPITALS

Comparison: Original to Current Projections

<table>
<tr><th></th><th>Original Contract Projection</th><th>Actual through Jan 2025</th><th>Total Projections (life of contract)</th></tr>
<tr><td>NTE / Spend</td><td>$11,000,000</td><td>$26,753,972</td><td>$28,541,454</td></tr>
<tr><td>Expected Revenue</td><td>$93,000,000</td><td>$224,190,511</td><td>$239,086,200</td></tr>
<tr><td># Cases</td><td>11,600</td><td>10,500</td><td rowspan="3">Spend vs Expected Revenue ROI 738%</td></tr>
<tr><td>Average Revenue/Case</td><td>$6,322</td><td>$21,352</td></tr>
<tr><td>Expected Overturn Rate</td><td>37%</td><td>43%</td></tr>
</table>

RFP Criteria

- Minimum Criteria:
  - 5 years in business
  - 3 years of experience working with other similarly sized multi-hospital health systems
  - 3 years of experience working with Epic hospital billing system
  - $2M in annual revenue
  - MWBE certification, utilization plan, or waiver
- Substantive Criteria:
  - 45% Feasibility and ability to meet scope of work
  - 30% Technology and Reporting Capabilities
  - 15% Cost
  - 10% MWBE
- Evaluation Committee:
  - EITS
  - Finance, Denials Management
  - Finance, Revenue Initiatives
  - Managed Care
  - Office of Legal Affairs
  - Elmhurst
  - Jacobi
  - Harlem

Overview of Procurement

- 12/17/24: Application to issue a request for proposals approved by CRC.
- 12/18/24: RFP posted on City Record, sent directly to 6 vendors.
- 12/23/24: Pre-proposal conference held, 8 vendors attended.
- 01/17/25: Proposals due, 8 proposals received.
- 01/29/25: Evaluation committee submitted final scores. Below is the top scoring proposer:
  - Managed Resources, Inc.

Vendor Performance

Department of Supply Chain Vendor Performance Evaluation Managed Resources Inc	
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 minority, women and emerging business enterprise 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?	N/A
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?	Yes
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?	Yes
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	Excellent

NYC HEALTH+ HOSPITALS

Vendor Diversity

- Utilization Plan Summary

MWBE Vendor	Subcontracted Scope of Work	Certification	Goal %
Revu Healthcare	Supplemental Staffing Services	NYC Black M/WBE	30%
Total Diverse Vendor Component Percentage			**30%**

- The Vendor Diversity team recommended a 30% diverse vendor component percentage for this solicitation.
- The MWBE requirement was successfully satisfied for the prior contract.

Finance Committee Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Managed Resources, Inc. for medical necessity denial services at a not to exceed amount of $60,100,000.00, which includes a 20% contingency, for a contract term of three years and two one-year renewal options exercisable at the discretion of the System.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "**System**") to execute a best interest renewal contract with RightSourcing, Inc. for managed temporary staffing services at a not to exceed amount of $1,900,000,000, which includes a 20% contingency, for a contract term of three years with two one-year renewal options exercisable at the discretion of the System.

WHEREAS, the System, like all large organizations, requires temporary staffing services and the management of such services by a third-party to provide operational efficiencies and market intelligence; and

WHEREAS, such services are typically delivered by a managed service provider ("MSP") rather than contracting with numerous temporary staffing agencies directly; and

WHEREAS, the System conducted an open and competitive RFP process in 2019 under the supervision, and with the assistance, of Supply Chain Services to select a vendor to provide managed temporary staffing services and awarded such contract to RightSourcing, Inc.; and

WHEREAS, the System has determined it is in its best interest to renew the agreement with RightSourcing, Inc., rather than re-procure, based on RightSourcing's high quality services delivered by it to the System over the course of the existing contract, the cost reasonableness of the services compared to other MPSs, and the value in avoiding the operational effort and disruption that would result from partnering with a new vendor.

WHEREAS, the Senior Vice President of Human Resources, will be responsible for the management of the proposed contract(s).

NOW THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute a best interest renewal contract with RightSourcing, Inc. for managed temporary staffing services at a not to exceed amount of $1,900,000,000, which includes a 20% contingency, for a contract term of three years with two one-year renewal options exercisable at the discretion of the System.

EXECUTIVE SUMMARY MANAGED TEMPORARY STAFFING SERVICES AGREEMENT WITH RIGHTSOURCING, INC.

OVERVIEW: The purpose of this agreement is to provide the System with a third-party vendor to contract on its behalf with staffing agencies for the provision of temporary staffing services and to then manage the onboard, offboarding, compliance, invoicing and payment of such agencies, as well as provide market intelligence of the rates for such services to help the System engage staffing services at an appropriate market rate.

PROCUREMENT: The System conducted an open and competitive Request for Proposals ("RFP") in 2019 to select an MSP. The System selected RightSourcing, Inc. as the best proposer. RightSourcing has performed exceedingly well, implementing its services during the pandemic and helping the System obtain and manage tens of thousands of temporary staff members.

COSTS: The total not-to-exceed cost for the proposed contract over its full, potential five-year term is not to exceed $1,900,000,000, which includes a 20% contingency.

A portion of the amount is funded under an MOU with the City of New York for the System's asylum seeker response work.

MWBE: An overall MWBE utilization goal of 40% has been established and accepted by the selected vendor.

