FINANCE COMMITTEE AGENDA

Date: July 13, 2026
Time: 11:00 A.M.
Location: 50 Water Street, 17th Floor, Boardroom – In Person

I. Call to Order *Freda Wang*
Adoption of the May 11, 2026 Minutes

II. Financial Update *John Ulberg*

III. Old Business Freda Wang

IV. New Business

V. Adjournment

Finance Committee MEETING – May 11, 2026

As Reported By: Freda Wang

Committee Members Present: Mitchell Katz, MD, Freda Wang, José Pagán, Patricia Marthone, Tricia Taitt

CALL TO ORDER

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 11:16 a.m.

Ms. Wang called for a motion to approve the March 9, 2026 minutes of the Finance Committee meeting.

Upon motion made and duly seconded the minutes of the Finance Committee meeting held on March 9, 2026 were adopted.

Executive Session

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

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

The Board reconvened in public session at 11:38 a.m.

ACTION ITEM: Patient Transportation NTE Increase

Dr. Sewit Teckie – Vice President and System Chief Medical Officer – Clinical Affairs and Business Strategy, read the resolution into the record and proceeded with the presented:

> **Authorizing New York City Health and Hospitals Corporation (the "System") to increase the funding by $38,779,153, which includes a 10% contingency, to its previously negotiated and executed contract with DocGo dba Ambulnz, to ensure reliable access to ambulance and ambulette transportation for inter-facility transfers and routine discharge transportation. The cumulative not to exceed value for services provided by all such firms shall increase from $94,762,581 to $133,541,734 for the remainder of the contract term of two, one-year renewal options exercisable at the discretion of NYC Health + Hospitals.**

Ms. Nina Rostanski began by providing the background and current state of NYC Health + Hospitals patient transportation services. The System requires

a single vendor transportation contract to ensure reliable access to ambulance and ambulette transportation for inter-facility transfers and routine discharge transportation. The first, single vendor transportation contract was initiated in April 2019. A top priority for the system has been supporting inter-facility transfers within the System and a reliable ambulance service is necessary for achieving this goal. The ability to timely transfer patients between facilities helps to support better continuity of care, increased access to specialized services, and patient retention efforts. Additionally, systemwide investments in centralized transfer center services, an integrated electronic medical record (EMR), and coordinated planning of clinical services growth across sites have helped to further strengthen and support these efforts. The single vendor transportation contract also supports timely discharges, reducing length of stay and improving patient and staff satisfaction.

An overview and history of the contract was presented by Ms. Rostanski. This contract was procured through a competitive RFP process in August 2022 and DocGo dba Ambulnz was selected as the highest rated proposer. The procurement was approved by the CRC in December 2022 and the Board of Directors in January 2023 with an NTE of $94,762,581. A three-year contract with two one-year renewal options was executed in March 2023 and a one-year renewal option was exercised in March 2026. Since March 2023, Ambulnz NY LLC has provided the System with three distinct scopes of work as part of the Patient Transportation Services contract. The scope of work was also presented.

Ms. Rostanski continued the presentation by providing the current spend and elaborating on the NTE request. The current contract cost is approximately $25M annually, and spend since inception of the contract is approximately $80M. Based on current contract spend, the System projects that H+H will need an additional $38.8M to carry out the scope of work through the remaining contract years. The projected spend includes a 10% contingency which reflects the need to account for unknowns in potential resource utilization. A chart with the NTE request and examples of some of the unknowns were presented.

Further, unlike the previous systemwide vendor which had a fee-for-service model, Ambulnz operates under a leased hour model where NYC Health + Hospitals is billed at hourly rates based on modality and anticipated demand. NYC Health + Hospitals is invoiced at the contract hourly rate with credits applied for revenue Ambulnz receives from insurance for ambulance and ambulette transports. Under the leased hour model, the System pays for "leased" resources regardless of utilization, including for "idle time" between trips. Leased hours are reviewed on an ongoing basis to assess

current and future demand requirements. The leased hour arrangement was a new model for the system and it was difficult to accurately project the expense required to meet the System's needs. The initial projections anticipated a blended model of leased hour and on-demand or fee-for service resources, which led to an underestimation of costs associated with resource idle time. These projections also assumed a gradual six-month ramp-up; however, due to external circumstances the full transition was completed in six weeks, leading to higher spend in the initial contract period than anticipated.

Ms. Rostanski continued by presenting the contract spend. After the initial ramp-up period from March through June 2023, H+H spend was highest in the first full fiscal year due to the adjustment to the new leased hour model and allocation of resources across the System. Titration of resources, especially ambulette leased hours, led to reduced expenditure in FY-25. Although volume has trended upward year-over-year during the contract period, expenses have decreased and then remained steady through continued focus on resource optimization and efficiencies, including a 10-percentage point reduction in overall resource idle time across ambulance modalities. A contract spend chart with the yearly cost by modality and total invoiced expense to H+H was presented.

Over the life of this contract from March 2023 through March 2026, there have been a total of 155,266 ambulance transports and 28,826 ambulette transports. The total ambulance transports consist of three modalities: basic life support, advanced life support, and critical care transports. Annually Ambulnz completes approximately 10,500 inter-facility transfers and 42,500 routine transports. Under the current contract, average ambulance transports in the System are 20% higher annually compared to volume under the previous vendor with 10% higher for transfers. Since initiating the current contract, NYC Health + Hospitals has seen significantly improved timeliness for both inter-facility transfers and discharges under the leased hour model. Emergent inter-facility transfers and routine transports improvements over previous contract was presented.

The System's optimization efforts were presented by Ms. Rostanski. Several key areas of continued focus for performance improvement in collaboration with facilities and the Ambulnz team include a leased hour model, billing improvements and optimizations to maximize insurance reimbursements and operational improvements.

The vendor performance evaluation for Ambulnz was also presented and deemed as good.

The MWBE analysis for the vendor was presented by Ms. Rostanski. The vendor diversity team recommended a 10% diverse vendor component percentage for this solicitation. To date, the utilization has been 3%. Based on the latest update from the vendor, M/WBE goals are expected to be met by the end of the contract period for the full contract value.

Ms. Wang polled the Committee for questions.

Ms. Taitt inquired on the next two years of the contract and if the team foresaw more efficiencies if we decided to renew them.

Ms. Rostanski responded that we are hopeful to continue to see efficiencies and bring down the overall expense. The team continues to work closely with our facilities teams on trying to find those efficiencies where possible. Over the next two years, our plan is to assess this model and figure out what is the right move for the System and ensuring we have the funding to continue while we do those other assessments.

Ms. Taitt asked on the appearance of the new ambulances as it differs from EMS, and how has the communication with patients been and the community.

