FINANCE COMMITTEE AGENDA

Date: January 12, 2026
Time: 10:30 A.M.
Location: 50 Water Street, 17th Floor, Boardroom – In Person

I. Call to Order *Freda Wang*
Adoption of the November 3, 2025 Minutes

II. Executive Session

III. Action Item: 2026 Interim Bond Financing Related to Maimonides *Linda DeHart / Thomas Tran*
Authorizing New York City Health and Hospitals Corporation (the "**Corporation**") to incur indebtedness in the maximum aggregate principal amount not to exceed $200,000,000 for the retirement of certain outstanding bonds of Maimonides Medical Center in connection with the transfer of certain assets of Maimonides Health Resources, Inc. ("**MHRI**") and its subsidiaries and affiliates to New York City Health and Hospitals Corporation.

IV. Financial Update *John Ulberg*

V. Old Business Freda Wang

VI. New Business

VII. Adjournment

Finance Committee MEETING – November 3, 2025

As Reported By: Freda Wang

Committee Members Present: Mitchell Katz, MD, Freda Wang, José Pagán, Patricia Marthone, Karen St. Hilaire - representing Molly Wasow-Park in a voting capacity

CALL TO ORDER

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 11:00 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:

Sally Hernandez-Piñero has authorized Molly Wasow-Park represented by Karen St. Hilaire to be counted for the purposes of quorum and voting on her behalf.

Ms. Wang called for a motion to approve the October 14, 2025 minutes of the Finance Committee meeting.

Upon motion made and duly seconded the minutes of the Finance Committee meeting held on October 14, 2025 were adopted.

FINANCIAL UPDATE

Ms. Allison Hartmann opened the presentation with an overview of FY-25 Revenue Cycle accomplishments. Overall, the Revenue Cycle initiatives generated a total of $760 million in FY-25, which is $309 million in incremental revenue over the prior fiscal year and over $2 billion in five years. These accomplishments include improvements in H+H's overall financial counseling performance generating $202 million, Coding Documentation Improvements (CDI) generating $171 million, reduction in Accounts Receivable days by 31% which accelerated over $50 million in reimbursement, and H+H's no claims left behind initiative which generated $14 million based on reduction in write-offs.

The Revenue Cycle Institute resulted in 14,210 class completions that included instructor led and e-learning modules, and resulted in 382 Graduates from the Revenue Cycle New Employee onboarding program. The focus on DRG validation as well as appealing downgrades yielded over $10 million. Revenue Cycle developed an internal process to review payment variances,

saving over $3 million in vendor fees. Further, led initiative to reduce provider's open charts by 58%, generating over $8.4 million. The Revenue Cycle Quality Assurance team audited 9,300 accounts for 1,465 individuals.

The One Stop Benefits expanded from a pilot to the full telephonic team and has screened over 7,000 patients and completed referrals and applications for over 10,000 benefits. Lastly, Revenue Cycle developed and deployed Artificial Intelligence Utilization Management (AI UM) screening tool to reduce inpatient medical necessity denials. Looking ahead, the System will facilitate the implementation of best practice workflows to uniformly achieve H+H's best practice metrics at all facilities continuing H+H's journey toward Epic best practice; and redesign financial counseling process by incorporating AI to handle anticipated increase in Medicaid redeterminations.

Ms. Hartmann provided H+H's best practice targets for Revenue Cycle. NYC H+H identified improvements in standardizing individual facility performance to internal best practices. H+H is raising the level of performance for facilities not performing in certain areas as well as other H+H facilities. In identifying H+H's best practice, 8 metrics have been selected across the System. These metrics include AR Days, Insurance Net collection percentage, eligibility denial rate, authorization denial rate, financial counseling screen rate, primary care PCP alignment rate, coding lag, and DRG downgrades. The metrics selected provide H+H the opportunity to bring all of our facilities up to H+H's best practice and overall industry best practice in all areas. The calculated opportunity if facilities achieve internal best practice is $54 million in FY-26 growing to $187 million in FY-27. H+H facilities are implementing standard work and creating initiatives to achieve targets.

Ms. Wang polled the committee for questions.

Ms. Wang, on behalf of Ms. Hernandez-Piñero, commended the team on the Revenue Cycle accomplishments just being remarkable and congratulated the team. On behalf of Ms. Hernandez-Piñero inquired on how did Revenue Cycle redesign the financial counseling process to incorporate AI to handle increases in Medicaid recertifications.

Ms. Hartmann responded that this is currently a body of work that is still in development. With the federal budget reconciliation and the upcoming changes to Medicaid recertification requirements, people are having to recertify more frequently. Further, changes in eligibility might result in more people needing financial counseling. Revenue cycle is looking for ways to incorporate AI into our financial counseling process in order to serve this larger population of people needing assistance in a more streamlined way for our staff as well. It is still a work in progress that we have not implemented yet but that is in development.

Mr. Ulberg added that the idea is for H+H to get AI assistance to do the financial counseling, go as far as the AI assistance will take us and then switch over to our own staff if we have to. It allows us to introduce AI, understanding that some people will gravitate to it but others will say that they really want to talk to a human. With the H.R.1 bill and a recertification every six months, the volumes, in essence, double. We need to find a way to make ourselves available more frequently without interruption for which we will try AI assistance.

Ms. Wang inquired on H+H's current utilization of AI to help screen for denials.

Ms. Hartmann responded that the tool that was developed is a tool to assist providers in getting the diagnosis right upfront for people who are admitted as inpatients to support that admission.

Mr. Pagán inquired on how much variation there is across facilities when it comes to these 8 metrics as the estimates vary from $54 million to $187 million.

Ms. Hartmann responded that there is definitely a fair amount of variability by facility. There are a few facilities that are top performers across the board in almost all metrics, and there are some facilities potentially not quite at that level. It varies quite a bit facility by facility where the opportunity really is. For which we look to learn from the facilities who are performing at their highest level, share their best practices with the facilities that might be struggling a little bit in some of those areas.

Mr. Ulberg added that it has really opened up the conversation with facilities in a positive way. When we can show facilities the top performers that invites the conversation between facilities, and we try to help coordinate that. The idea is for us to come together and plan the first round to $54 million but we are aiming for $187 million for the next year as we are trying to plan ahead. We are going to give each facility their choice in terms of which of these various initiatives do they want to attack and invest in, as trying to do all seven or eight all at once is very difficult. We are giving them that choice of where do they want to focus first. This is the way we can successfully achieve the $187 million target, and we are well on our way at the $54 million.