NYC HEALTH+ HOSPITALS

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

From: Keith Tallbe
Chief Procurement Counsel

DocuSigned by:
Keith Tallbe
836087BB2CF940E...
2/21/2025

Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract for RightSourcing, Inc. managed temp staffing services

Date: February 4, 2025

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

Vendor Legal Name	Vendor Responsibility	EEO	MWBE
Rightsourcing, Inc.	Approved	Approved	40%

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

Managed Service Provider Application to Enter into a est terest Contract with RightSourcing

Finance Committee Meeting
April 8, 2025

Yvette Villanueva, SVP
Human Resources

For Finance Committee Consideration

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a best interest renewal contract with RightSourcing, Inc. for managed temporary staffing services at a not to exceed amount of $1,900,000,000, which includes a 20% contingency, for a contract term of three years with two one-year renewal options exercisable at the discretion of the System.

Background & Current State

- NYC Health + Hospitals, like any other large IDN (integrated delivery network), requires the use of temporary staffing agency services to ensure we are properly and safely staffed at all times to deliver high quality patient care. Rather than directly managing multiple staffing agencies and invoices, the System engages a Managed Service Provider (MSP).
- An MSP contracts on behalf of its client with staffing agencies, provides a single consolidated invoice, staff onboarding compliance, as well as technology to support the ordering and timekeeping processes. MSPs charge an administrative fee to the staffing agencies.
- RightSourcing was chosen as the result of an RFP in 2019 and the System went live with RightSourcing in September 2020.
  - Provided over 22,000 individuals during length of the contract.
  - The current contract expires April 2025.

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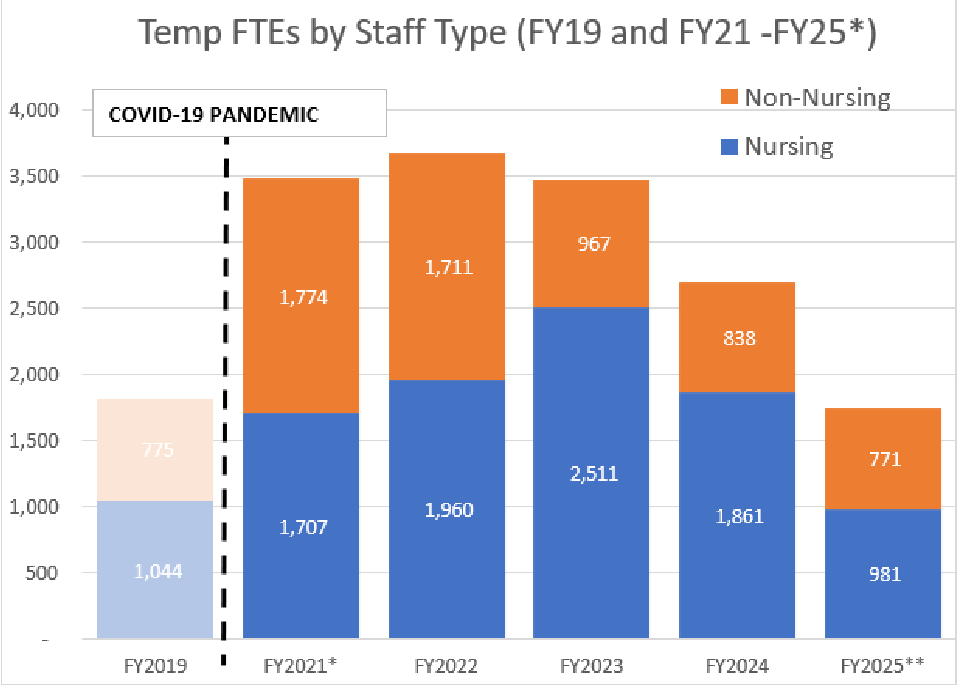
RS Temp FTE Annual Trends

- Total agency FTE utilization has decreased by about 52% since the peak of the pandemic, and monthly spend by 68% (FY25 = $24M/month).
- FY25 is projected to be slightly lower than our significantly reduced pre-COVID agency utilization in FY19.
- In addition to our overall lower utilization, the contract renewal will account for major reduction in our non-clinical agency, rightsizing of Nurse staffing models, address patient volume increase, and the significant post-COVID rate increases in the temp market.



	FY2019	FY2021*	FY2022	FY2023	FY2024	FY2025**
Non-Nursing	775	1,774	1,711	967	838	771
Nursing/Support >	1,044	1,707	1,960	2,511	1,861	981
Grand Total	**1,819**	**3,481**	**3,671**	**3,478**	**2,699**	**1,752**

Notes:
*FY2021 - RightSourcing implementation 9/20/2020
**FY2025 is projected annual FTEs based on actual data from FY25 Q1
>RN Temps, H+H is down to ~400 FTEs system-wide as of Q3 end

RS Temp FTE Annual Trends

- Building on the major success achieved pre-COVID, NYC Health + Hospitals has made major progress with continued agency FTE reduction, particularly in non-clinical areas (80% reduction).
  - This is while system-wide volume has gone up since pre-COVID, over 3% in inpatient discharges and over 15% in outpatient visits.
- Temp staffing cost drivers include:
  - Intentional rightsizing and focus on clinical resource needs to support nursing models with increasing patient volume, nurse orientation for new RN hires and fill-in for leave.
  - Need to address staff market shortages in certain patient care and clinical support areas (i.e. radiology, labs).
  - National shift in the agency market and hourly costs post-COVID.

