AGENDA

FINANCE COMMITTEE

MEETING DATE: DECEMBER 10, 2013
TIME: 9:30 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER — **BERNARD ROSEN**

ADOPTION OF THE NOVEMBER 12, 2013 MINUTES

SENIOR VICE PRESIDENT'S REPORT — **MARLENE ZURACK**

- **PREPARATION FOR THE HEALTHCARE EXCHANGE**

KEY INDICATORS & CASH RECEIPTS/DISBURSEMENTS REPORTS — **KRISTA OLSON**

ACTION ITEM — **LINDA DEHART**

1. **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Hawkins Delafield & Wood LLP ("Hawkins") to provide bond counsel services related to the structuring and continuing implementation of the Corporation's financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: $420 for Partners, $360 for Senior Associates, $280 for Associates, $210 for Junior Associates, and $150 for paraprofessionals.**

INFORMATION ITEMS

1. **STATEMENT OF REVENUES & EXPENSES AS OF September 30, 2013 & 2012** — **JAY WEINMAN**

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT — **BERNARD ROSEN**

MINUTES

MEETING DATE: NOVEMBER 12, 2013

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on November 12, 2013 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Alan D. Aviles, Esq
Michael A. Stocker, MD
Josephine Bolus, RN
Emily A. Youssouf
Robert Doar, Commissioner, Human Resources Administration (HRA)
Andrea Cohen, (representing Deputy Mayor Linda Gibbs in a voting capacity)

OTHER ATTENDEES

J. DeGeorge, Analyst, Office of the State Comptroller
M. Dolan, Senior Assistant Director, DC 37
C. Fiorentini, Analyst, NYC IBO
K. Raffaele, Analyst, Office of Management & Budget (OMB)
E. Schneider, Area Director, NYSNA

HHC STAFF

P. Albertson, Senior Assistant Vice President, Corporate Operations/Supply Chain
B. Ancona, Chief Financial Officer, (CFO), Gouverneur Healthcare Services
V. Bekker, CFO, Corporate Finance
M. Brito, CFO, Coler/Goldwater Specialty Hospital & Nursing Facility
M. Bocachica, Deputy CFO, Lincoln Medical & Mental Health Center
L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
D. Cates, Chief of Staff, Board Affairs

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L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
D. Cates, Chief of Staff, Board Affairs
D. Collington, Assistant Director, Coney Island Hospital
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, CFO, MetroPlus Health Plan, Inc
K. Garramone, Chief Financial Officer, North Bronx Healthcare Network
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
D. Guzman, Deputy CFO, Metropolitan Hospital Center
L. Guttman, Assistant Vice President, Corporate Intergovernmental Relations
L. Haynes, Assistant Systems Analyst, President's Office
C. Jacobs, Senior Vice President, Patient Safety, Accreditation & Regulatory Services
J. John, Chief Financial Officer, Central Brooklyn Family Health Network
L. Johnston, Senior Assistant Vice President, Medical & Professional Affairs
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
B. Keller, Deputy Counsel, Office of Legal Affairs
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Director, Debt Finance/Corporate Reimbursement Services
K. Madej, Director, Social Media, Corporate Communications/Marketing
T. Mammo, Chief of Staff, Office of the President
N. Mar, Director, Corporate Reimbursement Services/Debt Financing
H. Mason, Deputy Executive Director, Kings County Hospital Center
K. McGrath, Senior Director, Corporate Communications/Marketing
A. Moran, CFO, Elmhurst Hospital Center
D. Moskos, Director, Facilities Development
K. Olson, Assistant Vice President, Corporate Budget
J. Omi, Senior Vice President, Organizational Innovation & Effectiveness
P. Pandolfini, Chief Financial Officer, Southern Brooklyn/Staten Island Health Network
C. Parjohn, Audit Manager, Office of Internal Audits
K. Park, Associate Executive Director, Queens Health Network
B. Robles, Senior Vice President/CCIO, Information Services
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
D. Santos, Associate Executive Director, Bellevue Hospital Center
W. Saunders, Assistant Vice President, Corporate Intergovernmental Relations
B. Schultz, Senior Director, EITS
D. Shi, Senior Director, Corporate Quality, Performance & Innovation, M&PA
L. Tullouch, CFO, Acting, Harlem Hospital Center
J. Wale, Senior Assistant Vice President, Office of Behavioral Health
R. Walker, CFO, North Brooklyn Health Network
J. Weinman, Corporate Comptroller, Corporate Comptroller's Office
R. Wilson, Senior Vice President/ Chief Medical Officer, Medical & Professional Affairs
M. Zurack, Senior Vice President, Corporate Finance/Managed Care

Minutes of the November 12, 2013 Finance Committee Meeting

CALL TO ORDER **BERNARD ROSEN**

Due to the late arrival of Mr. Rosen, Chair, the meeting was called to order by Dr. Stocker. The meeting of the Finance Committee was called to order at 9:10 a.m. The minutes of the October 8, 2013 Finance Committee meeting were adopted as submitted.

CHAIR'S REPORT **BERNARD ROSEN**

SENIOR VICE PRESIDENT'S REPORT **MARLENE ZURACK**

Ms. Zurack informed the Committee that her report would include the monthly update of HHC's cash balance and the status of HHC's preparation for the implementation of the Affordable Care Act (ACA) as it relates to the Corporation's role in the Medicaid applications process.

Ms. Zurack stated that as of November 8, 2013, HHC's cash balance was $163 million which represents ten days of cash on hand (COH), a deterioration since last month of 22 days of COH. However, HHC anticipates receiving some significant supplemental Medicaid payments that will be forthcoming within the next few weeks which will take HHC back to a normal level. Additionally, there are other payments expected that include, a Disproportionate Share Hospital (DSH) maximization payment of $193 million on November 29, 2013; a Supplemental payment of $89 million also on November 29, 2013, and a MetroPlus supplement of $36 million on November 27, 2013. As per the State these payments should be received by HHC within the expected time frame. However, it is important to note that HHC is very much dependent upon the receipt of the 1115 waiver funding to fully balance on a cash basis by year-end. Additionally HHC is scheduled to make significant payments to the City by year-end. If all of the payments are received as anticipated, HHC cash balance will be at a healthy level by year-end.

Commissioner Doar asked how much the 1115 waiver is. Ms. Zurack replied that it is $250 million.

Ms. Youssouf asked what the projected cash balance is for the FY 14 year-end.

Ms. Zurack stated that the projection is over $500 million which includes paying the City at year-end and receiving all of the noted payments.

Commissioner Doar asked how much the payments to the City are. Ms. Zurack stated that the total is $600 million but there are some other payments to the City that will be made before year-end.

Ms. Youssouf asked if the projected healthy year-end cash balance is an indication that HHC would begin the next Fiscal Year (FY) with a normal cash reserve.