Ms. Hartmann noted that we are already seeing some improvements.

Mr. Pagán commented that it will be great to learn more about what do you learned through that process as this is something that comes a lot in a large system like this, with 11 hospitals. It is always a question that board members have, how do we take what somebody is doing and translate it. It is always a struggle.

Mr. Ulberg added that by learning from ourselves, the System seems to do better.

Ms. Wang commented that it is a benefit of H+H being a big diverse system. Where normally you are benchmarking against other hospitals around the City, not related to us, and H+H has the benefit of actually being able to share that information. To that point, getting to see how that goes would be very interesting.

Mr. Ulberg added that we are excited to report back on how we do here. We are putting collective pressure on ourselves to hit those metrics, and so far, the facilities have been doing a good job. We give ourselves until the end of the month or so to put together the plan.

Dr. Katz added, for the interest of the Board, it is good to point out that this was not our first proposal. Our first proposal was to centralize the process and facilities were very negative on that. Our goal was not to centralize, our goal was to get everybody up. If you can get up without centralizing it, then that is great. It will be interesting to see, but they are very motivated for that. They did not want to see the resources become a centralized resource, they wanted to keep it in their facilities.

Ms. Wang agreed and added that if they can hit their target and it allows them to retain their individuality.

Mr. Ulberg noted that at the end of the day, we are trying to achieve the best practice, whether centralized or a different way. It is a healthy tension that we are all responding to and we will see how it goes.

Ms. Wang added that the Board looks forward to the report on how it goes. There being no further questions on Revenue Cycle, Ms. Wang thanked the team.

Ms. Meagher provided an update on NYC H+H Accountable Care Organization (ACO). Since 2013, NYC H+H ACO has participated in the Medicare shared savings program (MSSP) run by the Center for Medicare and Medicaid Services (CMS). As of 2025 there are 476 ACOs that participate nationwide, of which 13 are from New York State. The goal of the program is to manage the care of attributed patients with traditional Medicare coverage (parts A&B) and savings achieved by the MSSP are then shared back to the ACO. The NYC H+H ACO has about 5,400 patients managed by doctors practicing primary care at NYC H+H accounting for 96% of ACO, and remaining doctors are affiliated with the federally qualified health center Community Healthcare Network. Since 2019 the NYC H+H ACO has held an enhanced track contract, a two-sided risk, with CMS whereby the ACO is taking the greatest amount of risk, about 75% of program savings.

Ms. Meagher continued by presenting the NYC H+H Medicare Shared Savings ACO. CMS recently announced that H+H's MSSP ACO has achieved twelve consecutive years of shared savings, earning $7.2 million in 2024. The total savings and earned performance payment since inception in 2013 through 2024 were noted.

NYC H+H participates in several value-based payment (VBP) programs with payers in the NYC market. Value Based Payment programs reward NYC H+H for investing in preventive outreach and care coordination or better care for patients, by compensating for quality outcomes. A chart highlighting the VBP Program's four major payers including the number of years in the program, total enrollment, shared savings earned and quality incentive payments, was presented.

As the NYC H+H Managed Care team continues to advance the VBP portfolio, there are also key strategic initiatives owned by Managed Care that drive significant revenue. A snapshot of the actual performance over the last five fiscal years for three of those programs was presented.

An overview of some of the financial wins negotiated with H+H contracted insurance plans were presented by Ms. Meagher. As of FY-25, all 7 NYC Medicaid plans are now contractually obligated to reimburse additional revenue to H+H for high cost outliers, generating more than $100 million annually for NYC H+H. Since 2022, NYC H+H has held a contract with a large NYC union as a preferred provider of bariatric surgery procedures for employees that the union refers to H+H. Initial successes have led to continued conversations for expanding to additional service areas. In FY-25, H+H concluded a multi-year settlement with a payer on 2020-21 encounters (mostly outpatient) worth over $16 million. Further, mis-adjudication of COVID test claims was settled through a rate increase with a different payer, which will yield compounding value over time.

Ms. Wang polled the committee for questions.

Dr. Katz noted that it is $2 billion more a year of insurance revenue than when we he arrived at H+H. The difference being that previously nobody was doing anything, if the insurance paid then that was it, if a prior authorization was needed, nobody did it. If the prior authorization got denied, nobody reapplied.

Mr. Pagán asked if the $2 billion included the value-based payment plus the revenue cycle. Dr. Katz agreed, and added that it does not include government funding, or City or stuff that is lobbying. It includes what we do via insurance payments, and that is the difference in the end between a shrinking Health + Hospitals, and a growing Health + Hospitals. What it is so amazing is that it was all in there, it is incredible hard work but none of it was genius. All of these things we know how to do, it was just a

question of learning how to do it. It is not easy to do, it is hard work and requires due diligence, surveillance, and people going in. It is not that it is easy but the concepts are all straight forward and other groups were doing it, just somehow Health + Hospitals was not doing it.

Ms. Wang added that even beyond, it seems that we are moving towards things that are not so straightforward and we have created as we have done the low hanging fruit.

Dr. Katz commended the Finance and the revenue team together for doing such an amazing work and it is what fuels recognition. It is what enables us to do all the amazing services we do that in the absence of this revenue including the bond measure. We could not be doing the bond measure successfully if we were not living within our budget, for our operating. It is very impressive what this team has done.

Mr. Pagán asked regarding the $7 million in the ACO for example, but is about 20 of the value-based initiatives, does that include the cost of running that program.

Ms. Meagher answered that it does.

Mr. Pagán continued, and asked if it is already net out.

Ms. Meagher clarified that when we get the distribution, the ACO is a very distinct model where majority of that money is being funded directly to the doctors. We keep a very specific list of doctors that are participating in the program. When we get that distribution there is a contractual amount off the top that goes to administrative purposes but it is quite small in terms of most of the money, it is going directly to the doctors so there is the incentive to continue to do more and more.

Mr. Ulberg continued by adding that the numbers are all good, but there is a common recognition that we can do better.