Necessity of an MSP

- An MSP provides consistency around regulatory and compliance standards for staffing models.
- A supplemental staffing mechanism allows us to maintain staffing coverage while accounting for vacancies, PTO, intermittent FMLA, staffing initiatives and overtime usage.
- Having a System-wide temp staffing infrastructure in place allows for immediate activation of additional staff in the event of unanticipated emergencies.
- Specific titles and roles are hard to recruit, especially in cases of market scarcity.
- By working with a centralized MSP, the System has additional transparency around staffing rates.
- An MSP streamlines and consolidates all staffing agency effort, which was previously managed independently across the System.

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Best Interest Renewal

- Under OP 100-05, the System can renew a contract with appropriate vendor and pricing due diligence rather than re-procure when it is in the System's best interest to do so.
- Best interest of the System:
  - Staying with RightSourcing ensures that the System has best in class services, technology, market insights and pricing.
  - RightSourcing provides a centralized staffing solution by contracting with staffing agencies, and provides the System with a consolidated invoice, provides compliance for all temp staff onboarding, and ensures all clinical staff are properly credentialed.
  - RightSourcing is committed to our Vendor Diversity policy and has agreed to meet a 40% goal over the life of the contract.
  - RightSourcing is Joint Commission certified and have successfully supported several of our facilities with Joint Commission surveys and external audits.
  - The System is also currently pursuing close-out FEMA emergency dollars associated with agency staffing for the pandemic and other emergencies. Changing the vendor at this stage could seriously jeopardize the System's close-out and reimbursement dollars in the upcoming years.

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Best Interest Renewal

- Best interest of the System cont'd:
  - Onboarding a new vendor would present a major disruption to System-wide operations and established processes as well as technology integrations.
  - Changing our staffing vendor could significantly impact patient care if our ability to obtain temps to fill vacancies or orientation time are disrupted and curtailed.
  - A new vendor would require costly, disruptive and non-practicable actions:
    - Re-work and re-establishing of all electronic scheduling/timekeeping and agency approval workflows and processes that are already in place.
    - Re-creating already established tracking, reporting and monitoring platforms.
    - Re-establishing software access to Epic and other systems for proper coding.
    - Re-establishing electronic invoicing feed with major scale and complexity.

Best Interest Renewal

- Vendor due diligence
  - RightSourcing remains the premier healthcare MSP offering the highest level of service and the best technology platform.
  - RightSourcing is also the only large MSP that is vendor neutral. They do not operate a staffing agency that competes with the contracted staffing agencies.
  - RightSourcing was able to successfully implement its services and technology during the COVID pandemic and support the System to effectively manage its temporary staff and provide critical market insights.
    - RightSourcing provides the needed mobilization capacity for quick response to unforeseen emergencies faced by the City that required an urgent System response.
  - RightSourcing partners with other leading healthcare providers, including:
    - Children's Hospital of Philadelphia
    - Hackensack Meridian Health
    - Mayo Clinic
    - Mount Sinai Health System
  - RightSourcing has the capacity to provide large-scale and advanced technology required by the System, which is not currently seen in the market.

Best Interest Renewal

- Pricing due diligence
  - Although RightSourcing does not charge the System any direct staffing fees, it does charge a 6.5% administrative fee to the contracted staffing agencies. The market standard for this fee is around 10%.
  - RightSourcing provides national and local market rate intelligence.
  - RightSourcing does not charge the System temp conversion fees and has been a key partner when operationalizing conversions of temps to System employees, filling vacancy lines.

NYC HEALTH+ HOSPITALS

Contract Renewal Terms

- Renewing with RightSourcing, Inc. will ensure seamless continuation of best-in-class service and technology support for the System.
- Rebate structure will include a $6 million per year rebate for an annual minimum spend of $250 million. The rebate adjusts proportionately based on the annual spend.
- Total estimated rebate is valued at $30 million over the life of the contract.
- The proposed new term of the contract is five years: an initial term of three years, with two one-year options to renew exercisable at the System's discretion.
- The new NTE will be $1.9 billion, which includes a 20% contingency.
    - This contingency will allow the System to be properly positioned to be able to respond in the event of unexpected emergencies.

Vendor Performance

Department of Supply Chain
Vendor Performance Evaluation
RightSourcing, Inc.

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?	Yes
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?	NA
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?	Yes
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	Excellent

Vendor Diversity

- RightSourcing was chosen during the original RFP in part because of their success with utilizing and supporting MWBE staffing agencies.
- RightSourcing has been a leader in our partnership with the MWBE community:
  - Implemented a MWBE-first sourcing model.
  - Provide weekly training and support to MWBEs.
  - Provide technical and financial support to MWBEs to ensure their ability to endure the economic hardships of being a small business.
- The prior vendor was only able to achieve 20% MWBE utilization.
- RightSourcing's success is demonstrated by their MWBE utilization trajectory:

FY 2021	FY 2022	FY 2023	FY 2024
17%	20%	34%	41%

- RightSourcing has agreed to a 40% MWBE commitment under the new agreement.

Finance Committee Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a best interest renewal contract with RightSourcing, Inc. for managed temporary staffing services at a not to exceed amount of $1,900,000,000, which includes a 20% contingency, for a contract term of three years with two one-year renewal options exercisable at the discretion of the System.