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Ms. Zurack stated that it would; however, it is contingent upon the receipt of the 1115 waiver funding. Ms. Cohen has been working with HHC on getting these funds and perhaps could share with the Committee her take on the prognosis of HHC receiving those funds.

Ms. Cohen stated that it appears for certain something will come through but exactly how much and when are yet to be determined.

Commissioner Doar asked if the DSH payments were reduced. Ms. Zurack stated that to-date there has not been any reductions in those payments.

Ms. Youssouf asked if there had been some efforts by HHC to have the City forgive those payments.

Ms. Zurack stated that it was not HHC's expectation but rather as part of the Community Development Block Grant (CDBG) in the second round, the City might allocate some additional funding to HHC to cover the difference in the $250 million total expenses versus the $183 million received to date.

Ms. Youssouf asked if the City is considering this issue. Ms. Zurack stated that it is still under consideration by the City.

Affordable Care Act (ACA) – Health Exchanges

Ms. Zurack introduced Victor Bekker, Chief Financial Officer who has been re-assigned to work with corporate finance on the implementation of the ACA provisions. Mr. Bekker has a very extensive background having worked at OMB and HRA before coming to HHC. Given his background, Mr. Bekker will spearhead HHC's efforts as part of a Task Force group that has been established to prepare for the multiple changes that are anticipated as a result of the implementation of the Exchanges and the changes to Medicaid. HHC is learning about these changes in the level of detail that is needed to operationalize them on a week to week basis. The group has developed three major topics; one of which related to changing HHC's operational processes as part of the new flow. In the future Medicaid clients as well as the clients of the Exchanges will be using an interactive on-line vehicle for establishing their qualification for subsidy and the program weighing heavily on the filing of the individuals tax returns. HHC's current process for enrolling clients into Medicaid is very complex but similar to the new process in that understanding individuals' incomes, the rules and how everything interacts are very important elements in the completion of the process. Additionally, there is a lot of newness to the ACA process. The key challenge for HHC will be the training of the appropriate staff. Currently, Ms. Katz reports monthly on the progress of the Medicaid eligibility process. The new approach will move the focus more to the outpatient side given that more individuals will be eligible for Medicaid when the expansion occurs in January 2014. There will be the option to get individuals on the subsidized qualified health plan. The technology of the process will be different with an on-line application and some of rules will also change. HHC's patients will have a more complicated choice to make in selecting a tier and a plan. It is important to note that the new process is very similar to the

current managed care enrollment but it is slightly more complex. HHC is working on getting the appropriate staff trained and certified as certified application counselors (CAC).

Ms. Youssouf asked who would certify the staff. Ms. Zurack stated that there is a process, whereby the State will certify HHC's train-the trainer and HHC will have a cohort of staff who will get certified and a password that will allow access to the Exchange. HHC as a certified organization can have its certified staff train and certify other staff within the Corporation. The training of HHC's staff by an outside vendor will begin on November 18, 2013 and is expected to result in a number of train-the-trainer for each of the facilities. MetroPlus has trained a significant number of it staff. The State in its rollout started with the training of staff as Navigators who are members of Community Based Organizations (CBO). Principally, HHC's relationship with the Navigators has been through the Community Service Society (CSS) that was awarded a contract for the entire State as a Navigator. HHC is currently in the process of signing memorandums of understanding (MOUs) with CSS who will conduct on-site work for HHC as well as the work that MetroPlus is also doing at HHC facilities to supplement the kind of work HHC can do until the staff is certified. The strategy is multifold in that HHC has MetroPlus which per the State's training plan has already trained a significant number of its staff and are on-site at HHC facilities.

Ms. Youssouf asked for clarification of the outside vendor CSS. Ms. Zurack explained that CSS was trained by the State and is the outside vendor that will have some presence at some of HHC's facilities.

Ms. Youssouf asked if there are other entities beside MetroPlus.

Ms. Zurack stated that MetroPlus has been trained and is on-site at HHC facilities.

Ms. Youssouf asked if there are other vendors. Ms. Zurack stated that the State has hired a vendor to train-the-trainers. And HHC is scheduled to begin its training on November 18, 2013 for the first cohort of train-the-trainer.

Ms. Youssouf asked how long the training is. Ms. Zurack stated that it is three-day of training with an exam at the end of the program. Employees will have an opportunity to take the exam as many times as needed to pass.

Commissioner Doar stated that one of the biggest changes in this process is that HRA is no longer HHC's partner but rather the State.

Ms. Zurack stated that HRA will still be HHC's partner for a very long time.

Commissioner Doar stated that HRA's principle role has been shifted to assisting HHC in applying directly to the State as opposed to going through HRA.

Ms. Zurack stated that HRA's role will change, however, the recertification which Commissioner Doar would further explain will remain with HRA.

Commissioner Doar stated that HRA will continue to do recertification but original applications under the State's guidance and decisions are to be shifted to the State directly. It is a new process with new rules and a new decision maker, the State. Essentially, the local role of the department of social services has been taken over by the State.

Ms. Zurack added that the exception is the non-MAGI will remain with HRA. Commissioner Doar added that the Modified Adjusted Gross Income (MAGI) is the biggest portion of HRA's caseload compared to the non-MAGI.

Ms. Zurack added that the non-MAGI includes individuals with Medicaid due to cash assistance, children in foster care, aged, blind and disabled, etc.

Commissioner Doar stated that another factor is that is becoming more apparent is the extent of the MAGI methodology which would expand the eligibility requirement for Medicaid. Therefore, there is an opportunity for growth in Medicaid due to that factor.

Mrs. Bolus asked if that would include those individuals who are currently being dropped by their insurance carrier.

Ms. Zurack stated that it does not relate to that group but rather the commitment by President Obama that anyone who currently has employer sponsored or commercial purchased insurance, those individuals' plans would not change. However, the ACA set minimum standards for coverage in the plans. There are individuals who have plans with less than the minimum coverage and less expensive that have become obsolete under the health plans as part of the ACA. Therefore, those individuals will need to purchase on the Exchanges. To further expand on the non-MAGI it includes those individuals on cash assistance SSI, foster care, individuals 65 and older when given conditional eligibility; individuals eligibility based on being blind and disabled; individuals requesting coverage long term care, Medicare savings program, medically needy, cancer service programs, individuals in residential adult home; former foster care youth, individuals in residential treatment centers and community centers operated by the State office of Mental Health Services. Those individuals will continue to be processed by the local department of social services.

Ms. Youssouf asked what category of individuals it would include that given it broaden the scope of eligibility to include more individuals.

Ms. Zurack stated that it would include childless adults, couples or singles, their eligibility income threshold increased significantly as a result of the minimum standards in the ACA. Prior to January 2014 individuals had to earn less than 87% of the federal poverty level (FPL) after January 2014 it is less

than 138% of the FPL. Therefore the difference in those two percentages represents the potential increase.