Ms. Rostanski noted that the vendor has blue branded vehicles and communication with the facilities have been very good in terms of the crews and interfacing with our facilities teams. The vendor has liaisons who are stationed at each of our sites who really help with making sure there is clear communication between dispatch, the crews and our facility teams to help facilitate when an ambulance does arrive to pick up a patient and making sure that everyone is on the same page.

There being no further questions, Ms. Wang thanked the team for the great work, looks forward to the continued optimization, and is glad to see the performance improvements from the prior contract.

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

ACTION ITEM: Supplemental Security Staffing Services NTE Increase
Dr. Ted Long – Senior Vice President – Ambulatory Care Operations, read the resolution into the record and proceeded with the presented:

> **Authorizing the New York City Health and Hospitals Corporation (the "System") to increase the funding by $71,047,954, which includes a 30% contingency, to its previously negotiated and executed contracts with four supplemental security staffing firms Allied Universal Protection Services, Arrow Security (d.b.a. Aron), Johnson Security Bureau, and Maxxi Building Security & Management, to support temporary staffing needs. The cumulative not to exceed value for**

services provided by all such firms shall increase from $11,600,000 to $82,647,954 for the remainder of the contract term of two, one-year renewal options exercisable at the discretion of NYC Health + Hospitals.

Mr. Juan Checo began by providing the background and current state of H+H's supplemental security staffing services. Historically, NYC Health + Hospitals has used supplemental security staffing services vendors at Acute, Post-Acute, Gotham, and Central Office facilities as a temporary means to address full-time security staffing shortages or short-term increases in security needs. Hospital Police (HP) and security services operate at all NYC H+H facilities and support several critical business and safety functions such as routine surveillance, incident response, property protection, and staff and patient support. Security staffing services have provided the following titles; security guard and security guard supervisor and fire watch personnel and fire safety officer.

In 2021, NYC Health + Hospitals conducted a Systemwide HP staffing assessment to identify base HP staffing needs at each facility. Simultaneously, strategies to address staffing gaps through recruitment and rehiring were revised. In October 2021, as part of this Systemwide staffing strategy, NYC Health + Hospitals issued an RFP for Systemwide supplemental security staffing services to support temporary staffing needs. The procurement was approved by CRC in February 2022, and by the Board of Directors in March 2022, with a combined five-year NTE of $11.6M. Four vendors were selected through the competitive RFP process and signed to three-year contracts with two optional one-year renewals: Allied Universal Protection Services, Arrow Security dba Aron, Johnson Security Bureau and Maxxi Building Security & Management.

Mr. Checo continued presenting on the background and current state of supplemental security staffing services. H+H's recent review suggests the original NTE of $11.6M underrepresented the actual spend for a five-year systemwide contract. Temporary security staff utilization for the 12 months prior to RFP from March 2020 through April 2021, indicates that vendor security spending for a subset of systemwide facilities (Central Office, three Acute facilities, one Post-Acute facility and two Gotham Sites) was calculated at $3,092,548 (excluding COVID-related spending). The original NTE was calculated based on a subset of facilities, while the contract was intended and approved for use by all facilities. In addition, the original NTE did not include any contingency, including for unanticipated increases to staffing need. Since the 2022 procurement, however, several trends for hospital security needs have developed that increase staffing need. Several areas of hospital security needs include expanded visitation policies and

re-opening of access points post-COVID, short-term increases to security use during labor action responses, introduction of 24/7 weapon detection systems across all Acute facilities, and Mayoral/City initiatives during extreme weather events such as warming centers.

An overview of the current spending and NTE request was presented by Mr. Checo. During the first three years contract spend for all facilities is $47,623,349. This exceeds the five-year NTE by $36,023,349. The expected Systemwide spend for the final two contract years, based on recent annual utilization of supplemental security staffing vendors, will be approximately $13,776,000 per year. This calculation is consistent with pre-RFP historic spend per facility, though now accounts for all facilities. Additional contingency is needed to support unanticipated security staffing needs, including specifically in relation to major Summer 202 security events such as FIFA World Cup, Sail 250, Code Red/extreme weather events. As a result, the NTE will need to be increased to $82,647,954 through the end of the contract, if all optional renewal terms are exercised. A chart providing the NTE request calculation was presented.

The System's optimization efforts were presented by Mr. Checo. NYC H+H has numerous concurrent efforts underway to reduce the use of supplemental security staffing services across all facilities. Starting with recalibration of Hospital Police and Security staffing model currently under review with all facilities with a target completion date of end of CY-26. Identifying opportunities to improve efficiencies in HP/security posts by leveraging technology investments, narrowing timing of non-primary entry/exit points and conversion of two or more fixed posts to one patrolling post. Any reduction in posts will reduce need for supplemental vendor security staff without impacting recruitment or hiring of full-time staff. Additional efforts include improvements to Hospital Police recruitment and retention, and central visibility into Supplemental Security Staffing purchase orders. Lastly, a new RFP will be developed during the remaining contract term, which will incorporate many of these efforts.

Mr. Checo continued the presentation with the vendor performance. Four vendors were selected through the competitive RFP process for this pooled contract: Allied Universal Protection Services, Arrow Security dba Aron, Johnson Security Bureau, and Maxxi Building Security & Management. As a pooled contract, all vendors are available for use to fill needs. The selection of vendors and assignment of work at the facility level is at the discretion of each facility's Hospital Police Chief. Several factors contribute to vendor selection. These factors include historical performance at any NYC Health + Hospitals facility, vendor's ability to

meet time-sensitive and/or volume requirements, negotiated hourly rates for needed titles and communication/responsiveness of vendor. Maxxi Building Security & Management has not performed work on this contract. With the exception of Maxxi Building Security & Management, all vendor performance evaluations were presented.

The MWBE analysis for the vendors were presented by Mr. Checo. The vendor diversity team recommended a 30% diverse vendor component percentage for this solicitation. Johnson Security Bureau is a NYS/NYC certified M/WBE. Both Arrow Security and Allied Universal Protection Services provided a 30% M/WBE utilization plan. Maxxi Building Security is a NYC certified MBE. However, they had no spend on this contract. MWBE utilization to date has not yet met the set contract goal, but has improved over the three years of the contract.

Ms. Wang polled the Committee for questions.

Ms. Taitt inquired on the original NTE calculation. As the original NTE was based on the four facilities but was intended and approved for use of all facilities, how does the board make sure in the future what we are budgeting for is what we actually need.