NYC HEALTH + HOSPITALS

NYC Health + Hospitals
Finance Committee Meeting
April 8, 2025

NYC HEALTH+ HOSPITALS

FY25 Quarter 2 Highlights

- The system closed February with **$497 Million (17 days cash-on-hand).**

- Closed Q2 with a **positive Net Budget Variance of $133.6M (1%).**

- Direct Patient Care Receipts (I/P and O/P) came in **$570.4M higher than the same period in FY24 due to** continued increases in IP and OP services in FY25 (OP visits up 4.2% and IP discharges up 1.4% from FY24), UPL Conversion, Medicaid rate increases and residual/secondary billing from Change Health Care (CHC) billing delays from prior year.

- FY25 Patient care volume has surpassed FY20 pre-COVID levels with Inpatient discharges up by 3.3%, and Outpatient visits up by 15.4%. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate over the base.

- Strategic Financial initiatives generated over $502M against the FY25 target of $1.2B through Q2. Key initiatives with strong performance include:
  - Financial Counseling Enhancements ($122M)
  - Managed Care Negotiations ($80M)
  - Managed Care High Cost Outliers ($89M)

FY25 Cash Projections

- The system is estimated to close March with approximately $500 Million (17 days cash-on-hand).

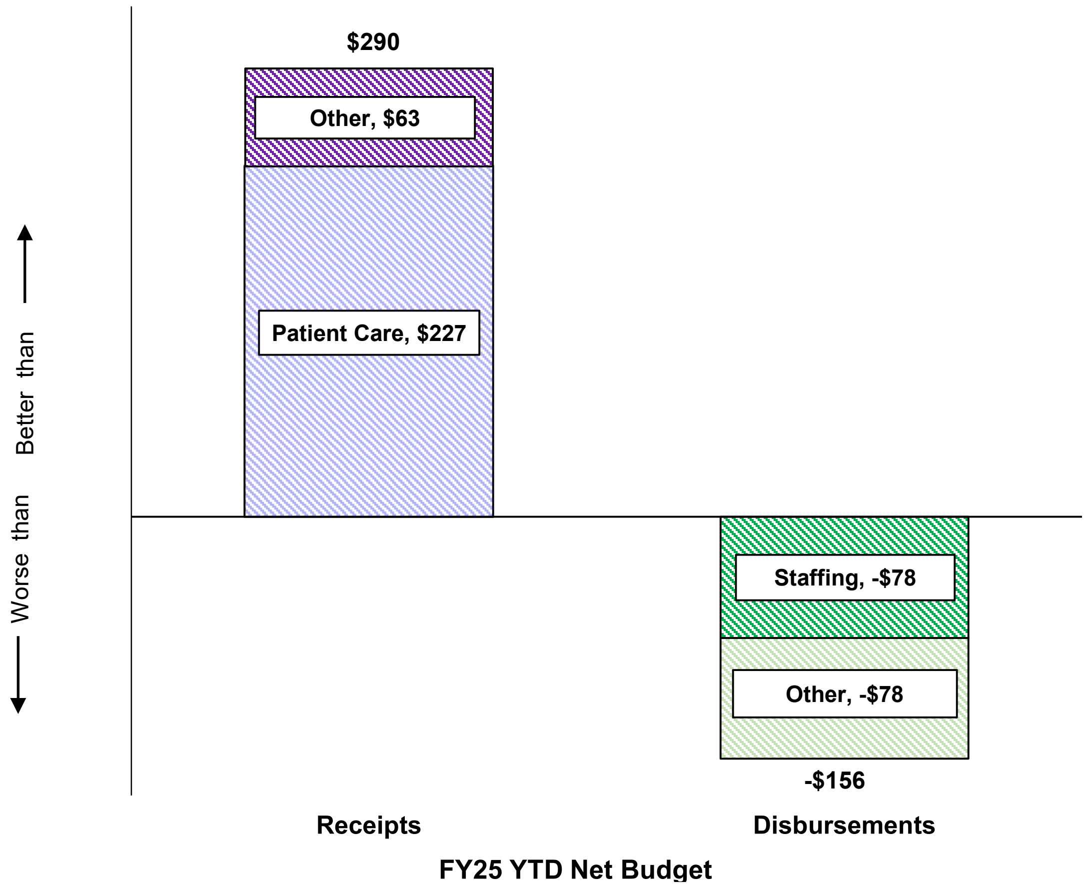
- The system expects to close April with approximately $550 Million (19 days cash-on-hand).

- We continue to work closely with the City on our remaining liabilities due to them as we continue to closely monitor our cash position.

Financial Performance

FY 2025 Quarter 2

FY25 thru Dec
Net Budget Variance



Highlights

Ended December with a net budget variance of $133.6M 1% where

- Receipts exceed budget by $290M Primarily driven by Patient Care and Risk Revenue. Risk is higher due to improved PMPM and other PY reconciliations.

- Disbursements exceed budget by $156M, which includes expenses associated with PS/Overtime, discretionary spend (surgical supplies, pharmaceuticals, etc.), and temps.

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Drivers of Revenue 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 and the timing of outstanding payments due to the Change Healthcare interruption.