Mr. Pagán added that the direct contract with employer groups sounds very promising.

Mr. Ulberg added that we are good value. Our costs structures tend to be lower and our value performance is kind of speaking for itself, and it is a great combination to have in healthcare.

Dr. Ted Long commenced the presentation with an overview of the HERRC program highlights. H+H provided temporary shelter and services to over 140,000 asylum seekers, including 40,000 children. At peak, H+H operated 16 humanitarian centers housing over 25,000 people, approximately three quarters of whom were families with children. H+H's HERRC program delivered over 40 million culturally-relevant, Halal-certified meals and distributed over 10 million baby wipes, 2.6 million diapers, 700,000 formula bottles

and baby food jars. At the Arrival Center, services were provided to 155,000 individuals from over 160 countries and speaking more than 60 different languages. HERRC managed more than 300,000 visits from May 2023 to June 2025. The program coordinated arrivals of asylum seekers received from more than 800 buses and 7 planes. Further, the HERRC program provided over 100,000 vaccinations for which majority were to children entering schools.

The HERRC Case Management Program conducted approximately 1 million case management meetings with asylum seekers. Reached 99% of humanitarian center guests with ongoing support. Helped asylum seekers complete over 111,000 work authorization, TPS, and asylum applications. In addition, over 90% of eligible adults applied for or received work authorization.

Dr. Long continued presenting the HERRC program highlights. The Case Management Community Advisory Board (CAB) launched in April 2023 with approximately 30 community organizations. The CAB's informed case management workflows to better meet asylum seekers' needs. Connected asylum seekers to legal services, resource fairs, job fairs. Strengthened collaboration with immigrant, refugee, and homeless service orgs, and ensured services were responsive, community-informed, and effective.

Ms. McLeod provided an overview of the HERRC program financial update. NYC Health + Hospitals currently oversees 1 NYC Health + Hospitals HERRC site serving approximately 3,000 daily guests. The System committed $868 million of HERRC expenses on behalf of the City in FY-25 Q1-Q4. In the City's Adopt plan, NYC Health + Hospitals budget for the HERRC program is $960.2 million in FY-25 and $76.4 million in FY-26. OMB has provided the System with revenues to cover committed expenses to date through the HERRC MOU with the Mayor's Office.

Dr. Katz inquired on the plan for the site that is left open.

Dr. Long responded that the City holds the lease for that site until around April of next year. We are working with DHS to continue to operate the site on as long as the City needs it to be operated.

Dr. Katz asked if presumably we might choose a different site and might not maintain this site.

Ms. St. Hilaire added that this site is 3,000 a day census.

Dr. Long responded that we are making plans with DHS to have the families that are currently there transitioning into other existing DHS sites.

Ms. Wang added that this is through April and this might be one of our last sites, but it is just amazing. The catalog that you went through is wonderful in terms of the program and the management of it and the collaboration with the City is just great work.

Ms. St. Hilaire thanked the team and Chris for the collaboration, stating that we have climbed hills together, summoned it together, and are now trying to close out together. She reiterated that this was great work.

Dr. Marthone commented that visiting the sites, meeting the people, you can tell that you put your heart in it. It was quality work. She thanked Dr. Long for the hard work that he and his team did.

Dr. Long took an opportunity to publicly thank Chris Keeley and the entire HERRC team that really moved heaven and earth to accomplish these incredible things for everybody coming to us, and stated that this is our final presentation.

Ms. Wang thanked the team.

Mr. Thomas Tran provided an update on the 2025 Bond Issuance. On August 27, 2025, NYC H+H issued $242.85 million tax-exempt fixed rate Health System Bonds. Bond proceeds provided $250 million of capital project fund, with the remainder to finance the capital reserve and costs of issuance. Thus far, $30.2 million has been drawn for various capital projects. The 2025A bonds were well received with strong subscription from retail and institutional accounts, 37 accounts participated in the order period, leading to oversubscription in all maturities.

Dr. Katz inquired on the plan going forward, we only draw the money as we have capital projects going so we do not pay interest for money we cannot use, which is great. We agreed that there is another potential $250 million. The current $250 million you have is not in contract, but it is all spent in people's minds. Each hospital knows what it is going to spend each share on and each hospital has additional needs. If we wanted to gain more bond beyond the $250, is this something we do or is it pre-sold?

Mr. Tran responded that there are a couple of components. The capital project was funded in this particular issuance that is basically encumbered already, some of it is already spent and some of them are paid for. We used these bond proceeds to reimburse ourselves for what has already been paid out. For the next financing, we need to find another chunk of projects that can be financed in our next-bond issuance. For the purpose of this bond issuance, the portfolio we have identified for the capital project that is either already spent or will be spent by January of 2027.

Ms. Wang added that the expectation would be to do another $250 million or some amount by next year.

Mr. Tran agreed and added that we expect to do some amount by next fall, where we teed it up for next bond financing.

Mr. Ulberg added that we are trying to get into sort of a sequence of going to the market as we have so many needs.

Dr. Katz asked if the interest we pay is it fixed or variable.

Mr. Tran responded that this is a fixed rate.

Dr. Katz added that people would get a 4.3% no matter what the market does.

Mr. Tran mentioned that the interest costs are roughly 4%, but in terms of the interest payment that is being paid out on semi-annual for these bonds are roughly 5% coupon.

Mr. Ulberg added that we have locked in at the rate. Mr. Tran agreed and added that it is a fixed rate.

Dr. Katz inquired on interest rates going down next year, could another bond measure proposal better or could you refinance or payout this bond?

Mr. Tran responded that this bond is not callable until nine years later, is the optional call that we put on this particular bond.

Mr. Ulberg added that we evaluate that, whether we go fixed or variable that is all part of our evaluation. We have done very well in the past on interest rates. We have hit the market at the right time on past bond issuances. We evaluate all of this whether we will go fixed or variable, we are going to keep going to the market at another $250 million and hopefully we can keep going annually.

Dr. Katz inquired what is the lowest a bond like this in recent history could go for.

Ms. Wang responded that our 2020 financing was 2.5-2.8%.

Mr. Tran added that in our last bond deal in 2020 the rate was about 1.5%. The interest cycle was very low at that moment before the Federal Reserve took a rate action and increased rates several times after that.