Ms. Youssouf asked if HHC knows how many individuals would be affected by that change. Ms. Zurack stated that information is not yet available.

Commissioner Doar added that it is much higher than anticipated for a different group of people who could become eligible.

Ms. Cohen asked if there is a way to determine the difference in the benefits for individuals and whether the trainers will be trained to assist in that distinction to avoid improper use of the various pathways, given that the distinction between the MAGI and non-MAGI is that an individual who has a disability and who would be eligible through the disability pathway could also have low income and also be eligible through the MAGI pathway.

Ms. Zurack stated that HHC would be unable to determine what that number would be. However, HHC will research the issue and report back to the Committee as information becomes available.

Ms. Youssouf asked which department of NYS is involved in this process.

Ms. Zurack stated that the State Department of Health (SDOH) under the ACA has contracted with MAXIMUS as the vendor to do eligibility determination work.

Commissioner Doar stated that SDOH's position is that the computer system will make the determination of eligibility and is managed by SDOH. MAXIMUS is the enrollment facilitator.

Ms. Zurack added that it is by Computer Sciences Corp (CSC) a different vendor. Maximus, Inc. currently has the contract with the State for managed care enrollment and manages the Medicaid Choice line. Essentially once an individual has been determined eligible by the local social services district, a plan is selected and maintaining the roster and the management of which plan the individual has selected has been the role of Maximus in Medicaid managed care. Maximus has been awarded the contract for the Exchanges and Medicaid. What was formerly an eligibility determination that was made by a member of the staff of the local social service district and then input into the Welfare Management System (WMS) will now be made through the decision support within the Exchange system which is the same vendor CSC. Additionally, Maximus will do all non-computer work that was previously done by the local social service district. However, it is anticipated that the volume will decrease. The company that manages the actual programming of these Exchanges is CSC and formerly operated the previous eMEDNY system.

Ms. Youssouf added that a significant portion of what HRA did will be taken over by the State.

Commissioner Doar agreeing stated that the role of HRA will change significantly and that for a long time the State has taken a position that as a result of the ACA and other changes, the objective was to move the local department of social services out of the determination of the vast majority of the cases. Ultimately the goal is to eventually do all of the cases. In actuality, HRA is shrinking and the State is growing.

Mr. Rosen stated that the ACA and the role of the Exchanges is a very complex process for the Committee to fully comprehend and as such a more detailed presentation would be helpful in providing a summary of the major changes and the various nuances of the ACA and the impact for HHC from a revenue perspective. Therefore, if at the next meeting, Ms. Zurack could do a presentation for the Committee it would be extremely helpful.

Ms. Zurack stated that the reason for not putting together a presentation is that every fact is steadily changing on a daily basis. Mr. Rosen added that given the changes that are evolving there may be some benefit to HHC by enabling HHC to enroll more individuals.

Commissioner Doar added that there may be a benefit but there could be a shift. Additionally, there is the issue of the undocumented.

Ms. Zurack stated that the State has not been releasing regular updates on the number of people who have been enrolled and the latest data that is available is as of two weeks ago. There are 37,000 individuals and families enrolled; 23,717 will be enrolled in Medicaid and 13,313 in qualified health plans (QHP).

Ms. Youssouf asked if the data was state-wide. Ms. Zurack responded in the affirmative.

Commissioner Doar added that the Medicaid number is much higher than anticipated in that the expectation was that there would be more QHPs and less Medicaid.

Ms. Zurack stated that HHC is also working with the trade associations, in getting as much information as possible. Based on recent discussions with Greater New York Hospital Association (GNYHA), the data is lagging but that there is some speculation that there has been an increase in QHPs and less in Medicaid as the process progresses.

Ms. Youssouf asked for clarification of the role of MAXIMUS as a private vendor for profit and their role in the eligibility process.

Ms. Zurack asked Commissioner Doar if he would explain.

Commissioner Doar stated that the State would not categorize them in that fashion but rather Maximus is a facilitator but the overall management is the State. However, Maximus is working with the State in determining eligibility.

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Mr. Aviles stated that in response to an earlier question raised by Mr. Rosen regarding new enrollment for HHC, there were some probability models that were run. Given that MetroPlus is offering the lowest premium than three of the four pricing tiers, it does suggest that there is an opportunity with additional enrollment; a combination of the Exchanges enrollment in addition to an increase in Medicaid enrollment and some Medicaid shifting that may occur could result in 100,000 new members under one of the models which represents the revenue opportunity. It is highly questionable whether HHC can execute on the access redesign work in ambulatory care that would create the additional capacity needed and additional primary care to accommodate new patients. HHC is very focused on this initiative.

Ms. Zurack stated that the MetroPlus data as of November 1, 2013 showed that there are 1,899 enrollees and 50% of those were less than thirty years of age and 30% are choosing platinum and gold plans that are slightly higher plans. Eighty percent are selecting the particular model that gives the option of the dental and vision benefits. Based on that data, MetroPlus is pleased with their enrollments.

Ms. Cohen asked if the data was the MetroPlus QHP and does not include individuals enrolling in the Family Health Plus (FHP). Ms. Zurack stated that it does not include FHP that will not come until January 2014.

Dr. Stocker asked if there is data on enrollment for other plans. Ms. Zurack responded there is no data available at this time.

Mrs. Bolus asked if the January 2014 date is still in effect. Ms. Zurack replied that it is.

Mr. Aviles added that the only date that has been pushed back relates to the initial date for individual to enroll in a plan which was February 15, 2014 to avoid a penalty mandate but has now been pushed back to March 31, 2014.

Ms. Youssouf asked if the State is addressing the uninsured issue. Ms. Zurack stated that the only area where this activity overlaps with that question is in the area of emergency Medicaid. The Medicaid applications that are reported monthly to the Committee by Ms. Katz, half are individuals who are eligible for emergency Medicaid if their condition is considered emergent their immigration status would not be relevant and the eligibility would be for three months. Those individuals come through in a special application process that requires less documentation. Those applications will be processed by the electronic Exchanges as part of the federal data base which is of concern for HHC.

Mr. Russo added that it is to treat the emergency condition as long as the emergent condition exists and as such the eligibility is up to that period of time.

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Ms. Katz commented that the eligibility is up to a year but whether the billing can be done depends on whether the patient comes in with an emergent condition but the eligibility is on file for a year. The documentation of the emergency must be done.

Ms. Zurack stated that HHC can only bill for conditions that the State accepts as an emergent condition but the eligibility does not require a resubmission.

Commissioner Doar asked if the undocumented stay in fee-for-service. Ms. Zurack responded in the affirmative.

Ms. Youssouf asked if there is a difference in the application for the Exchange compared to the current application.

Mr. Bekker stated that it is very different in that there are more questions than on the current application.

Mrs. Bolus asked if there will be a need for additional staff due to the new application process.