- IP/OP **(+$130.2M) –** FY25 Billing Cash is 5% ahead of budget driven primarily by MetroPlus UPL payment and residual cash from CHC delay.

- Risk Pool Performance and Timing **(+$96.0M)** - ahead of budgeted target by 43% primarily due to CY24 Risk PMPM performance coming in better than planned.

- Other revenue **(+$63.3M) –** FY25 surplus is attributable to collected prior year Medicare and Medicaid appeals for patient care revenue.

Summary Receipts Performance (FY25 YTD Dec)	YTD Variance against Budget ($M)
IP/OP Volume, Rates, and Cash Performance	$130.2
Risk Pool	$96.0
Other	$63.3
Grand Total	**$289.9 [+6%]**

Drivers of Expense Budget Variance

Cash disbursements are over budget by 3% primarily from staffing and timing of payments for other discretionary spending

- 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 clinal services and overall volume increases. Excess temp spending has reduced and efforts are being made to reduce open payables to non-temp vendors.

- Personnel Services **(-$74.9M)** – Approximately 60% of the variance is driven by FT/PT staffing for non-model areas and volume increases. The remaining variance is driven by OT with associated fringe for non-model staffing and facilities staff (OFD). Roll-out of additional staffing models and processes in both clinical and non-clinical areas, nurse hiring, and updates of newly implemented models are in progress to right size staffing and reduce overtime reliance in those areas.

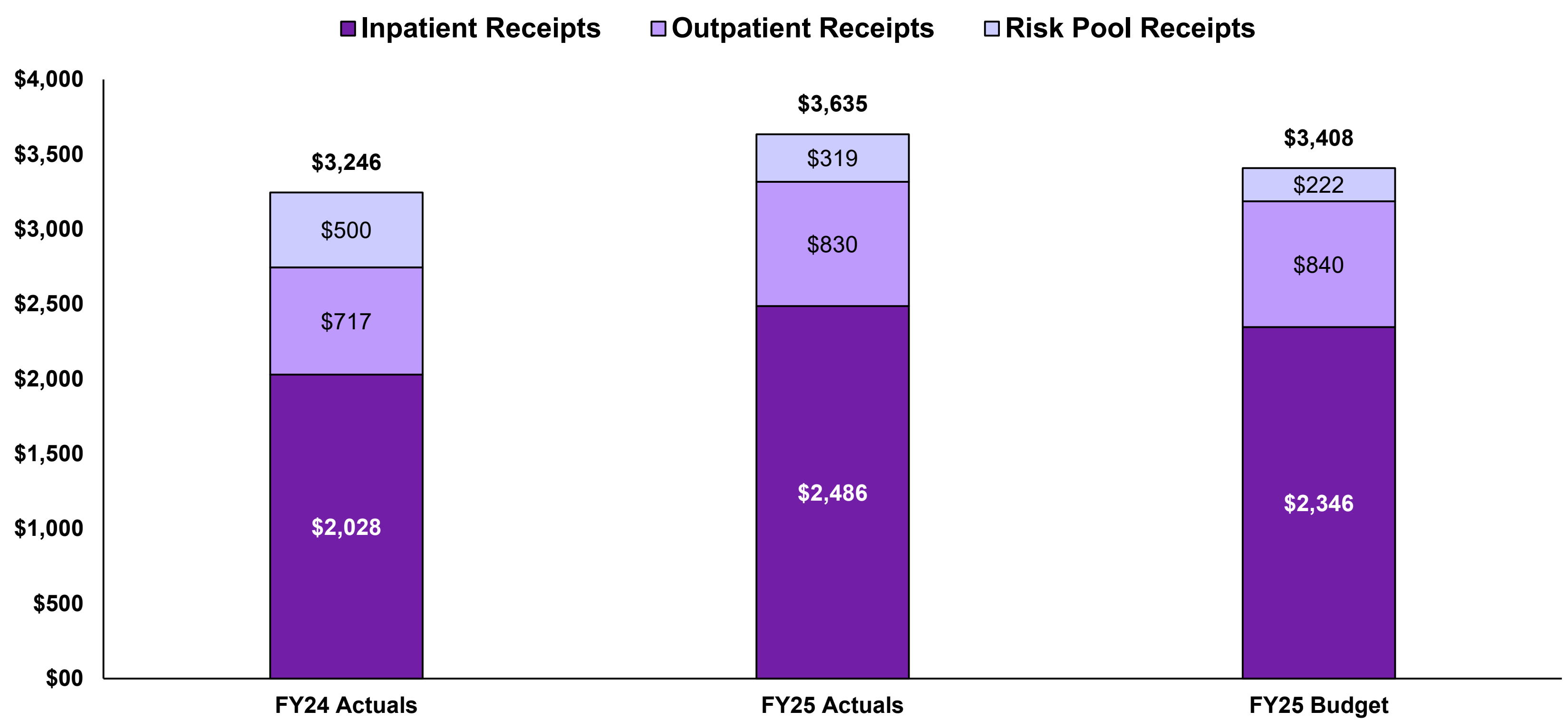
- Temps **(-$17.2M) –** excess temp expenses continue to decrease as outlined in the System's glide path. YoY spending decreased by 52%.

- Other Discretionary spend (**-$60.7M)** – Drivers of cash spend include timing of payments to reduce outstanding balances from prior year and costs associated with aging infrastructure and inflation.