Ms. Wang added that we do have variable rates still outstanding, therefore, when interest rates go down, we do benefit from that. This is just one issuance in the whole portfolio and these are slightly higher, our 2020 fixed rate bonds are much lower, and then we have variable rate which went up for a while as short-term rates were high the last year or two. But they have been very, very low and are expected to come back down. We do have a mix of things that help us to smooth out. To John’s point on trying to get into a cycle of borrowing, rather than doing one giant deal and have a lot of proceeds at one time at this 4.2%, splitting it into these chunks as the team has done, doing one deal after this year, another deal later next year, you sort of dollar cost average into your bond.

Mr. Tran added to the point on refinancing, in the 2020 deal it had a new money component similar to this deal, but it also took the low rate environment and refinance some of the older deal to capture savings there as well.

Ms. Wang added that we have plenty of needs and all these great revenue improvements have helped us take care of business.

Ms. Wang polled the Committee for questions. There being no further questions, Ms. Wang thanked and commended the team for the great work and looks forward to hearing more about revenue cycle and managed care and all the strategic financial initiatives.

ADJOURNMENT

There being no further business to bring before this committee, the meeting adjourned at 11:41 A.M.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "**Corporation**") to incur indebtedness in the maximum aggregate principal amount not to exceed $200,000,000 for the retirement of certain outstanding bonds of Maimonides Medical Center in connection with the transfer of certain assets of Maimonides Health Resources, Inc. ("**MHRI**"), and its subsidiaries and affiliates to New York City Health and Hospitals Corporation.

WHEREAS, by Resolution adopted on November 20, 2025, the Board of Directors of New York City Health and Hospitals Corporation (the "**Corporation**") has authorized the Corporation to enter into an Affiliation and Asset Transfer Agreement (the "**Affiliation Agreement**") with Maimonides Health Resources, Inc. ("**MHRI**"), and its subsidiaries and affiliates (collectively with MHRI, the "**Maimonides Entities**"), including Maimonides Medical Center ("**MMC**") and The New York Community Hospital of Brooklyn, Inc., d/b/a Maimonides Midwood Community Hospital ("**Midwood Hospital**"); and

WHEREAS, on December 18, 2025, the Corporation and the Maimonides Entities executed the Affiliation Agreement, which provides for the affiliation of the Maimonides Entities with the Corporation and the transfer of certain assets and liabilities of the Maimonides Entities, including the assets comprising the hospital facilities of MMC and Midwood Hospital, to the Corporation or its subsidiary (herein collectively referred to as the "**Affiliation Transaction**"); and

WHEREAS, pursuant to the Affiliation Agreement, the Corporation has agreed, as a condition to the closing of the Affiliation Transaction, to provide funds to redeem or defease, as applicable, in full, on or prior to the closing of the Affiliation Transaction, the outstanding bonds issued by or for the benefit of MMC, consisting of (i) the Maimonides Medical Center GNMA Collateralized Taxable Revenue Bonds, Series 2013, and (ii) the Dormitory Authority of the State of New York, Maimonides Medical Center FHA-Insured Mortgage Hospital Revenue Bonds, Series 2020 (collectively, the "**MMC Bonds**"); and

WHEREAS, the Corporation's Board of Directors desires to approve and authorize the Corporation to incur indebtedness in the maximum aggregate principal amount not to exceed $200,000,000 to provide for interim financing to provide funds for the redemption or defeasance of the MMC Bonds, as required by the Affiliation Agreement, in connection with the closing of the Affiliation Transaction and the transfer of the assets of the Maimonides Entities to the Corporation or its subsidiary.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 101. Authority. This Resolution is adopted pursuant to the authority contained in the New York City Health and Hospitals Corporation Act.

Section 102. Debt of the Corporation; Principal Amount and Terms. The incurrence of indebtedness by the Corporation in an aggregate principal amount not to exceed $200,000,000

(the "**Loan**") for the purposes of providing interim financing to provide funds to be used by the Corporation for the redemption or defeasance of the MMC Bonds in connection with the Affiliation Transaction and the transfer of assets of the Maimonides Entities to the Corporation as contemplated by the Affiliation Agreement, and to pay costs of issuance of the Loan, is hereby authorized. The Loan shall bear interest at taxable or tax-exempt interest rates, which interest rates may be fixed interest rates or variable interest rates, all as shall be determined by the Chair or Vice Chair of the Corporation's Board, the President of the Corporation, or the Senior Vice President with supervision over the finances of the Corporation (each an "**Authorized Officer**"); provided, however, that the average fixed interest rates or initial variable interest rate of the Loan shall not exceed 6.00% per annum. The Loan shall mature on such date or dates as shall be determined by an Authorized Officer; provided, however, that the final maturity date of the Loan shall not be later than 5 years after the date of issuance of the Loan. The Loan may be secured by a pledge of the Released Health Care Reimbursement Revenues of the Corporation in accordance with the Corporation's Subordinate Lockbox, Pledge and Security Agreement, dated as of July 9, 2015.

Section 103. Authorization of Related Documents. The Corporation is authorized to enter into the Loan with one or more lenders to be selected by the Corporation pursuant to a request for proposal process undertaken by the Corporation with assistance from its financial advisors and bond counsel. The Corporation is authorized to negotiate, execute and deliver one or more loan agreements, line of credit agreements, security agreements, promissory notes, bond or note purchase agreements, notes, bonds or other documents or instruments to evidence or secure the Loan, and any tax regulatory agreements, closing documents or closing certificates relating to the Loan (each a "**Loan Document**"). The final terms of the Loan, subject to the parameters set forth herein, and the form, terms and provisions of the Loan Documents, shall be approved by an Authorized Officer, as evidenced by his or her signature on each Loan Document. Any Authorized Officer is authorized and empowered for and on behalf of the Corporation to execute, acknowledge and deliver the Loan Documents, and the Secretary or any other Authorized Officer of the Corporation is hereby authorized and empowered to affix the seal of the Corporation and to attest to the same for and on behalf of the Corporation.

Any Authorized Officer of the Corporation is hereby authorized to take any action, execute any document, or give any consent which may, from time to time, be required by the Corporation under this Resolution or any Loan Document. Any such action taken or document executed or consent given by such Authorized Officer in his or her capacity as an Authorized Officer shall be deemed to be an act by the Corporation. All actions taken by the Corporation prior to the date hereof in connection with the Loan are hereby ratified.