Dr. Long responded that with the future RFP and with what we are currently bringing to the board is accounting for all of our facility needs with an appropriate 10% of the base and the additional contingency for other needs that we have learned along the way over the last several years from our work with COVID to our humanitarian centers and even with our code blue response. In response, this is bringing to bear the information and experience that we have to date so that we can give the most accurate representation to the Board.

Dr. Katz added that it is also true, as mentioned before, that it was for all facilities. It was for all facilities but we were just not doing that much at all the facilities. By all facilities we meant to say we do not have a separate contract. Historically, NYC Health and Hospitals had individual hospitals would have individual contracts, which the System seeks to avoid now. We understand that is not a very good business model as we do not get any volume discounts. Now, we are providing a much higher level of security at all of our facilities and will continue that as we are still expanding all the hospitals so that at some point they will all have emergency departments and front door weapon screening which we do not have at all hospitals, we have it in some.

Dr. Long added that we just went live at Bellevue with the front door weapon screening on Tuesday of last week. It shows that we know the plan that we

need to do to keep our staff safe and we are implementing as fast as we can, and this accounts for the cost of it.

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

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

FINANCIAL UPDATE

Mr. Ulberg opened the presentation with the FY-2026 Quarter 3 Highlights. He conveyed that March closed with $1.09B (34 days cash-on-hand). The budget underperformed by less than 1% (-0.7%) and closed Year-to-Date February (Feb YTD) with a negative Net Budget Variance of -$96.2M.

Mr. Ulberg continued that direct patient care receipts increased by $59.7M compared to the same period in FY-25. Our IP discharges are 1.8% lower than the same time last year, while our OP visits are up by 1.3% for the same period. After adjusting for the IP discharge volume decline, we are still up by $162M in patient care revenue as patients we serve in our inpatient settings show higher acuity (higher CMI) and as we continue to implement our revenue cycle best practice initiatives, negotiate better contracts and focus on strategic initiatives. The year-to-year improvement in patient care revenue is offset by -$102M, resulting from the timing impact of FY-25 residual/secondary billing payments from CHC delays carried over from the previous ear, and timing of UPL conversion payments.

Our strategic financial initiatives are on track, with the FY-26 incremental target adjusted to reflect baselined initiatives, demonstrating consistent and reliable performance over time. Through February, we achieved $204.5M, compared to a financial plan target of $472M. Several areas of strong Feb YTD performance were noted. Additional areas of opportunity and focus include reducing the average length of stay for alternate level of care (ALC) patients, achieving revenue cycle best-practice performance metrics, and expanding behavioral health services.

Mr. Ulberg continued presenting the cash projections for FY-26. The System is estimated to close April with approximately $1.5 billion (47 days cash-on-hand) and expects to close May with approximately $1.2 billion (38 days cash-on-hand). We continue to work closely with the City on our remaining liabilities due to them as we continue to closely monitor our cash position.

Mr. Ulberg continued presenting the external risks. Several areas of focus are Essential Plan changes, Medicaid, Potential City/State Budget challenges presenting a financial challenge to NYC Health + Hospitals. Further, the Average Commercial Rate (ACR) State Directed Payment (SDP) benchmark presenting an opportunity to NYC Health + Hospitals.

Ms. Wang inquired on if the grandfathered provision for ACR covers year three. Mr. Ulberg agreed. Ms. Wang continued to inquire to confirm that the ACR ratchet down does not start until year four. Mr. Ulberg confirmed. Next, Ms. Wang inquired if the funds that started flowing from year one, came in on one bolus or was it over time.

Mr. Ulberg responded that the funds flow is such that it goes to the plans in the first instance and then we start negotiating with the plans about getting our share of that money. Some plans are very immediate to pay us lump sums, others may take a little bit more time, but in the end, we end up securing all the monies that are owed to us. The funds come based on the arrangement and the relationship we have with the plans. We have been trying to do a better job as we know how much the State gave to the plans, we get that scheduled and then we use that to communicate to each of the plans stating this is the amount that the State Health Department had loaded into the rates. We would like to be more prospective where we get paid on the day that we provide the service rather than two years behind.

Ms. Wang commented that it was her hope that we might be able to catch up on year three.

Mr. Ulberg added that it is the goal. We hope to catch up in year three.

Ms. Philogene presented the financial performance highlights for FY-26 thru February Net Budget Variance. She noted that February ended with a net budget variance of -$96.2M (less than 1%). Receipts are less than budget by $26.8M (-$0.4%), primarily driven by direct patient care and Risk revenue; offset by appeals and settlements performing better than target. Disbursement exceeded budget by $69.4M, driven by NYC Health + Hospitals staffing, overtime and medical surgical supplies as we continue to work through establishing staffing models.

Ms. Philogene provided the FY-26 thru February performance drivers updates. Cash receipts are on track to meet budget. Cash disbursements are over budget by 1% primarily due to overtime needs and non-model staffing areas as we continue to right size our staffing models.

The revenue performance for FY-26 thru February was presented by Ms. Philogene. FY-26 direct patient care revenue (IP and OP) is $59.7M higher than FY-25 actuals. Year-over-year variance is due to higher prior year receipts from CHC recoupment and timing of UPL Conversion for that period offset by FY-26 Direct Patient Care Receipts (IP/OP) improvement compared to prior year attributable to revenue cycle, managed care and other strategic initiatives as well as higher CMI.

Ms. Karlin provided an update on NYC Health + Hospitals Patients Facing Increasing Challenges Obtaining and Maintaining Coverage. Due to the impacts of H.R.1. NYC Health + Hospitals anticipates a need for additional resources to help patients with increased barriers to obtain or maintain coverage as we help them navigate through these challenges. Financial counseling

workflows and performance have improved over time but opportunity remains as changes in Federal law and policy are expected to create considerable headwinds. Some of the most notable changes impacting workflows include the 6-month redeterminations for Medicaid expansion adults, compliance work requirements, provisions effectively ending automatic renewals coverage, expiration of ACA subsidies, Essential Plan eligibility changes and uncertainty, reductions in retroactive Medicaid coverage, Medicaid data sharing with ICE and changes to Public Charge rule. NYC Health + Hospitals expects our patient population to have an additional 424 thousand annual redeterminations, and an additional 45 thousand financial counseling interactions for those potentially losing coverage. The net impact to NYC Health + Hospitals is an anticipated need for over 130 additional financial counselors costing about $11M.

An overview of the mitigation strategies to address these challenges was presented by Ms. Hartmann. Some of the System mitigation strategies include advocacy efforts as the System continues to seek delays and improvements at Federal and State level including streamlining and automating insurance enrollment process to assist patients in addressing some of these changes. Ensuring that H+H is raising staff and patient awareness about what is changing that includes sharing plans and information with staff via awareness sessions, RCS Hot Topics and H+H insider as well as sharing information and resources with patients via MyChart/email and website.