Summary Disbursements Performance (FY25 YTD Dec)	YTD Variance against Budget ($M)
Agency Patient Care Temp Staffing Coverage	($17.2)
Affiliations	($3.5)
PS/OT	($74.9)
Other Discretionary Spend	($60.7)
Grand Total	**(-$156.3) [-3%]**

FY25 thru Dec
Revenue Performance

- FY25 direct patient care revenue (I/P & O/P) is $570.4M higher than FY24 actuals. Year over year variances are partially understated due to Change Healthcare Billing issues.
- Patient revenue increases year over year can be partially attributed to approved State Medicaid increases, and Federal approved Billing UPL, overall increased volume, and cash performance on revenue improvement initiatives, and residual billing collections from CHC impact.
- Compared to same time last year, discharges are up 1.4%, visits are up 4.8% (excluding testing), and Case Mix Index (CMI) is slightly higher by 3%.



Revenue Cycle

FY25 Revenue Cycle Initiatives Total $667 Million

	Initiative FY 25	TARGET	FY '24 Targets		Variance
Patient Access	Coverage Discovery	$45,000,000	$42,600,000	*	$2,400,000
	Financial Counseling Enhancements	$198,000,000	$170,000,000		$28,000,000
	Reduced Eligibility Denials	$30,000,000	$30,000,000	*	$0
HIM	CDI Process Improvement (FY21 Vendor Elimination)	$128,162,326	$82,000,000		$46,162,326
	DRG Downgrade Denials	$6,807,384	$0		$6,807,384
	DRG Validation	$3,185,860	$0		$3,185,860
Med Nec	Medical Necessity Denials Improvements	$81,300,000	$60,000,000		$21,300,000
Revenue Initiatives	Charge Capture	$12,000,000	$0		$12,000,000
	Medicaid FFS High Cost Outliers	$92,600,000	$84,000,000	*	$8,600,000
	Miscellaneous Revenue Initiatives	$2,000,000	$0		$2,000,000
Patient Accts	AR Days Reduction	$20,118,038	$20,118,038	*	$0
	Oncology Infusion	$2,079,387	$6,000,000	*	-$3,920,613
	Professional Billing	$3,000,000	$2,500,000		$500,000
	Specialty Billing (No Hospital Allocations)	$1,000,000	$0		$1,000,000
	Timely Filing Write off	$36,400,000	$0		$36,400,000
	Worker's Comp and No Fault	$4,942,671	$0		$4,942,671
	Total	***$666,595,666***	***$497,218,038***		***$169,377,628***

* *Some or part of this target wasn't able to be achieved due to Change HC Cyberattack*

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February Results 4% Ahead of Target

	February YTD Target	February Actual	Variance to Target
Patient Access	$169	$176	$7
HIM	$93	$113	$21
Med Nec	$54	$62	$8
Revenue Initiatives	$72	$71	-$1
Patient Accts	$41	$22	-$19
TOTAL	$429	$444	$15

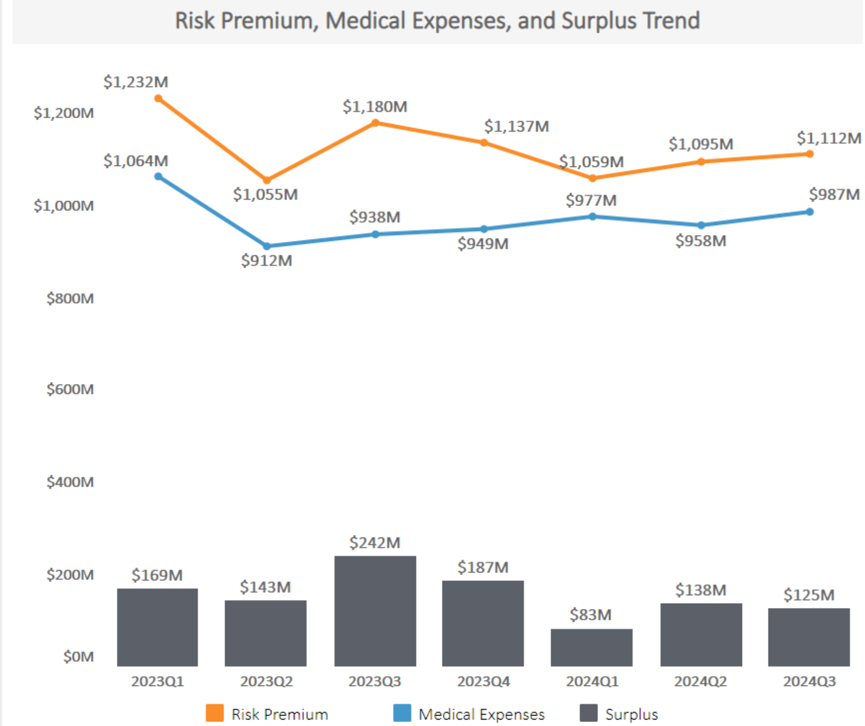
(in millions)