Section 104. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board of Directors of the Corporation.

Adopted: January 29, 2026 Board of Directors of the Corporation

NYC HEALTH+ HOSPITALS

2026 Interim Financing Related to the Maimonides Transaction

Finance Committee Presentation

January 12, 2026

Linda DeHart
Vice President, Finance

Thomas Tran
Senior Director, Debt Finance

NYC HEALTH+ HOSPITALS

For Finance Committee Consideration

- Authorizing New York City Health and Hospitals Corporation (the "Corporation") to incur indebtedness in the maximum aggregate principal amount not to exceed $200,000,000 for the retirement of certain outstanding bonds of Maimonides Medical Center in connection with the transfer of certain assets of Maimonides Health Resources, Inc. ("MHRI") and its subsidiaries and affiliates to New York City Health and Hospitals Corporation.

The Maimonides Transaction

- In November 2025, the Board unanimously voted to allow Health + Hospitals to enter into an Affiliation and Asset Transfer Agreement (ATA) with Maimonides and to take appropriate actions to advance the contemplated transaction
- The anticipated “Close” date for the transaction is March 31, 2026
- In December 2025, the board approved creation of two subsidiary public benefit corporations to hold the assets and liabilities of the Maimonides and Midwood Hospitals
- Existing bond debt issued by Maimonides must be defeased at or prior to the Close.
  - Subsidiaries of H+H cannot issue debt or hold debt
  - The Maimonides bond covenants conflict with H+H bond covenants

Maimonides Bond Debt Background

- Estimated $166 million required to defease outstanding bonds from two series
- Series 2013 Bonds
  - ~$38 million outstanding with final maturity of March 2032
  - Government National Mortgage Association backed taxable revenue bonds issued by Maimonides Medical Center to refund older Federal Housing Administration (FHA) insured bonds issued by the Dormitory Authority of the State of New York (DASNY)
  - Bonds remain insured by a FHA mortgage, which imposes certain restrictions and requirements
  - Currently callable, i.e. may be repaid or refunded now
- Series 2020 Bonds
  - ~$127 million outstanding with expected final maturity of August 2048
  - FHA insured mortgage hospital revenue bonds issued by DASNY
  - Not callable until August 2027, but can be defeased by funding an escrow account to pay the debt service through August 2027, and then payoff the outstanding amount

Defeasance Strategy Summary

- Short term H+H borrowing through interim loans to defease the Maimonides outstanding bond debt at, or prior to, the Maimonides transaction Close
  - Interim Loan Structure:
    - Revenue pledge is subordinate to the H+H bonds issued under the General Bond Resolution
    - 18 to 24 month loan term
    - **Contingent on completion of the Maimonides transaction**
- Permanent financing by issuance of H+H bonds to retire the interim loans sometime after the Close
  - Anticipate refunding of the interim loans in 2027 to coincide with next H+H new money financing
- Tax-exempt acquisition financing

Timeline Milestones	
▪ Mid November	▪ Release RFP
▪ Mid December	▪ Bank Selection
▪ January	▪ Maimonides Asset Valuation
▪ January	▪ Finance Committee/Board Approval
▪ February	▪ Finalize Bank Documents
▪ March	▪ Draw/Deposit to Defeasance Account

NYC HEALTH+ HOSPITALS

Interim Loan Bank Selection

- H+H Debt Finance solicited proposals from banks for interim loans up to $200 million under a number of scenarios, including varying maturities, fixed or variable rates, and tax-exempt and taxable structures.
- Received four responses and selected TD Bank based on best rates and terms.

TD Bank Credit Rating	Moody's	S&P	Fitch
Long Term Deposits	Aa3	A+	AA
Short Term Debt	P-1	A-1	F1+
Outlook	Stable	Stable	Negative

  - TD Bank currently provides letter of credit for Series 2008BC and remarketing services for Series 2008CE variable rate bonds.
- Indicative interest rate examples for two year terms:

	Tax-Exempt	Taxable
Variable Rates* (fully funded)	3.51%	4.44%
Fixed Rates (callable anytime)	3.21%	4.06%

* Initial variable rate, based on percentage of (1M SOFR + Spread) for tax-exempt or 1M SOFR + spread for taxable

Interim Loan – Next Steps

- Debt Finance will continue to work with H+H financial advisor and bond counsel to finalize financing plan and negotiate terms for the loan
- Additional requirements related to the transaction:
  - Appraisal of Maimonides assets to be transferred required for tax exempt acquisition financing
  - Finalize loan sizing and structure
  - Defeasance process will require work with Maimonides, DASNY and FHA, as well as a defeasance counsel

Finance Committee Approval Request

- Authorizing New York City Health and Hospitals Corporation (the “Corporation”) to incur indebtedness in the maximum aggregate principal amount not to exceed $200,000,000 for the retirement of certain outstanding bonds of Maimonides Medical Center in connection with the transfer of certain assets of Maimonides Health Resources, Inc. (“MHRI”) and its subsidiaries and affiliates to New York City Health and Hospitals Corporation.

NYC HEALTH+ HOSPITALS

NYC Health + Hospitals
Finance Committee Meeting
January 12, 2026

FY26 Quarter 1 Highlights

- The system closed December with $634M (20 days cash-on-hand).
- Closed Q1 with a **negative Net Budget Variance of -$55.4M (-1%).**
- Direct Patient Care Receipts (I/P and O/P) came in **$40.1M lower than the same period in FY25** due to a slight decrease in IP discharges (OP visits are up 4.0% and IP discharges down by -0.7% from Q1 of FY25) as well as FY25 cash payments included residual/secondary billing from CHC delays from the previous year.
  - FY26 Patient care volume continue to surpass FY20 pre-COVID levels with Inpatient discharges up by 2.5%, and Outpatient visits up by 17%.
- Strategic financial initiatives are progressing as planned. The FY26 incremental target has been adjusted to reflect baselined initiatives, as consistent, reliable performance has been demonstrated over the years. In Q1, we have achieved $104M against a financial plan target of $472M. Key categories of performance include:
  - Growth and Other Service Line Improvements ($20M)
  - Revenue Cycle Operations ($56M)
  - System Efficiencies ($7M)
  - VBP and Managed Care Initiatives ($21M)
- Additional areas of opportunity and focus include reducing the average length of stay, achieving revenue cycle best-practice performance metrics, and expanding behavioral health services. These initiatives will continue to advance as we refine staffing models and strengthen system efficiencies.