Addressing the expiration of ACA subsidies and the changes in Essential Plan eligibility by assisting patients transitioning between coverages or into a financial assistance program and looking for opportunities to address reductions in retroactive Medicaid coverage by improving pre-service financial counseling rates and help our patients get enrolled prior to the receipt of services to avoid the need to apply for retroactive coverages. Supporting patients with 6-month recertification requirements by pursuing automation to supplement financial counseling workflows, enhancing patients' self-service workflows and coordinating strategies with payer partners to ensure success. Additionally, helping patients comply with Medicaid work requirements by tracking NYS implementation of work requirements, advocating for cross-program data sharing, supporting patients with documenting compliance or exemptions, and coordinating with other City agencies on processes to support patients. Lastly, ensuring we are supporting immigrant patients by educating staff, providing scripting to help address patient questions and concerns, and referring patients to Legal Health attorneys for personalized immigration legal assistance.

Ms. Wang polled the Committee for questions.

Mr. Pagán commented on the impressive activities that are ongoing to help out patients manage the multiple challenges around them when it comes to how do they get insurance and so on. With so many changes in technology,

there is always an opportunity to continue to streamline processes to make it easier or improving them.

Ms. Karlin noted that there are additional things that the team is looking at, but due to limitations in the presentation we did not include. However, one of the larger projects that Allison is working on now is in fact automated agents to support our telephonic financial counseling unit. There are about 75 people or so in a centralized telephonic financial counseling unit and as noted previously in the presentation, if we keep doing the same thing the same way, we would need 130 additional financial counselors and we are looking to reduce that need by about half is the projection. By layering in an automated AI intake agent to start taking in some of the demographic information from patients calling in and we will then extend that out to outbound calling as well or might have gotten that reverse, which is going live first but we are actively working on an automated agent to reduce the number of new hires and support our patients in the financial counseling process to support our staff. We are also looking at more automated self-service tools for patients so that we can take our financial counselors' sort of out of the loop and we are just trying to understand how we can layer that into our technology stack. Lastly, those advocacy efforts which are the first thing we listed, part of that is advocating with the State to be able to pass them a file rather than having to have a facilitated conversation with the patient on the phone. Again, it would be using tools that already exist but creating that interface with the State so that we could do it in a more automated and less personnel heavy way.

Dr. Katz added that HIPPA is not H+H's friend in using technology as if we were only focused on how to help our patients the most, we would be able to electronically make a lot of people qualified for the exemption but can be done as long as the person approves. It is just then you would need to have the person in front of you as opposed to the ideal way to do it, which is you would take all these databases and based on the diagnoses that are electronically available both in our System and in the insurance company systems, you would transfer them all and say this is the list of people considered disabled and therefore, do not have to go through the work requirements. However, due to HIPPA, we cannot release that information to anybody without their permissions. If you had the person in front of you it could be done granted they provide permission, but the problem are all of the people who are out there not opening their mail and do not need anything at this moment or are overwhelmed by other issues at the time. In a financial world that is how it would be dealt with. Due to HIPPA as it involves providing information to someone else about health status, which can only be done with the persons consent, then if you have consent, if they are in front of you, it is not so much of an issue as we would just

enroll them. We wish we could enroll all the other people who do not get around to getting to the office.

Ms. Wang added that on the margins, there are some things that we do.

Dr. Katz added that Marji and her team are doing great efforts.

Ms. Wang inquired on the estimates on the annual determinations and how it relates to EP5 or is this only Medicaid.

Ms. Hartmann responded that the team incorporated the changes to the Essential Plan in the increase in financial counseling interaction but it is still an estimate. They need to look to potentially fine tune based on the outcome of the State budget, but they did include an estimate for that.

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

ADJOURNMENT

There being no further business to bring before this committee, the meeting adjourned at 12:28 p.m.

NYC HEALTH+ HOSPITALS

NYC Health + Hospitals
Finance Committee Meeting
July 13, 2026

FY26 Quarter 3 Highlights

- The system closed June with $821.7M (26 days cash-on-hand).
- Closed YTD April with a **negative Net Budget Variance of -$98.5M (-0.5%)**
- Direct Patient Care Receipts **(IP/OP) increased by $197.5M compared to the same period in FY25**. Our Inpatient discharges are **1.2%** lower than the same time last year, while our Outpatient visits are up by **2.2**% for the same period.
  - After adjusting for the IP discharge volume decline, we are still **up by $202M in inpatient care revenue** as patients we serve in our inpatient settings show higher acuity (higher CMI by 4.4%), and **outpatient revenue is $87M higher** due to higher volume and rates. Improvements are ongoing as we continue to implement our revenue cycle best practices initiatives, negotiate better contracts and focus on strategic initiatives.
  - The year to year improvement in patient care revenue is **offset by -$93M, resulting from the timing impact of the FY25 receipts due to** residual/secondary billing **payments from CHC delays**, and **timing of UPL conversion payments offset by the ACR supplementals received**.
- Strategic financial initiatives are on track, with the FY26 incremental target adjusted to reflect baselined initiatives, demonstrating consistent and reliable performance over time. Through April, we achieved an estimated $307M, compared to a financial plan target of $472M. Key performance categories include:
  - Growth and Other Service Line Improvements ($50.0M)
  - Revenue Cycle Operations ($176.3M)
  - System Efficiencies ($27.6M)
  - VBP and Managed Care Initiatives ($52.7M)
- We continue to focus on reducing the average length of stay for alternate level of care (ALC) patients, achieving best-practice performance metrics, and expanding behavioral health services.

FY27 Cash Projections

- The system is estimated to close July with approximately $1.2B (38 days cash-on-hand).
- The system expects to close August with approximately $800M (25 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.