Ms. Zurack stated that the process is expected to be much easier than the current process given the decrease in the number of documents needed to document the data on the application. The current process that is being done by the hospital care investigators (HCI) basically involves getting documentation and verification of information. The Exchange process is different in that once the information is submitted it is crossed-checked and matched to the federal data base and instantaneously the eligibility is received.

Commissioner Doar asked if the hospital stays are higher what would be an indicator of a problem in terms of that number coming down.

Ms. Zurack stated that the payer mix report which would be presented later by Ms. Olson would show that above 6% would be of concern. If that trend continues a year later and goes above 6% in either of those two numbers it would be of concern.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS FRED COVINO/KRISTA OLSON

Mr. Covino stated that the reporting would begin with Ms. Olson.

Ms. Olson stated that the total ambulatory care visits are down by 1.6% and acute care visits are down by 1.5% excluding Harlem due to prior year visits in psych that were posted this FY 14, visits are down 3.5% or 17,000 visits. The Diagnostic & Treatment Centers (D&TC) are down by 2.4%. Acute discharges are down by 4% or 1,800 discharges excluding Coney Island down 2% or 882 discharges. Nursing Home days are down by 15.5% due to transitions underway at Coler/Goldwater and the construction at Gouverneur. The average length of stay (ALOS), Kings County was above the expected

ALOS by 6/10 of a day compared to last month at 9/10 day a slight decrease. At the beginning of the year the facility made an effort to discharge very hard to place patients, four patients over 100 days which reduces the ALOS in the months ahead. The case mix index was .1% higher than last year.

Mrs. Bolus asked whether the LOS issue at Kings County is due to the ongoing problem with the facility taking and placing some patient into CAMBA Gardens housing.

Ms. Brown, Senior Vice President, Corporate Planning, Intergovernmental Relations and Community Health stated that CAMBA Gardens is not yet open and is not solely for the placement of patients into that housing. There is a process whereby a percentage of people who are slotted as patients from Kings County to go into CAMBA Gardens but not all will be hard to place patients some will be eligible due to a number of factors such as homelessness prior to hospitalizations, income levels, low income housing and residents of the community. In addition to the CAMBA Gardens there is a percentage of individuals who work for Kings County Hospital who would also be eligible for a CAMBA Gardens apartment. Additionally, to expedite this process, there is a staff person at Kings County who is the liaison with CAMBA Gardens in assisting with the application process.

Mr. Covino continuing with the reporting of the Cash Receipts and Disbursement Report stated that full time equivalents (FTE) are up by 79.5 that include an increase of 50 residents and the centralization of the procurement staff in addition to the continual staffing of the enterprise Information Technology (IT) which is up by 18 FTEs due to the implementation of the electronic medical record (EMR)/EPIC. Receipts are $70 million worse than budget and disbursements are $20 million worse than budget.

Ms. Youssouf asked if the increase in disbursements included expenses related to Hurricane Sandy.

Mr. Covino stated that there is approximately $10.5 million in disbursements.

Ms. Youssouf asked for clarification of why FTEs are up after being down last year.

Mr. Covino stated that last year FTEs were down by 931 which was 700 FTEs better than the target.

Ms. Zurack stated that the base period changed which for the current FY 14 the time period is different from the year-end total last year.

Mr. Covino stated that the current base period for FY 14 is 6/30/13. It is anticipated that the headcount will increase by 200-250 FTEs due to key backfills that were on hold last year; the hiring of patient centered medical home (PCMH) and hiring staff for the electronic medical record (EMR).

Ms. Youssouf asked what the projection is for the current FY 14 given that last year there was a target.

Mr. Covino stated that the target was exceeded last year against the target of 3,700 FTEs. The increase in the FTEs is due to the PCMH program a total of 250 FTEs increase. Page 3, current year actual

receipts are $432 million less than last year due to the timing of DSH payment. $624 million was received through September 2012 compared to this year of $152 million for the same period. However, as previously mentioned by Ms. Zurack $194 million in DSH payments is anticipated in November 2013 and another $520 million in April 2014. Comparing the two while there was the spend-up of DSH payments last year; HHC received $1.148 billion compared to $866 million this year which is reflective of a significant decrease.

Ms. Cohen asked if the MetroPlus supplemental payment was expected. Ms. Zurack stated that it is something new.

Mr. Covino stated that expenses were $113 million better than last year due to the timing of City Payments compared to last year for the same period. Last year $141 million in payments were made to the City that included medical malpractice, health insurance payments and to emergency medical services (EMS). A comparison of the current FY 14 actuals to budget, inpatient receipts were $53 million worse than budget due to Medicaid fee-for-service and Medicaid managed care where the workload is continuing to decrease. The Medicaid fee-for-service is down 535 paid Medicaid discharges, 3,000 psych days, 18,700 SNF days and 10,000 chronic nursing home days. Outpatient receipts are down $15 million due to the decline in the Medicaid fee-for-service workload. OTPS expenses are $22 million worse than budget due to $10.5 million in expenses related to the storm last year due to restorations at Bellevue, Coney Island and Coler. There will be a considerable deficit throughout the year in OTPS for Coler and Goldwater due to the transitioning. The revenue is projected to decrease. The report was concluded.

ACTION ITEM **SAL RUSSO/BARBARA KELLER**

Authorizing the President of the New York City Health and Hospitals Corporation to execute contracts with **Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green, P.C.** to provide specialized legal counsel and representation to the Corporation on such legal matters as may be requested by the Corporation. The retention shall be for a term of three years with two one-year options to renew. Fees shall not exceed $465 per hour for partners and from $245 to $415 per hour for associates, depending on experience, and $160 per hour for paralegals, with a five percent increase in the option years of the contracts.

Mr. Russo informed the Committee that representatives from the firms included: Linda Tiano, Epstein Becker & Green, Joseph Willey, Katten Muchin Rosenman, Linda Malek, Moses & Singer, Frederick Miller, Garfunkel Wild, Michele Masucci, Nixon Peabody.

Mr. Russo introduced Barbara Keller, Deputy Counsel who was responsible for the Request for Proposals process. Additionally, Mr. Russo extended thanks to the selection committee which was comprised of seven members including legal affairs, medical & professional affairs/affiliation, corporate finance/revenue management, a network CFO and workforce planning and development. It

is important to note that the decision to expand the pool of specialized legal counsel services does not reflect negatively on the counsel retained in the past, particularly, Katten, Muchin & Rosenman who were previously retained in an early iteration as Rosenman & Colin. Rosenman was retained as outside counsel for the Corporation since 1976 and has recovered more than a $1 billion for the Corporation. The expansion reflected the need to expand the bench of law firms that can respond to the Corporation's needs in a variety of matters. Also noted, while the resolution contains upper limits of the firms' category, page 1 of the contract fact sheet specifies subgroup rates based on experience. Due to the constant changes in the healthcare law, the legal needs of the Corporation are expanding and ever changing. In the current healthcare environment of Accountable Care Organization (ACO), market places, Federally Qualified Health Center (FQHC) and paid for performances, HHC needs to have specialized and the best legal timely advice.