FY26 Cash Projections

- The system is estimated to close January with approximately $500M (16 days cash-on-hand).
- The system expects to close February with approximately $450M (14 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.

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Managing Risks

Risks	Status	Level
Essential Plan Changes ○ EP changes in H.R. 1 would result in loss of coverage or changes in coverage for certain immigrant population as early as January 1st, 2026. ○ DOH has proposed a rate reduction to Essential Plan premium rates for MCOs.	○ State proposed to CMS to revert to Basic Health Plan for people with EP1-4; State assessing options for EP5. ○ This will have a notable impact on Healthfirst and MetroPlus; H+H analyzing the potential impacts with them.	
Medicaid ○ Medicaid work requirements/ six months recertification and other Medicaid enrollment barriers starting as early as January 1st, 2027 (State can apply for delay).	○ Waiting for federal guidance / State implementation strategy.	
Average Commercial Rate (ACR) State Directed Payment (SDP) ○ ACR SDP initially remains intact via "grandfathering" provision but H.R. 1 requires 10% annual reductions to a maximum of the Medicare benchmark beginning in 2028.	○ CMS approval received for Year 1 (July 1st, 2024 – March 31st, 2025). ○ CMS approval received for Year 2 (April 1st , 2025 – March 31st, 2026). ○ H+H is working with the State on the Year 3 submission (April 1st, 2026 – March 31st, 2027).	
MCO Tax ○ H.R. 1 limits State's use of provider taxes.	○ State approval for MCO tax, intended to fund NYS Medicaid rate increases, will continue in the current year; this is not anticipated to be extended. If so, State will ultimately receive a total of 5 quarters out of an expected 9 quarters.	
Potential City/State Budget Challenges ○ City's Preliminary Plan ○ Governor's Executive Budget	○ City's Preliminary Plan scheduled to be released around February 1st. ○ Governor's Executive Budget to be released in mid-January.	
Government Shutdown ○ Federal funding expires on January 30th, 2026. Congress must agree to a spending plan to avoid a shutdown.	○ Minimal immediate impact to Medicare and Medicaid. ○ DSH cuds delay ends on January 30th, 2026; possible further delay under discussion.	

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Financial Performance

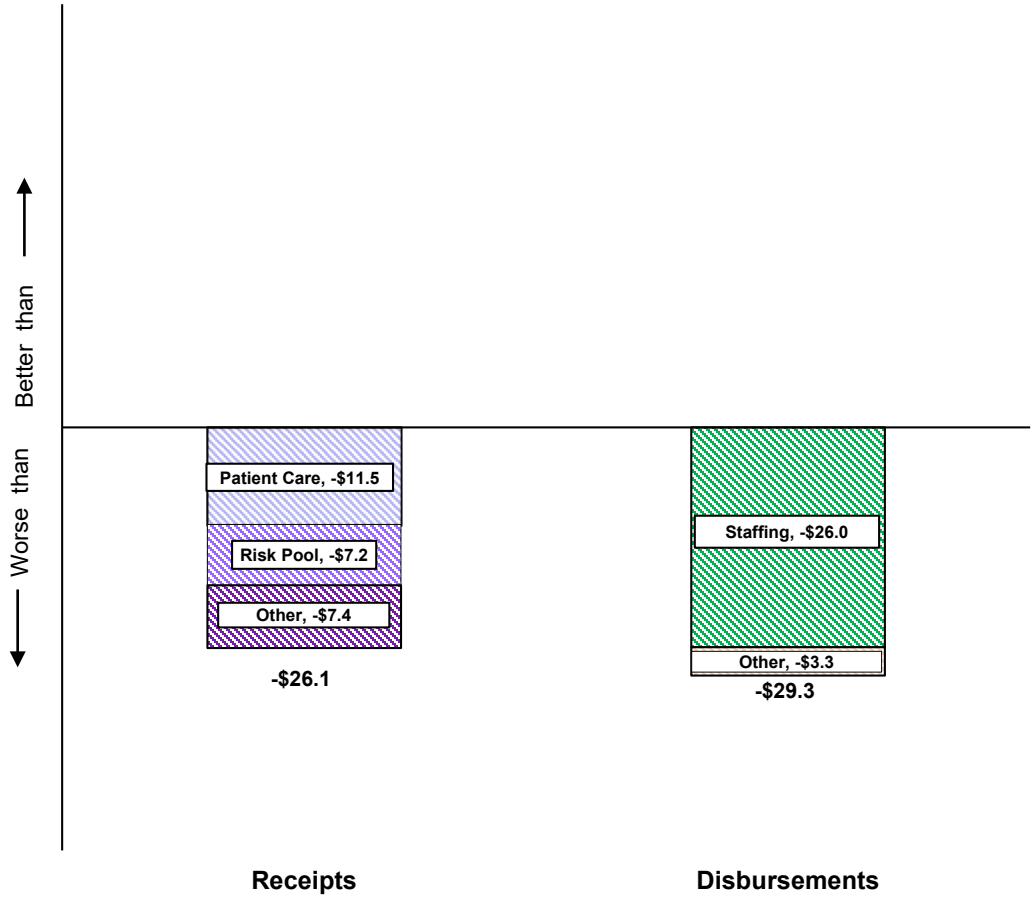
FY 2026 September YTD

FY26 thru September
Net Budget Variance

Highlights

Ended September with a net budget variance of -$55.4M (-1%) where:

- Receipts are less than budget by $26.1M, primarily driven by Patient Care and Risk Revenue. Risk is lower due timing of payments and lower PMPM.
- Disbursements exceed budget by $29.3M, mainly driven by overtime spend and some discretionary cash spend on medical and other supplies.



FY26 YTD Net Budget Variance
($ in millions)

Drivers of Revenue Budget Variance

Cash receipts are 1% behind budget. Much of the deficit can be attributed to timing of Patient Care and Risk revenue as targets were increased in FY26.