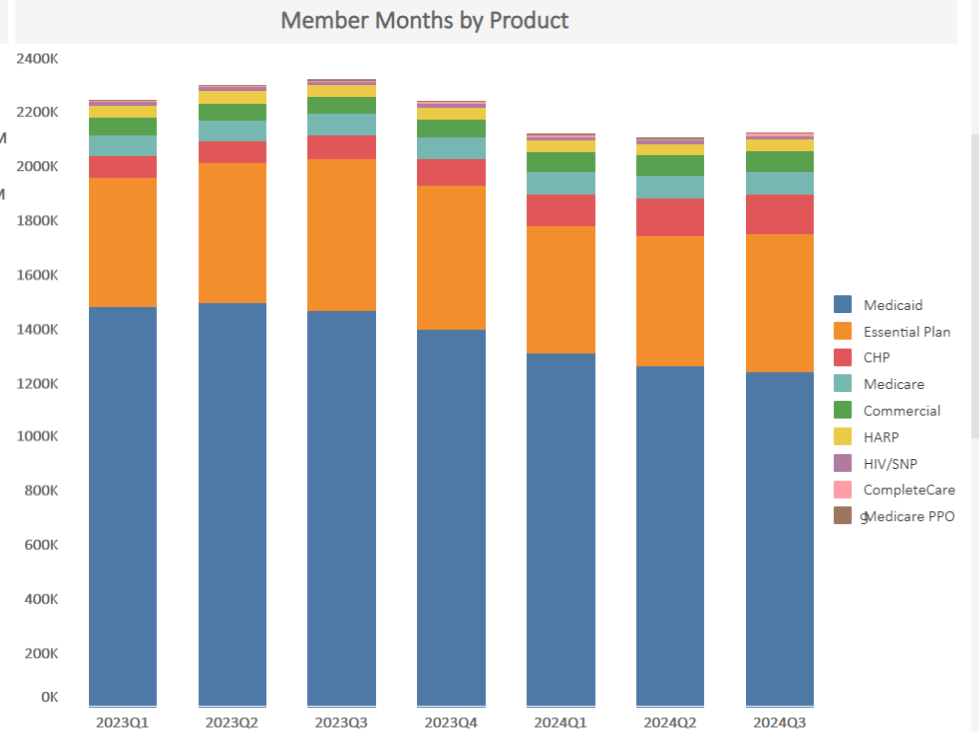
- Clinical Documentation Improvement (HIM), Financial Counseling (Patient Access) continue to perform well.
- *Payment Variance, a new initiative, is starting to yield impressive results.*
- Change Healthcare cyberattack and outage challenges continues to impact progress on Eligibility Denials (Patient Access) and Days in Accounts Receivable (Patient Accounts)
- *Continued focus on "No Claim Left Behind" Write off reduction (Patient Accounts has generated positive results, though still behind target.*

FY25

VBP Update

MetroPlus & Healthfirst Risk Performance Jan 2023 – Sept 2024 (paid through Dec 2024)





Risk pool performance is down slightly from 2023 (expected in the budget) but no major concerns. Membership remains fairly constant (small consistent drop in Medicaid lives due to recertification requirements; Essential plan remains at early 2023 levels and Child Health Plus has nearly doubled since Jan 2023).

Access Remains Critical Issue for VBP Performance

For the last several years, NYC H+H has led on quality performance in the MetroPlus and Healthfirst networks. We scored at the 90th percentile for 2/3 of the measures in MetroPlus' 2023 Quality program and held top ranking across network hospitals (and outperformed prior year performance) in the Healthfirst 2023 Quality Program.

One major area for improvement? **ACCESS to CARE.**

NYS DOH recently released its 2023 Quality Performance Results for Health Plans. On access metrics, MetroPlus and Healthfirst Medicaid plans continue to struggle.

	Getting Care Needed (Adult)	Getting Care Needed (Child)	Getting Care Quickly (Adult)	Getting Care Quickly (Child)	Rating of Health Plan (Adults)
MetroPlus Medicaid	67	77	71	77	65
Healthfirst Medicaid	72	85	73	82	81

How does NYC H+H contribute to this? We know that NYC H+H provides a significant portion of MetroPlus's provider network. We also can see in Healthfirst's data that while NYC H+H was a top overall performer in Healthfirst's 2023 Quality Program, we only earned:

- 2 of 5 stars for "Ease of Scheduling Appointments"
- 1 of 5 stars for "Wait Time"

Opportunities for Expanding Access

- To address these challenges, NYC H+H has been actively at work on the following initiatives:
  - Changing schedule templates this past fall to accommodate 20 minute outpatient visit slots to create more capacity for patients seeking appointments
    - Seen a 22% increase in completed new patient appointments in Fall 2024 as compared to Fall 2023
  - Piloted with two doctors in December to offer additional sessions to exclusively offer telehealth appointments for existing MetroPlus patients; both filled 100% of their appointment slots with an 81% visit completion rate. NYC H+H will be expanding this initiative with additional doctors in February

City Initiatives:

Humanitarian Emergency Response and Relief Centers (HERRC)

NYC HEALTH+ HOSPITALS

HERRC Financial Overview

- H+H currently oversees 4 H+H HERRC sites serving ~8,000 daily guests.
- Nearly 180,000 asylum seekers have been served at the 24/7 Arrival Center operated by H+H.
- H+H committed $636.6M of HERRC expenses through FY25 Q1-Q2 on behalf of the City.
- The City has allocated the following to H+H HERRC in the City FY26 Preliminary Plan:

Fiscal Year	FY24	FY25	FY26
Total	$1.5B	$1.1B	$0.7B

- Since July 2024, the asylum seeker census has been declining steadily, largely due to reduced inflow as the result of federal policy changes, as well as steps the City has taken to help households exit shelter.
  - In the FY26 Preliminary Plan, OMB updated its forecast of the asylum seeker census to reflect these recent trends and the expected continuation of census decline throughout the remainder of FY25.
- OMB has provided H+H with revenue to cover committed expenses to date through the HERRC MOU with the Mayor’s Office.