Ms. Youssouf asked if the fees were consistent across all of the firms for services such as printing which could become costly.

Ms. Keller stated that it was not included as part of the proposals. The contract requires that those expenses would be billed at cost. There is no fee proposal for that aspect of the work.

Mr. Russo stated that the standard fees that the law firms charge for these services other than HHC are much higher; however, HHC has set the bar. One firm's fee was below the highest.

Ms. Cohen asked if there is access to all of the firms and whether there are minimum caps. Mr. Russo stated that there is access to all the firms similar to a requirements contract.

Ms. Cohen asked if the firm is selected based on their expertise and capacity. Mr. Russo stated that all of those factors are taken into account in selecting a firm. Also there is some healthy competition. Ms. Cohen asked if there is an expected increase in the total work.

Mr. Russo stated that the cost has been increasing over the years and HHC sets the top rate but the expansion of work has been a factor as a result of all the changes in the healthcare area. HHC legal staff has not increased but in order to address the increase in workload, there has been an increase in referrals to outside counsel. It is anticipated that the cost will increase but moderately.

Ms. Keller added that the increase in cost would not be related to the increase in the number of firms.

Ms. Youssouf asked if joint ventures will be handled by the firms. Mr. Russo stated that it is and would continue to be as part of the contracted services.

Ms. Youssouf asked whether there are any anticipated major changes in the industry that would require specialized services beyond the selected group of firms.

Mr. Russo stated that there are no anticipated changes at this time. However, the selected firms are some of the top firms in NYC specializing in healthcare law and all have a number of attorneys that could be used beyond the healthcare area if there was a need for those services.

Ms. Cohen asked if the contract only allows for hourly rates as opposed to negotiating a project based fee.

Mr. Russo stated that the Corporation has experimented with enterprise billing which may not be the best alternative and this contract does not incorporate that type of arrangement. If there is a need in the future to do that type of arrangement, HHC has the ability to negotiate with the firms.

Ms. Cohen asked how the cost of the contract is managed to ensure that the number of hours for attorneys assigned to a specific project is appropriate and whether there is language in the contract to address that issue.

Mr. Russo stated that the bills are reviewed by the office of legal affairs and if it is determined that there may be an excess of resources being expended by the firms, it is addressed and if necessary an adjustment in the cost is made.

Ms. Keller added that at the beginning of a project, legal affairs would see it hands on and would know if there were too many attorneys at meetings or on a phone call which is not something HHC has experienced but it is something to monitor more closely upfront.

Mr. Russo stated that on occasion, legal affairs have requested to have a specific healthcare partner from a certain area or multiple attorneys.

Ms. Youssouf asked if the contract should allow for the enterprise given that a certain project would require a specific type of service as oppose to developing the scope and trying to get a complete bid on the cost from each firm.

Mr. Russo stated that cost is not always the barometer in selecting or assigning the appropriate firm for a specific project, adding that after being in the field for thirty three years, it is known who is capable. In terms of the enterprise there is no language in the contract that requires that or prohibits it.

The resolution was approved for the full Board's consideration.

INFORMATION ITEM **FRED COVINO**
PS KEY INDICATORS QUARTERLY REPORT FY 14 – 1ST QTR

Mr. Covino stated that disbursements, actual versus the budget there was a $3 million deficit in disbursements against the budget primarily at Coler/Goldwater due to the transition underway at those facilities. Some of the FTEs at those facilities are being reassigned to other HHC facilities. As of

September 2013 there were approximately 240 FTEs who were to be transferred and as of to-date there are 24 -30 FTEs remaining on the list. FTEs are 79.5 above the 6/30/13 baseline. FTEs are 931 less than last year. The increase in FTEs by category showed that the increase has been in nurses, residents and managers. Overtime is $3.6 million over budget. Nurse registry is up by 800,000 compared to last year. The bulk of the increase is in plant maintenance which includes operating maintenance which is up by $700,000 due to an increase in housekeeping services and $100,000 for security year-to-date.

Ms. Youssouf asked if the increase in plant maintenance was due to the storm. Ms. Covino stated that it is not given that these expenses were incurred prior to the storm.

Ms. Youssouf asked what the increase in plant maintenance is attributable to. Mr. Covino stated that the expenses are being managed against last year actual which was lower than the prior year. The average cost for plant maintenance overtime is $9 to $10 million for the 1st quarter of the year compared to $7.2 million last year. So it was significantly lower than last year compared to an increase this year. However, corporate finance has addressed this issue with Johnson Controls, Inc. (JCI) and expects that it will be resolved quickly. JCI has indicated that there were some unanticipated expenses at Coler/Goldwater and JCAHO related to preparations that required additional resources.

Ms. Youssouf asked for further clarification of the 36% increase that has not been addressed in terms of what that increase is attributable to.

Mr. Covino stated that there were several factors, the base for last year was very low; there has been some work going on at Coler/Goldwater and the new Hank Carter Nursing Facility in preparation for the transfer of services to that facility; the new emergency departments at Lincoln and Harlem that are scheduled for opening; and preparation at those facilities that were scheduled for Joint Commission on Accreditation of Healthcare Organizations (JCAHO) during the year are all contributing factors to the increase.

Ms. Zurack interjected that what Mr. Covino has stated may appears to be somewhat confusing; however, the reporting is on where the increase in overtime has occurred and there are places where there has been a need for extra work. However, overall, JCI was hired to reduce overtime expenses even when there was extra work; therefore, HHC is in discussions with JCI regarding this issue to ensure that the targeted reduction in this area gets back on track based on their guarantee in the contract and is a requirement that JCI must achieve.

Ms. Youssouf stated that was the point that was being raised that regardless of the baseline being low and being targeted against that base, the fact is that JCI as a contractor was hired to reduce overtime and other expenses but based on the 36% increase that has not been the case.

Mr. Covino stated that there have been direct discussions with JCI regarding this issue and corporate finance will continue to address this issue as it relates to the contract. Continuing with the reporting, nurse registry expenses are $.5 million higher than last year. Allowances were $1.3 million higher than

last year. The baseline for allowances is between $19 to $20 million per year compared to last year which was very low at $16 million in comparison to this year it is $17.5 million which is significantly better than the baseline.

Ms. Youssouf stated that if HHC's goal is to reduce cost the new baseline should not be higher but lower in comparing the actual expenses. If the old baseline which was higher becomes the new baseline as opposed to a targeted baseline it would defeat the purpose of having a reduction. Therefore a new baseline that is lower should be established as part of the reporting.

Mr. Covino stated that there was a 25% reduction in the baseline and it is not expected that HHC can maintain that level.