- IP/OP **(-$11.5M) –** FY26 Billing Cash is 2% behind budget primarily driven by timing of receipts related to new and improved strategic initiative targets including average length of stay reduction and outpatient volume expansion. Efforts continue to ramp up beyond Q1 to meet targets by year-end.

- Risk Pool Performance and Timing **(-$7.2M) –** Risk is 6% behind primarily due to timing of payments and lower than anticipated PMPM rates. We expect to catch up post Q1.

- Other revenue **(-$7.4M) –** FY26 deficit is attributable to timing of expected grants and intra-cities.

Summary Receipts Performance (FY26 Q1)	YTD Variance against Budget ($M)
IP/OP Volume, Rates, and Cash Performance	($11.5)
Risk Pool	($7.2)
Other	($7.4)
Grand Total	**($26.1) [-1%]**

Drivers of Expense Budget Variance

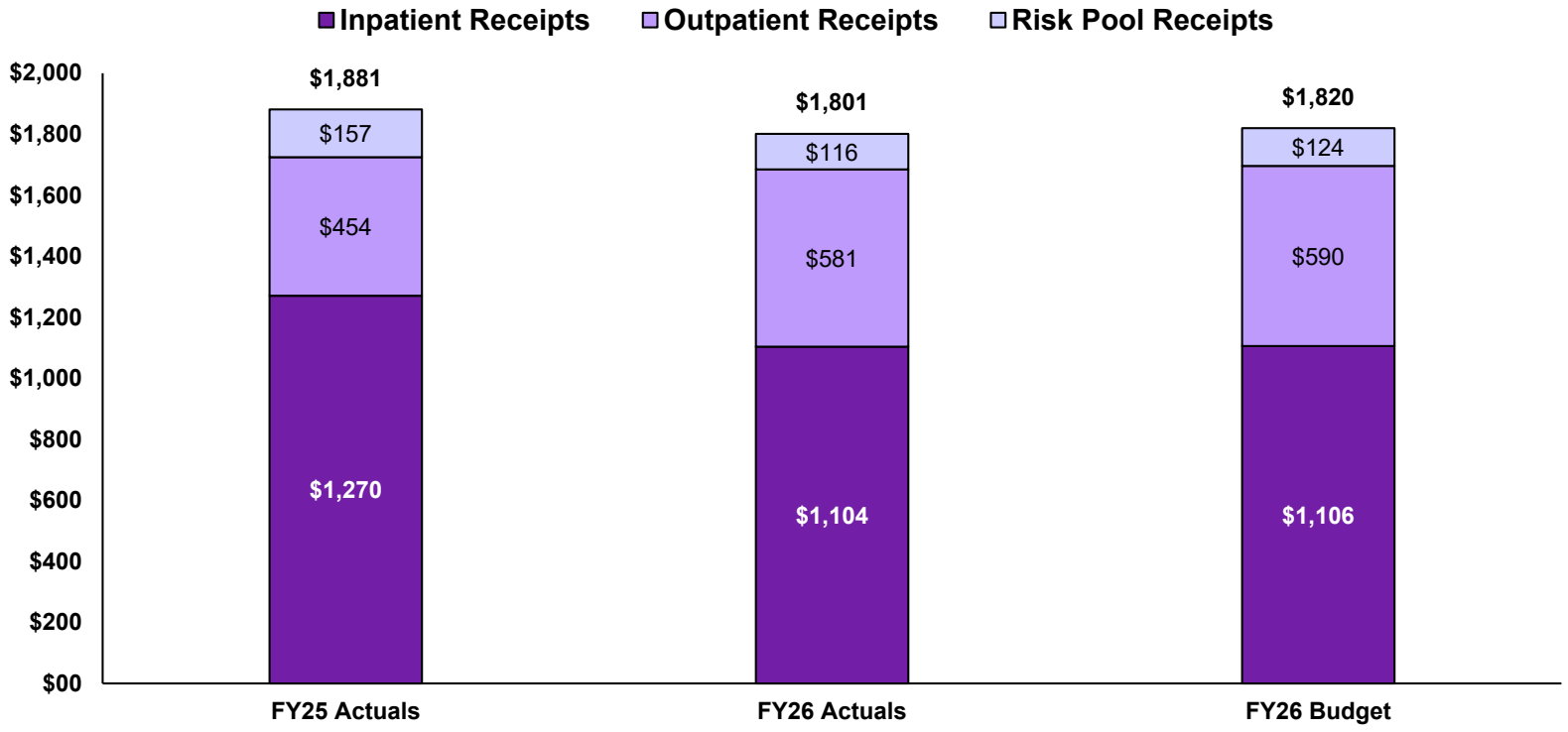
Cash disbursements are over budget by 1% primarily due to overtime needs as we continue to right size our staffing models and also the timing of payments for discretionary spending.

- Personnel Services **(-$26M)** – driven by overtime in areas of environmental services, facilities support and nursing services as we continue our work on staffing models. During this first quarter, a systemwide all Hands on Deck meeting with CEOs, Office of Facilities Development, and Finance was held to develop and refine a process that aligns facilities overtime usage with established model and assess other facilities project needs.
- Temps **(+$4M) –** The system has achieved great progress towards eliminating reliance on temps and achieving alignment with staffing models.
- Other Discretionary spend (**-$7.3M)** – Variance drivers of cash spend include timing of payments to reduce outstanding balances from prior year and costs associated with aging infrastructure, medical surgical supplies and inflation. Surplus in temps helps offset discretionary overspend in Q1 as facilities work on other efficiencies.

Summary Disbursements Performance (FY26 Q1)	YTD Variance against Budget ($M)
PS/OT	($26.0)
Agency Patient Care Temp Staffing Coverage	$4.0
Other Discretionary Spend	($7.3)
Grand Total	**($29.3) [-1%]**

FY26 thru September
Revenue Performance

- FY26 direct patient care revenue (I/P & O/P) is $40.1M lower than FY25 actuals. Year over year variances due to slightly lower IP discharge volume and timing of cash payment, including CHC cash recoupment in FY25.
- Compared to budget, Q1 is behind target by 1% in IP/OP, primarily due to the timing of receipts and as initiatives ramp up in the first half of the year.
- Risk Pool is $7M behind the Q1 target, however is tracking to meet year-end expectations.