Managing Risks

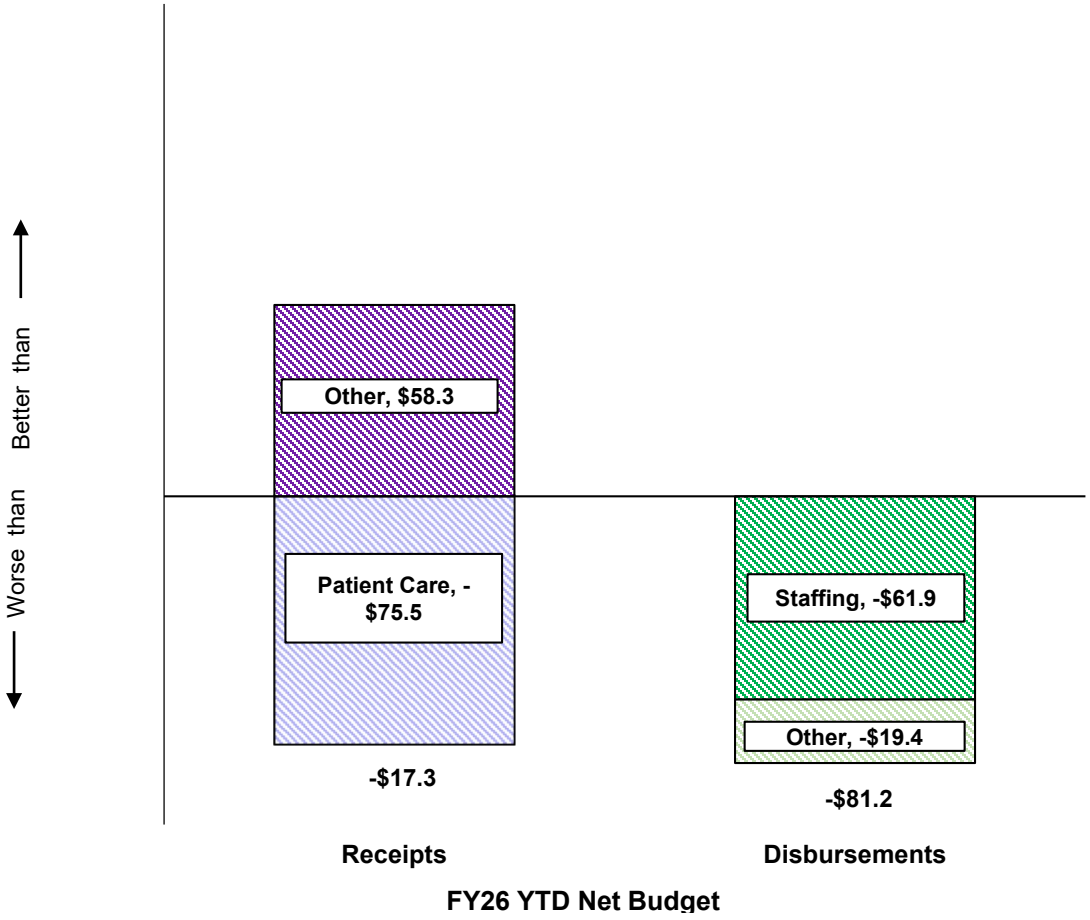
Risks	Status	Level
Essential Plan Changes ○ EP changes in H.R. 1 would result in loss of coverage or changes in coverage for certain immigrant population as early as January 1st, 2026. ○ Coverage loss for patients with EP5 will begin on July 1st, 2026. ○ DOH has proposed a rate reduction to Essential Plan premium rates for MCOs.	○ State received final approval to revert to the Basic Health Plan (BHP) to preserve healthcare coverage for people with EP1-4; ○ For individuals with EP5, H+H is working to support them proactively in finding other coverage options and financial counseling (see additional details in Revenue Cycle section). ○ Administrative rate adjustments on all EP tiers will have a notable impact on Healthfirst and MetroPlus given risk relationships.	
Medicaid ○ Medicaid work requirements/ six months recertification and other Medicaid enrollment barriers starting as early as January 1st, 2027 (State can apply for delay).	○ Federally mandated Medicaid work requirements require enrollees aged 19-64 in expansion states to complete 80 hours per month of work, education, or community engagement, with exemptions for certain populations, to maintain coverage starting January 1st, 2027. ○ States have flexibility in implementation timing but must comply with federal guidance to ensure continued eligibility.	
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/DOH approval received for Year 1 (July 1st, 2024 – March 31st, 2025). Funds started flowing in mid-March. ○ CMS/DOH approval received for Year 2 (April 1st, 2025 – March 31st, 2026). Funds started flowing in mid-June. ○ The State has formally submitted the Year 3 (April 1st, 2026 – March 31st, 2027) submission on H+H's behalf.	

NYC HEALTH+ HOSPITALS

Financial Performance

FY 2026 April YTD

FY26 thru April
Net Budget Variance



Highlights

Ended April with a net budget variance of -$98.5M (-0.5%) where

- Receipts are on target (0%) as Direct Patient Care and Risk Revenue continue to catch up; offset by Appeals & Settlements performing better than target.
- Disbursements exceed budget by $81.2M, driven by H+H staffing, overtime, and OTPS catch up payments. We continue to work through establishing staffing models.

Drivers of Revenue Budget Variance

Cash receipts are on track to meet budget.

- IP/OP **(-$71.3M) –** FY26 cash receipts are 1.3% behind target. The variance is primarily due to timing lag in receipts associated with regular claims processing, and revenues associated with new providers to be hired. Efforts continue to ramp up to meet year-end targets.

- Risk Pool Performance and Timing **(-$4.2M) –** Risk is 1% behind primarily due to timing of payments. We expect to meet the target by year end.

- Other revenue **(+$58.2M) –** Surplus is due to prior year appeals and settlements.

Summary Receipts Performance (FY26 YTD APR)	YTD Variance against Budget ($M)
IP/OP Volume, Rates, and Cash Performance	($71.3)
Risk Pool	($4.2)
Other	$58.2
Grand Total	**($17.3) [0%]**

Drivers of Expense Budget Variance

Cash disbursements are over budget by 1% primarily due to overtime needs and non-model staffing areas as we continue to right size our staffing models.

- Personnel Services **(-$81.8M; -1%) –** Performance remained consistent with the prior period as we continued rolling out new staffing models, further advancing our efforts to right-size staff budgeting. As we continue to assess facility project needs, implement additional staffing models, and refine overtime review processes, we expect to address and optimize the remaining 1%.

- Affiliates **(+$20.0M; +1%)** – Surplus results from vacancies and hires in progress.