Ms. Youssouf asked what the goal is. Ms. Zurack stated that the goal is to get the reduction to be permanent. However, the point that Mr. Covino was making is that the data only reflects one quarter of the year's actuals and trying to put that into context to determine whether there should be concern in terms of what the data is showing. Last year the first quarter relative to the year was very low; therefore, Mr. Covino is just cautioning overreacting to the first quarter data. There is no question that the baseline should be lower and it is reflected in the budget as such. Every effort will be made going forward to fine tune the reporting to ensure consistency with the various targets relative to HHC's plan.

Ms. Cohen asked what the status of the NASH contract is. Mr. Covino stated that it is for all nursing costs. Ms. Cohen asked when HHC would expect to see the impact of those services on the expenses.

Dr. Wilson stated that the contract is signed and the work is getting underway. The expectation is that by January 2014 it will be in full effect and by March and June 2014 the impact on the services is expected to be seen.

INFORMATION ITEM **KRISTA OLSON**
PAYOR MIX REPORTS- INPATIENT/ADULT/PEDIATRICS

Mr. Rosen informed the Committee that there is a new payor mix report that would be presented to the Committee on a quarterly basis.

Ms. Olson stated that the report showed that the share of each payor category for each facility and the corporate total. Each of the numbers represents the percentage. In 2014, 59.4% of the inpatient discharges were Medicaid either fee for service or managed care. Twenty one percent of the total discharges were Medicaid fee-for-service and 38.3% were one of the Medicaid plans. In FY 14, 21.2% were Medicare and 20.5% Medicare in FY 13 which is reflective of a slight increase. Overall 9.2% are insured comprised of self-pay and HHC Options. It is anticipated based on prior years that percentage will decrease to an average of 6%.

Minutes of the November 12, 2013 Finance Committee Meeting

Commissioner Doar asked if the numbers will shift as the year progresses. Ms. Olson responded in the affirmative.

Mrs. Bolus asked if the Medicare commercial included the 20% of Medicare. Ms. Zurack stated that it could or it could be a patient with only commercial and some of the self-pay could be co-insurance deductible.

Commissioner Doar asked why the FY 13 numbers were the same. Ms. Olson stated that this year the FY 13 data was run on November 9, 2013 which is as of that date.

Ms. Youssouf asked what the anticipated reduction in the percentages is based on. Ms. Zurack stated it is based on historical trends. To clarify a previous response, the data comparison is not based on a quarterly comparison. The reports were run so that the comparison would be comparable. In this instance the lag is consistent in both years.

Commissioner Doar asked what happened at Bellevue. Ms. Olson stated that Bellevue improved from last year to this year down to the 13.8% and is expected to improve more as the year progresses.

Dr. Stocker commented that it is a great report and one key factor that it highlights is that there are significant variation between facilities and the number of patient in managed care. Lincoln at 60% and Bellevue at 35% a significant difference since the incentives change with payment methods. In terms of capitation, it may be worthwhile to look at utilization measures such as hospital days per 1,000; commercials are about 300 days per 1,000 and review days per 1,000 @ 60% managed care may be to HHC's advantage. A facility at 60% capitated would be run differently than a 30% capitation.

Ms. Zurack stated that the report could be done; however, it is not clear why one hospital is higher than another. It may be related to the uninsured and the make-up of the community but an analysis of the utilization at those hospitals could be done.

Dr. Stocker stated that it would be interesting to see what the data would show and it could change HHC's approach on how to handle the population with Medicare going up.

Ms. Zurack stated that it is higher than HHC historical experience which has been steadily increasing.

Dr. Stocker asked if the payor mix data could cover a few years. Ms. Zurack stated that the data could be run but the date would be a problem. Ms. Olson stated that the actual data is based on the former report so the source date is the same and therefore the date would not be a problem.

Dr. Stocker stated if HHC invest in primary care there may be an increase in the uninsured. Emergency Medicaid is fee-for-service but not in the data. After reviewing that data from the utilization analysis it may be financially advantageous for HHC to have some level of penetration of capitation.

Ms. Olson continuing with the reporting stated that the adult payor mix with the D&TCs included the uninsured goes up to 30.9% in 2014.

Commissioner Doar asked what would be the expected reduction in the percentage based on the prior year experience, higher or lower.

Ms. Olson stated that the data was not available but would include it in the next reporting; however, there has not been a significant reduction on the outpatient side.

Ms. Zurack stated that when the patient is referred from the inpatient side and goes to outpatient there is some movement in the percentage.

Ms. Olson stated that the pediatrics percentage of uninsured is similar to the inpatient at 8.9% in 2014.

Mr. Rosen stated that Dr. Stocker raised a very good question regarding the trend over a period of time and running the data quarterly may not give a good trend; therefore, perhaps if the reports are available showing a few years that would be helpful in identifying a trend.

Ms. Youssouf commented that the pediatrics is very low but the adult is very high.

Ms. Zurack stated that immigration status does not apply to children. It is the State's intention to maintain its child health programs. So there will be families in different plans.

Ms. Youssouf asked what the age limit is. Ms. Zurack stated that it is 19.

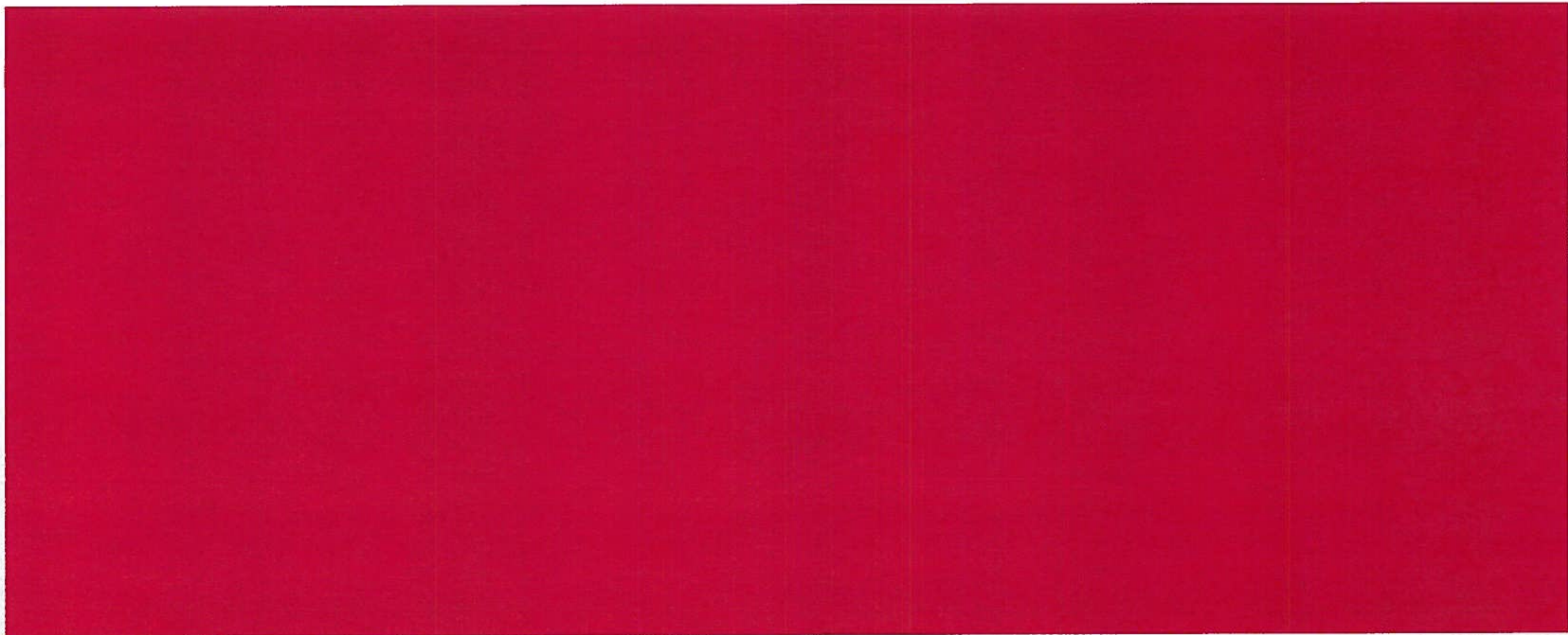
Mr. Rosen stated that given the overrun of the meeting, the remaining two items on the agenda would be postponed for the next scheduled reporting.