Revenue Cycle

NYCH+H Patients Facing Challenges Obtaining and Maintaining Insurance Coverage

Legislation and other federal changes related to insurance coverage create challenges for Medicaid recipients and individuals with coverage through the Health Insurance Marketplace.

NYC H+H anticipates that additional resources will be needed to help patients comply with the additional administrative steps to obtain/maintain coverage

- States must conduct eligibility redeterminations at least every 6 months for Medicaid expansion adults
- Compliance with work requirements
- Provisions effectively ending automatic renewals of coverage
- Expiration of ACA subsidies
- Essential Plan eligibility changes
- Reductions in retroactive Medicaid coverage
- Medicaid data sharing with ICE
- Changes to public charge rule

- + 424,000 annual redeterminations
- +?? Financial Counseling interactions for those potentially losing coverage
- + 130 Financial Counselors costing $11 Million

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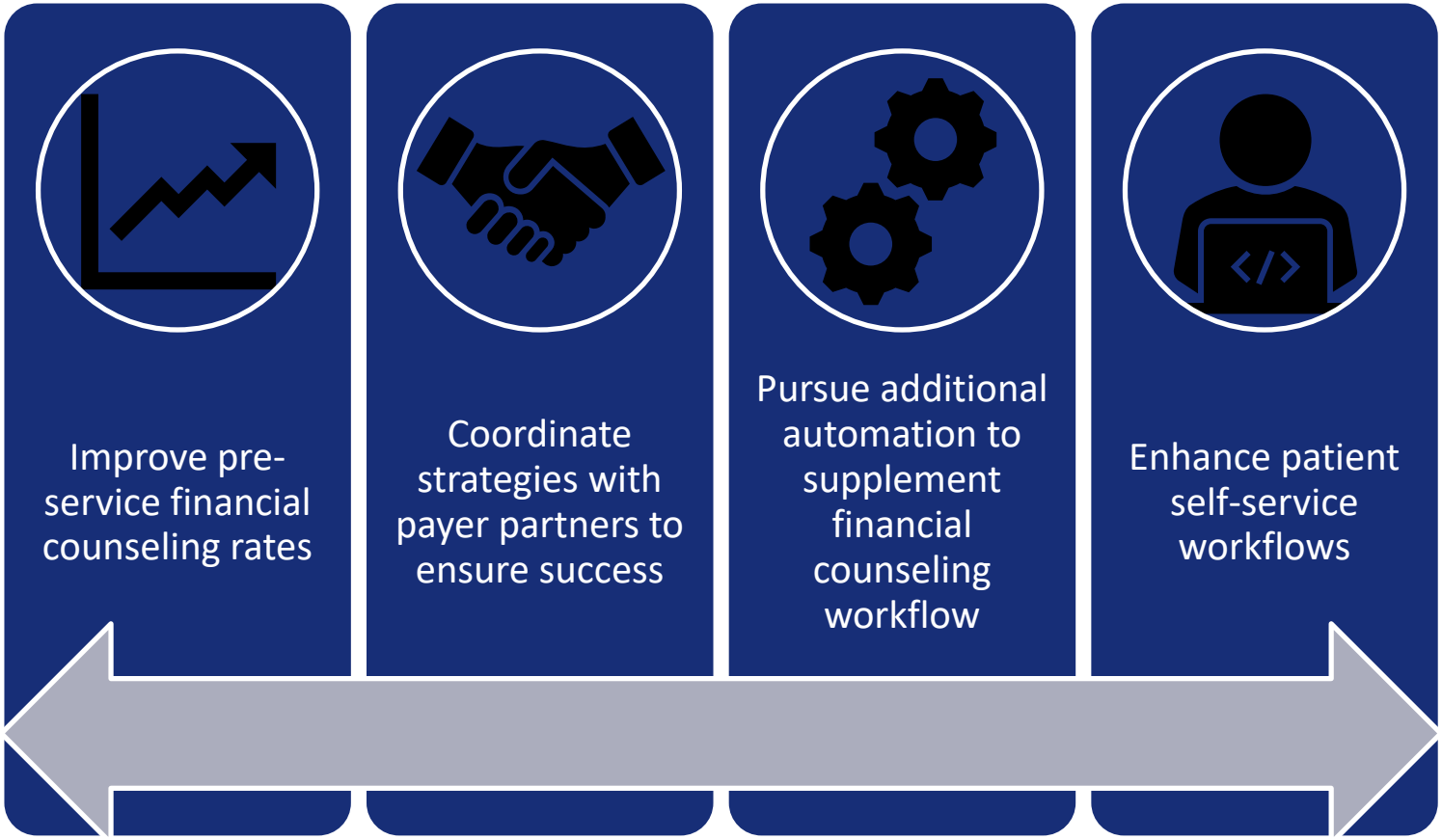
Mitigation Strategies/Works in Progress



NYC HEALTH+ HOSPITALS

FY26

VBP Update

H+H Risk Pool Surplus: Down $7M compared to Jan-Jun 2024

Risk Pool Performance: January – June 2025

	Share of Member Months in Risk Pool	Per Member Surplus	YTD Risk Pool Payments
Medicaid	56%	$**(2)** pmpm	$**(3.8)**M
Essential Plan	26%	$75 pmpm	$85.5M
Child Health Plus	6%	$79 pmpm	$22.4M
Healthfirst Medicare	5%	$223 pmpm	$45.9M
Commercial	4%	$430 pmpm	$74.9M
HARP	2%	$68 pmpm	$5.4M
MetroPlus Special Needs Plan (SNP)	1%	$902 pmpm	$22.2M
Combined		**$50 pmpm**	**$252.4M**

Risk Pool is producing less surplus, though is largely tracking to budget.

Main Drivers

- Essential plan earning $49 pmpm LESS than 2024
- Medicaid product earning $7 pmpm LESS than 2024
- Offset by improvement in Medicare performance ($142 pmpm better) and Commercial performance ($37 pmpm better)

Opportunities to Mitigate Lagging Risk Pool Performance

- **Enroll members in Medicaid or Medicare plans that best match their eligibility.**
- **Work to improve diagnosis capture for risk attributed members so that plans are receiving adequate premium to pay health claims.**
- **Follow up outreach to risk attributed members who are hospitalized to try to prevent readmissions (unnecessary claims spend).**