Informational Item:
Overview of January 26 Financial Plan

- James Cassidy, Senior Director of Fiscal Affairs, Finance

NYC HEALTH+ HOSPITALS

January 26 Financial Plan

(includes COVID/T2/HERRC)

	FY25	FY26	FY27	FY28	FY29
Total Revenues	13,312.5	12,588.7	11,797.2	11,921.2	12,057.2
Total Expenses	13,201.1	12,375.4	11,999.0	12,263.6	12,402.1
Income/(Loss) = Net Margin	111.4	213.3	(201.8)	(342.3)	(344.9)
Closing Cash Balance	693.2	906.6	704.8	362.5	17.6

- The City, in conjunction with H+H, released our FY26 January financial plan in February, which including baselined forecast updates to revenues, expenditures, and strategic initiatives.
- The system projects a positive operating margin of $111 million in FY25, an improvement of $48 million from our most recently released cash plan. This performance is due to revenue and expense re-estimates as part of the updated forecast as well as the anticipated receipt of prior-year reimbursements, including Risk Pool.
- The system projects a positive operating gain of $213 million in FY26 and a $202 million loss in FY27. Each of these years show improvement from the previously released plan while also removing the expense-reducing Restructuring & Personnel strategic initiative.
- Over each of these three years, the system anticipates stable and relatively consistent ending cash balances between $693 and $907 million (~25-30 days cash-on-hand).
- Following the baselining of achieved strategic initiatives, The plan includes Strategic Initiatives totaling $1.6 billion in FY25, growing to $2.5B by FY29. These initiatives include the full implementation of Inpatient and Outpatient UPL Conversion which will help mitigate the negative impacts of the federal DSH cuts, slated to begin April 1, 2025, at the time this plan was released.

NYC HEALTH+ HOSPITALS

NYC Health + Hospitals
FY 2026 January Financial Plan
Cash Basis
(in $000,000s)

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
OPERATING REVENUES					
Third Party Revenue					
Medicaid	3,071.6	3,027.4	3,046.3	3,065.5	3,084.8
Medicare	1,851.6	1,899.1	1,937.0	1,975.8	2,015.3
Other Managed Care	1,403.7	1,275.4	1,294.1	1,313.4	1,333.3
Supplemental Medicaid	1,297.3	762.5	786.5	759.4	785.7
Disproportionate Share Hospital (DSH)	302.6	268.5	292.5	265.4	291.8
Other Supplemental Payments	994.8	494.0	494.0	494.0	494.0
Subtotal: Third Party Revenue	**7,624.2**	**6,964.3**	**7,064.0**	**7,114.1**	**7,219.1**
Other Revenue					
City Services	3,070.9	2,281.7	1,670.3	1,719.0	1,719.7
Grants and Other	1,009.1	1,075.1	767.1	763.1	763.1
Subtotal: Other Revenue	**4,080.0**	**3,356.7**	**2,437.4**	**2,482.1**	**2,482.7**
Strategic Initiatives					
Supplemental Medicaid Programs	1,387.4	1,763.7	1,778.6	1,794.1	1,810.4
Federal & State Charity Care	-	62.0	62.0	62.0	62.0
Revenue Cycle and Managed Care	143.0	286.0	294.6	303.4	312.5
Service Line Improvements	22.0	44.0	45.3	46.7	48.1
Value-Based Payments	31.0	62.0	63.9	65.8	67.7
Growth	25.0	50.0	51.5	53.0	54.6
Subtotal: Strategic Intiatives	**1,608.4**	**2,267.7**	**2,295.8**	**2,325.1**	**2,355.4**
TOTAL REVENUES	**13,312.5**	**12,588.7**	**11,797.2**	**11,921.2**	**12,057.2**
EXPENSES					
Personal Services	4,384.6	4,428.7	4,556.1	4,658.0	4,710.9
Fringe Benefits	2,126.8	2,197.3	2,260.1	2,321.4	2,324.2
Affiliations	1,834.3	1,909.7	1,981.2	2,040.6	2,101.8
Other Than Personal Services	4,865.4	3,869.7	3,252.6	3,316.4	3,380.7
Subtotal: Expenses	**13,211.1**	**12,405.4**	**12,050.0**	**12,336.4**	**12,517.6**
Strategic Initiatives					
System Efficiencies	10.0	30.0	51.0	72.8	115.5
Restructuring and Personnel	-	-	-	-	-
Subtotal: Strategic Initiatives	**10.0**	**30.0**	**51.0**	**72.8**	**115.5**
TOTAL EXPENSES	**13,201.1**	**12,375.4**	**11,999.0**	**12,263.6**	**12,402.1**
INCOME/(LOSS)	**111.4**	**213.4**	**(201.8)**	**(342.3)**	**(344.9)**
OPENING CASH BALANCE	**581.8**	**693.2**	**906.6**	**704.8**	**362.5**
CLOSING CASH BALANCE	**693.2**	**906.6**	**704.8**	**362.5**	**17.6**