Ms. Zurack added that the information item on the banks for the lease was in response to the Committee's request; therefore, if there are any questions regarding the data, member of the Committee can call either her or Linda Dehart, Assistant Vice President, Corporate Reimbursement Services/Debt Financing.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss, the meeting was adjourned at 10:45 a.m.

PREPARATION FOR THE HEALTHCARE EXCHANGE

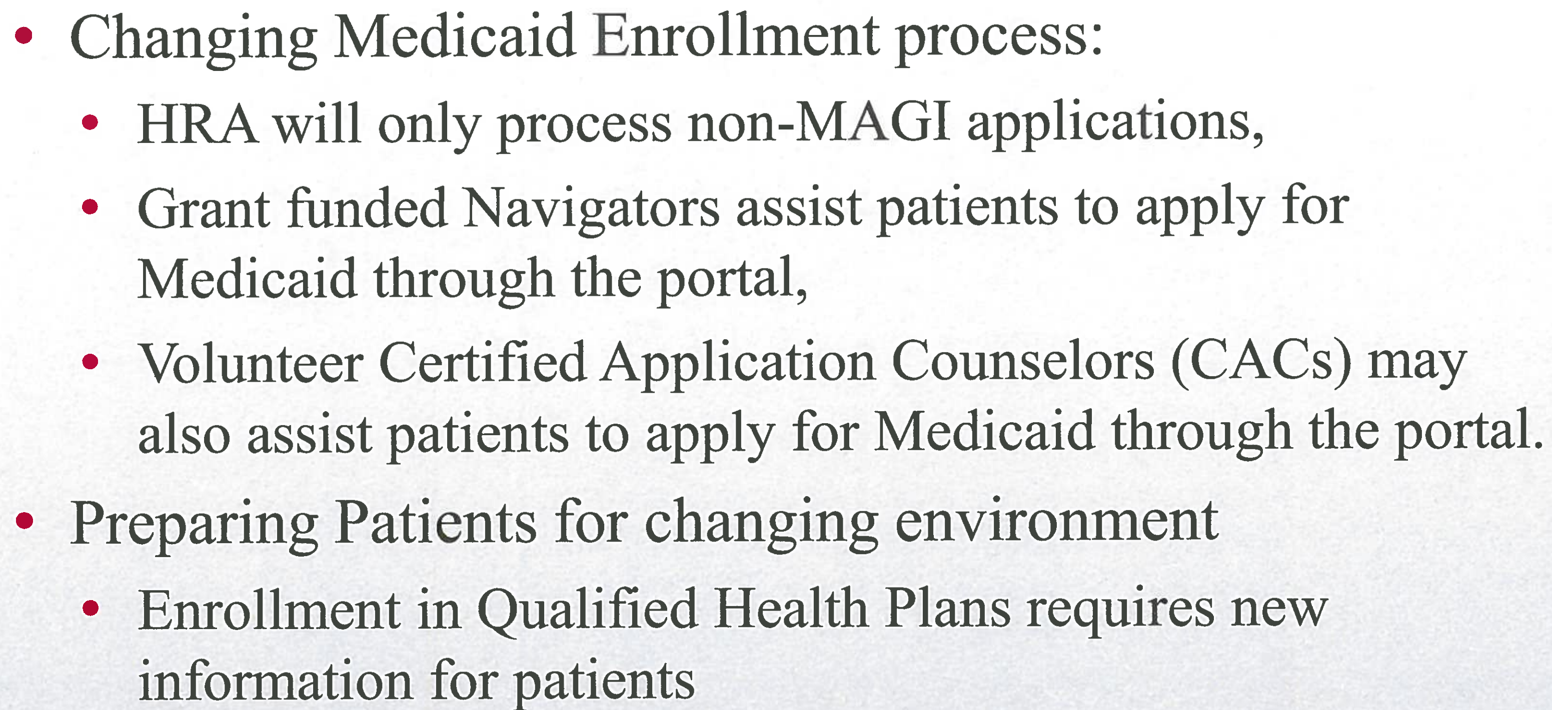


Preparation for the Exchanges

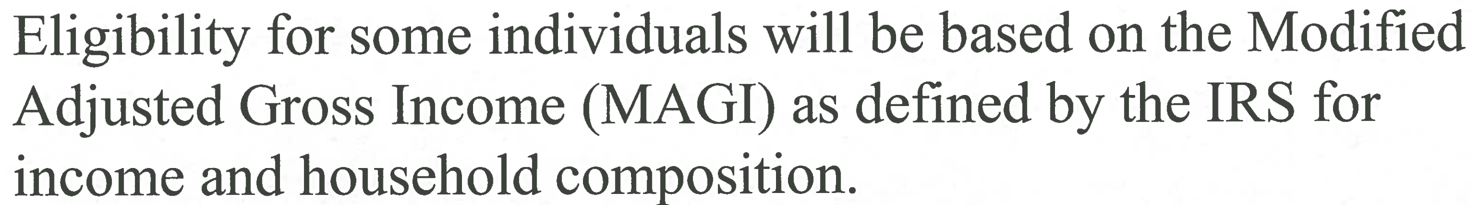
New York City Health and Hospitals Corporation– Finance Committee, December 10, 2013

Victor Bekker

HHC Concerns



What is MAGI?