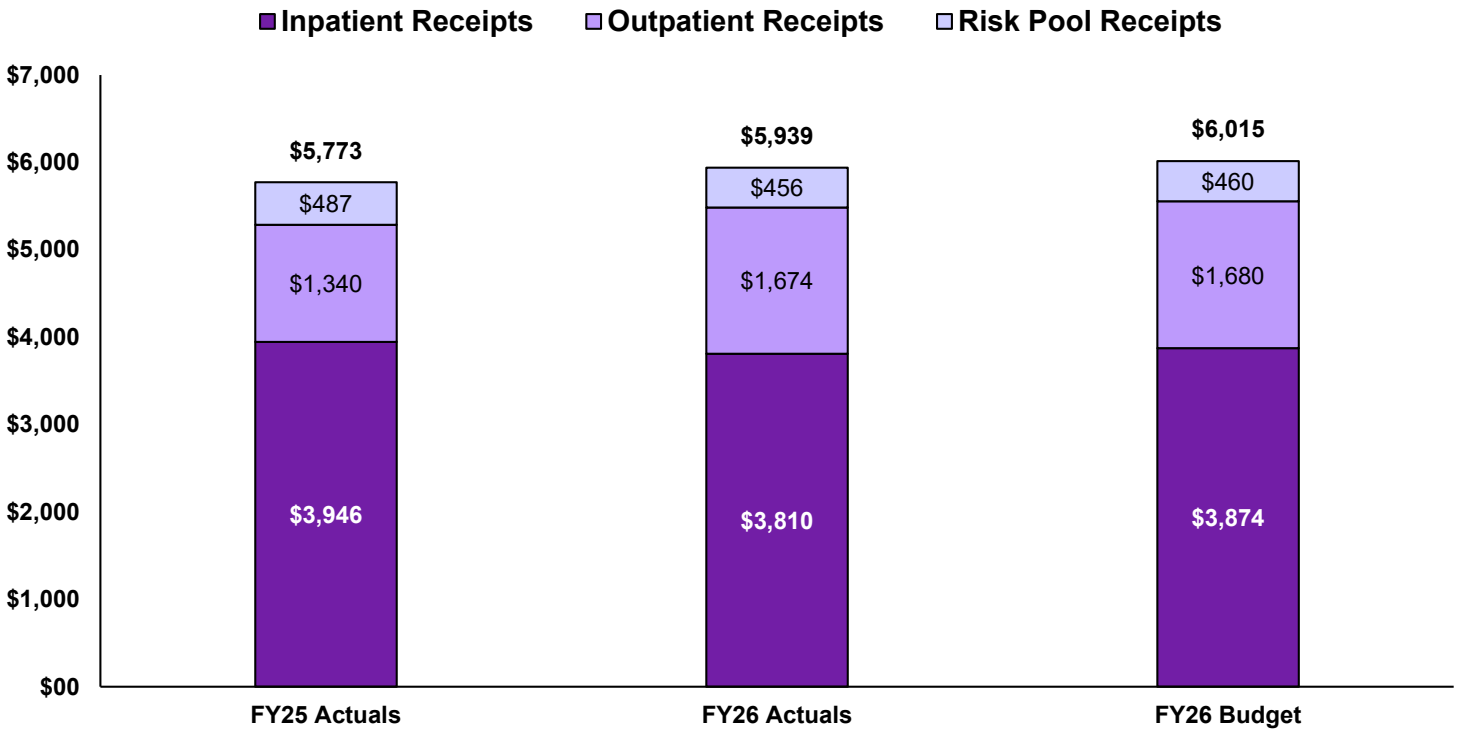
- OTPS Spend **(-$19.3M; -0.9%) –** The system has achieved great results towards eliminating reliance on temps and achieving alignment with staffing models. The remaining variance is primarily driven by timing of cash payments.

Summary Disbursements Performance (FY26 YTD APR)	YTD Variance against Budget ($M)
PS/OT	($81.8)
Affiliates	$20.0
Discretionary Spend	($19.3)
Grand Total	**($81.2) [-1%]**

FY26 thru April
Revenue Performance

- FY26 direct patient care revenue (I/P & O/P) is $**197.5M higher than FY25 actuals**. Year over year positive variance is due to OP volume increase and higher IP and OP rates attributable to revenue cycle improvements, managed care and other strategic initiatives as well as higher CMI.

- Compared to same time last year, discharges are down 1.2%, visits are up 2.2%, and Case Mix Index (CMI) is higher by 4.4%.



NYC HEALTH+ HOSPITALS

FY26

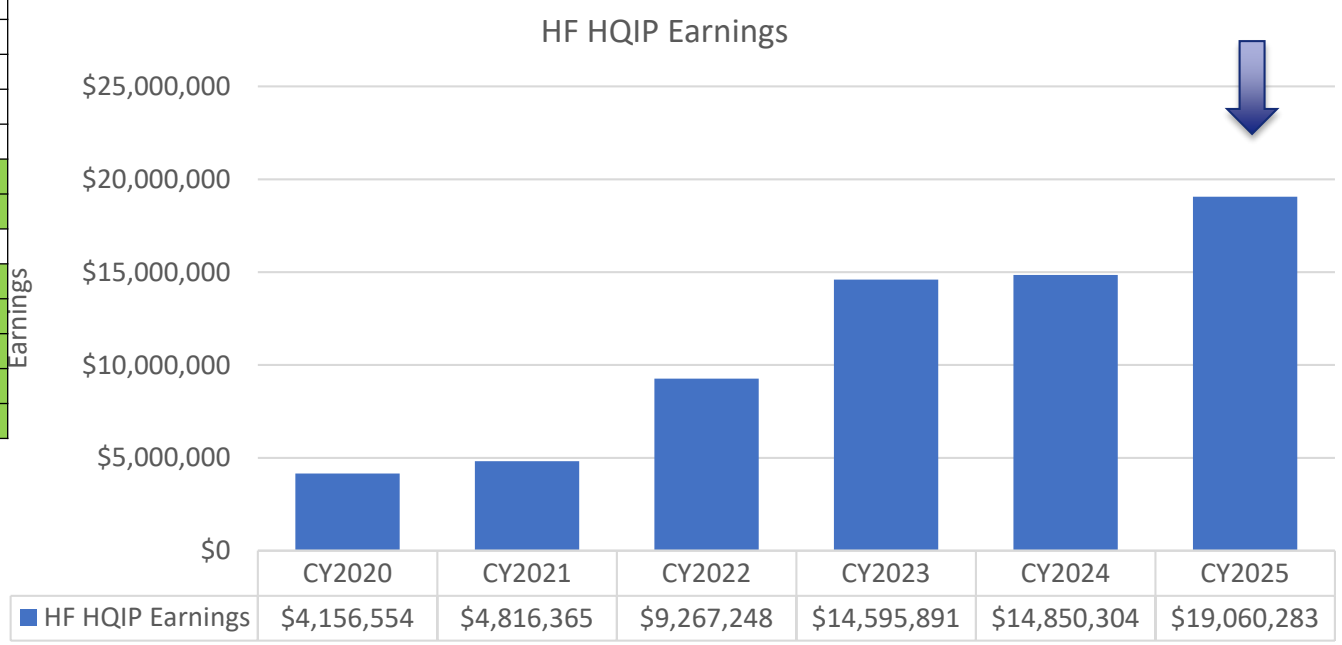
VBP Update

CY2025 Healthfirst VBP Quality Program Results

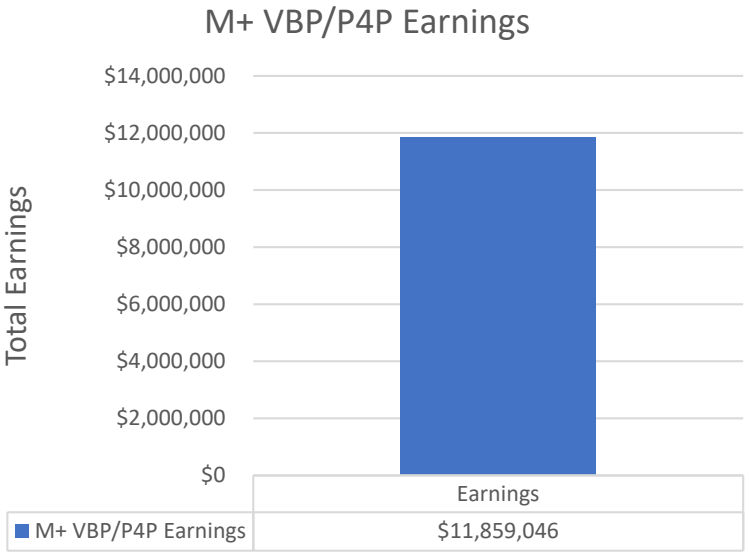
Measure	Avg Impr Medicaid	Avg Impr Medicare
Cervical Cancer Scr	+2.5	NA
Chlamydia Scr	-1.75	NA
Colorectal Cancer Scr	+2.0	0
HbA1c Ctrl	-2.4	-0.9
Controlling BP	+5.4	+0.5
Followup ED Sub Abuse	+1	NA
Followup ED MH	+11.4	NA
Init/Eng SA Tx	+11.6	NA
Depr Screening	+3	NA
Getting Care Quickly	0	0
Getting Needed Care	+2	+2
Well Visits 30M	+0.8	NA
Well Child Visits	+2.4	NA
Postpartum Care	+4	NA
Child Immuniz	0	NA
Return to Care	+26.2	NA
EP New Mbrs	+17.5	NA
COA Med Review	NA	+0.4
Med Rec Post-DC	NA	+0.2
CHOL Med Adherence	NA	-0.2
HTN Med Adherence	NA	+0.2
DIAB Med Adherence	NA	+0.4
Followup ED Mult Cond	NA	+1.9
Kidney Eval for Diab	NA	+3
All Cause Readmission	NA	-1

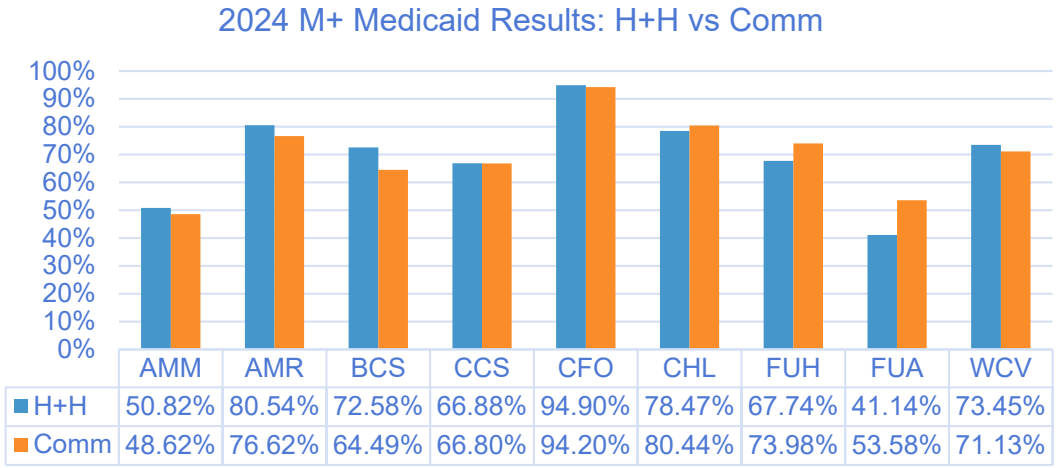
- 89% of average Medicaid measures scores improved or maintained from 2024 to 2025
- 85% of average Medicare measure scores improved or maintained from 2024 to 2025

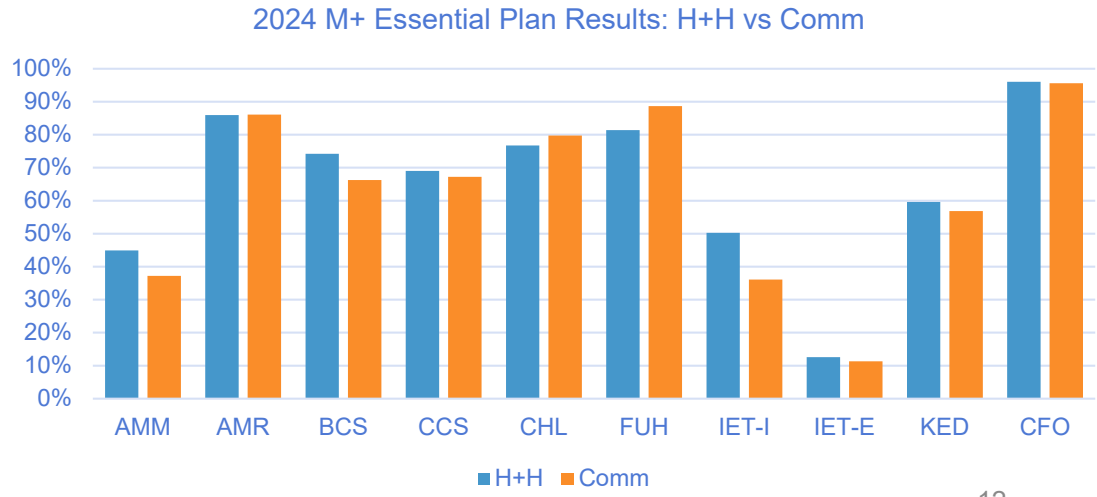
- Highest earnings to date (increased earnings by 28% over 2024 and 458% since 2020)



H+H Performance in 2024 MetroPlus VBP + P4P Programs







Summary

- H+H Earned **$11.859M** for 2025
- H+H earned 84% of max $ oppty
- H+H outperformed Community on:
  - 67% of Medicaid measures
  - 80% of EP measures
  - 83% of HARP measures
  - 60% of HIV SNP measures

AMM=Antidepr med mgmt.; AMR=Asthma Med Ratio; BCS=Breast Cancer Scr; CCS=Cervical Cancer Scr; CFO=CRG Chronic Fall Off; CHL=Chlamydia Scr; FUH=Follow-up MH Hosp; FUA=Followup ED SA; WCV=Well Child Visit; IET= Initiation of SA tx; KED=Kidney Eval Diabetes

NYC HEALTH+ HOSPITALS

FY27 Budget Development

FY27 Budget Planning Strategy – Phase III

- Continue Raising the bar in Managed Care and Revenue Cycle
- Amb/Care OP Growth
  - Provider template optimization and standardization
  - New patient access innovation
  - E-consult relaunch
  - Primary care staffing model under development
  - Improved VBP dollars capture (e.g. PCP alignment and care gap closures)
  - Improved billing for clinic-administered medications
- Business plans and new cross-facility partnerships
  - Enterprise radiology
  - BH Inpatient Model and Sustainability and expanded focus on Partial Hospital and Outpatient BH Models
  - BH Centers of Excellence Year 4 Submission
- Physician Workforce Plan budgeting and recruitment investments
  - Strengthen recruitment and retention efforts and focus on hard-to-fill specialties
  - Collaborate with RCS to enhance RVU reporting
  - Develop sustainable staffing models and standardization across all facilities
  - Continue locums reductions and progress toward achieving long-term workforce stabilization
- Managing increasing demand
  - Length of stay reduction investments
  - Overtime management
  - Infrastructure investments
  - Temp agency management
  - Optimizing economies of scale in Supply Chain
- Risk Mitigation Strategies for Essential Plan changes and HR1

Revenue Cycle

H.R. 1 Mitigation Strategies

Raise Staff and Patient Awareness About What is Changing	• Share plans and information with staff via awareness sessions, RCS Hot Topics, H+H Insider and provider education • Share information and resources with patients via MyChart/email and website
Address Expiration of ACA Subsidies (Jan-26) and Changes in Essential Plan Eligibility (Jul-26)	• Assist patients with transitioning between coverages or into a financial assistance program
Address Reductions in Retroactive Medicaid Coverage (Jan-27)	• Improve pre-service financial counseling rates
Support Patients with 6 Month Recertification Requirements (Jan-27)	• Pursue automation to supplement financial counseling workflows • Enhance patient self-service workflows • Coordinate strategies with payer partners to ensure success
Help Patients Comply with Medicaid Work Requirements (Jan-27)	• Track NYS implementation of work requirements • Advocate for cross-program data sharing • Support patients and staff with documenting compliance or exemptions • Coordinate with other Citywide efforts
Support Immigrant Patients	• Educate staff and provide scripting to help address patient questions and concerns • Refer patients to LegalHealth attorneys for personalized immigration legal assistance

Essential Plan Changes

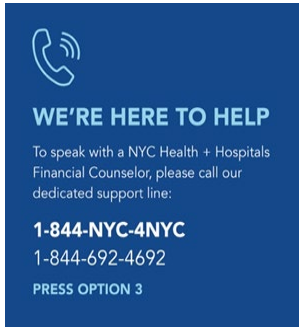
Effective July 1, 2026

H.R. 1 eliminated premium tax credit eligibility for lawfully present immigrants, effectively reducing federal funding for the Essential Plan "EP"). NYS made changes to preserve coverage for EP 1-4 members but has not taken action to preserve coverage for individuals in EP 5.

- **Pregnant individuals** can stay continuously enrolled in either Medicaid or another EP level depending on their due date
- **U.S. citizens and those lawfully present** with incomes > 200% FPL are eligible for a Qualified Health Plan ("QHP") but will be responsible for premiums and higher cost sharing than under an EP plan
- **Deferred Action for Childhood Arrivals ("DACA")** recipients with incomes <138% FPL will transition to Medicaid; those with higher incomes are no longer eligible for any public health insurance programs
- **Individuals who are not U.S. citizens or lawfully present with incomes > 138% FPL** are no longer eligible for any public health insurance programs

Communication

Email blast to patients with an EP plan with information on how to contact an H+H financial counselor if they received a letter indicating they are no longer eligible for coverage.



Outreach

- Proactive outreach to patients who were enrolled by an H+H Financial Counselor and were identified as eligible for a QHP or no longer eligible for coverage.
- Outreach to patients with an EP 5 plan with upcoming appointment after July 1, 2026.
  - Prioritizing established primary care patients
- Exploring additional outreach to MetroPlus EP 5 members with chronic conditions to ensure continuity of care

450,000
New Yorkers

280,000
NYC Residents

35,000+
H+H Patients

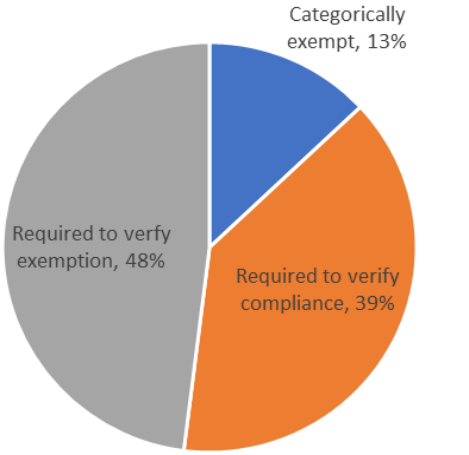
NYC Care is available to all NYers who are not eligible for affordable health insurance coverage to access high qualify, low- to no- cost healthcare services in the NYC H+H network.

Medicaid Work Requirements

Effective January 1, 2027

Adults aged 19-64 will need to prove they are working, going to school, helping out in the community, or participating in job training for a total of 80 hours per month to keep their Medicaid coverage.

- Individuals who are pregnant, disabled, caretakers or guardians of children < 14 or disabled, etc. are exempt
- NYS will leverage federal, state and third party data sources to automatically verify exemptions and compliance when possible
- Otherwise, individuals will need to prove that they meet requirement
  - Can comply through a combination of working and participating in qualifying activities
  - New applicants need to meet the requirements in the month prior to submitting their application
  - Renewals need to provide to meet the requirements in any month since last redetermination



Source: NYS Department of Health Preliminary Estimates, "Implementing H.R. 1 and Preserving Health Coverage in New York State, March 11, 2026

Communication

Preparing to Share information and resources with patients via MyChart, email, website and social media as details become available

Advocacy

Ongoing to CMS and State: delay start date, maximize data sharing to reduce need for manual verification, and reduce barriers to medical frailty exemption.

Support

Train Financial Counselors and other staff to support patients

- Who are exempt with demonstrating exemption
- Who are subject with demonstrating compliance
  - Connecting patients to employment, education, training and volunteer opportunities in coordination with other City agencies

Build off existing SNAP workflows to enable clinicians to support patients with exemptions