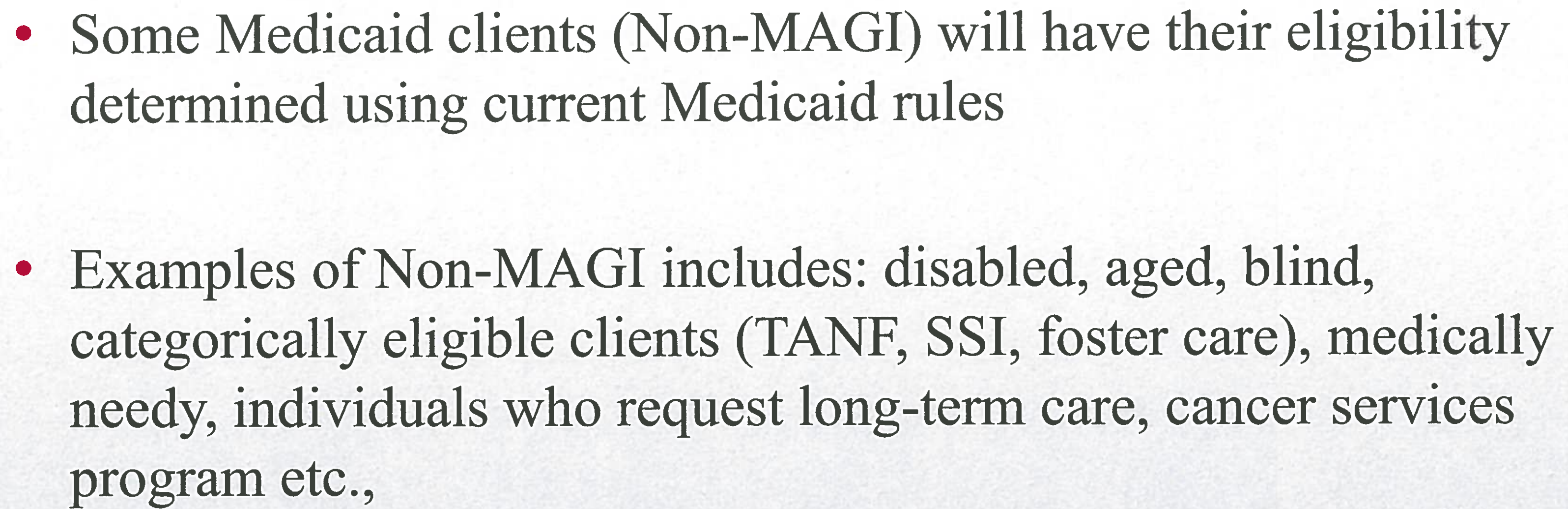


Eligibility for some individuals will be based on the Modified Adjusted Gross Income (MAGI) as defined by the IRS for income and household composition.

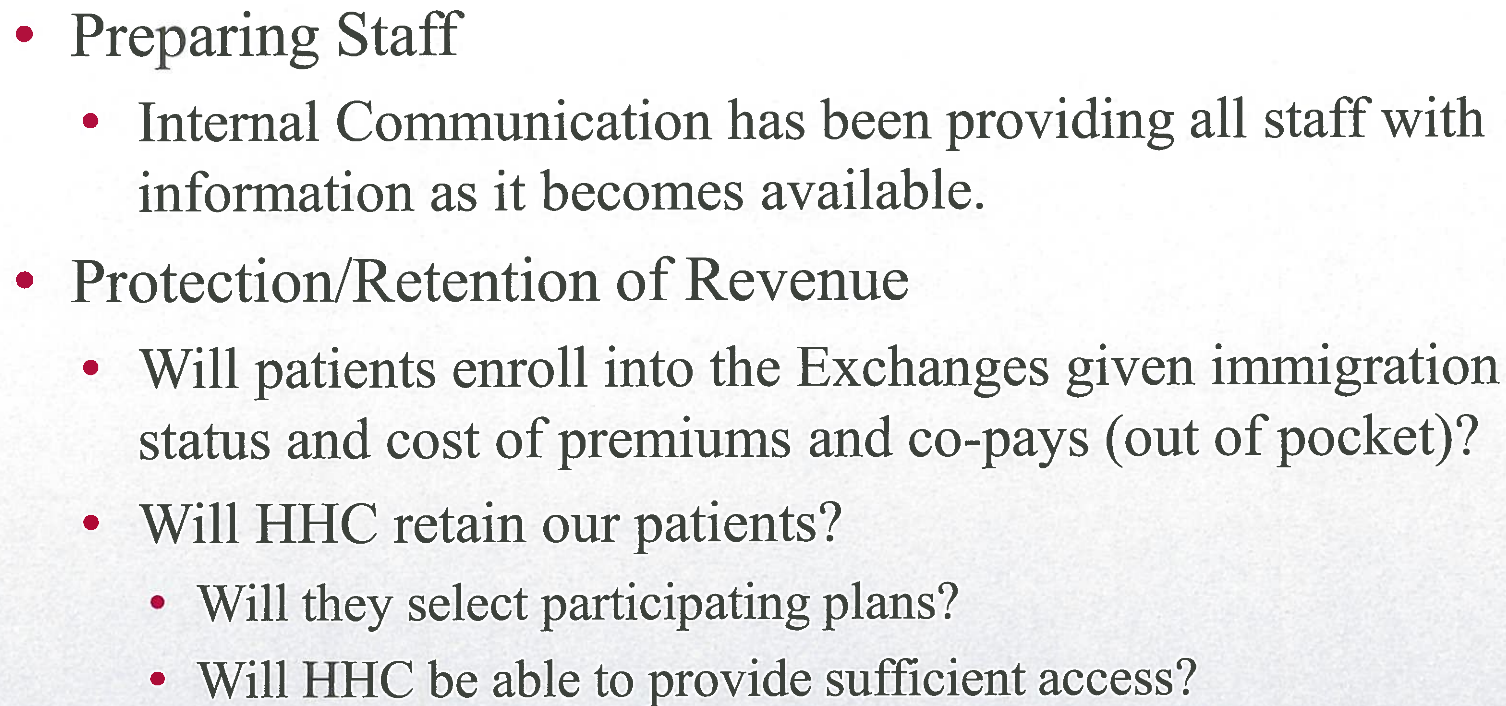
- Coverage up to age 65
- MAGI groups up to 138% FPL
- Pregnant Women to 223% FPL
- CHP+ up to 400% FPL
- No Asset Test
- Cannot receive or be eligible for Medicare

- Counts taxable income:
  - Salaries, Wages, Tips
  - Capital Gains
  - Unemployment Benefits
- Minus allowable tax deductions:
  - Retirement Plan Contributions
  - Child Care
  - Mortgage Interest
- Does not count non-taxable income:
  - Social Security
  - Child Support

Non-MAGI



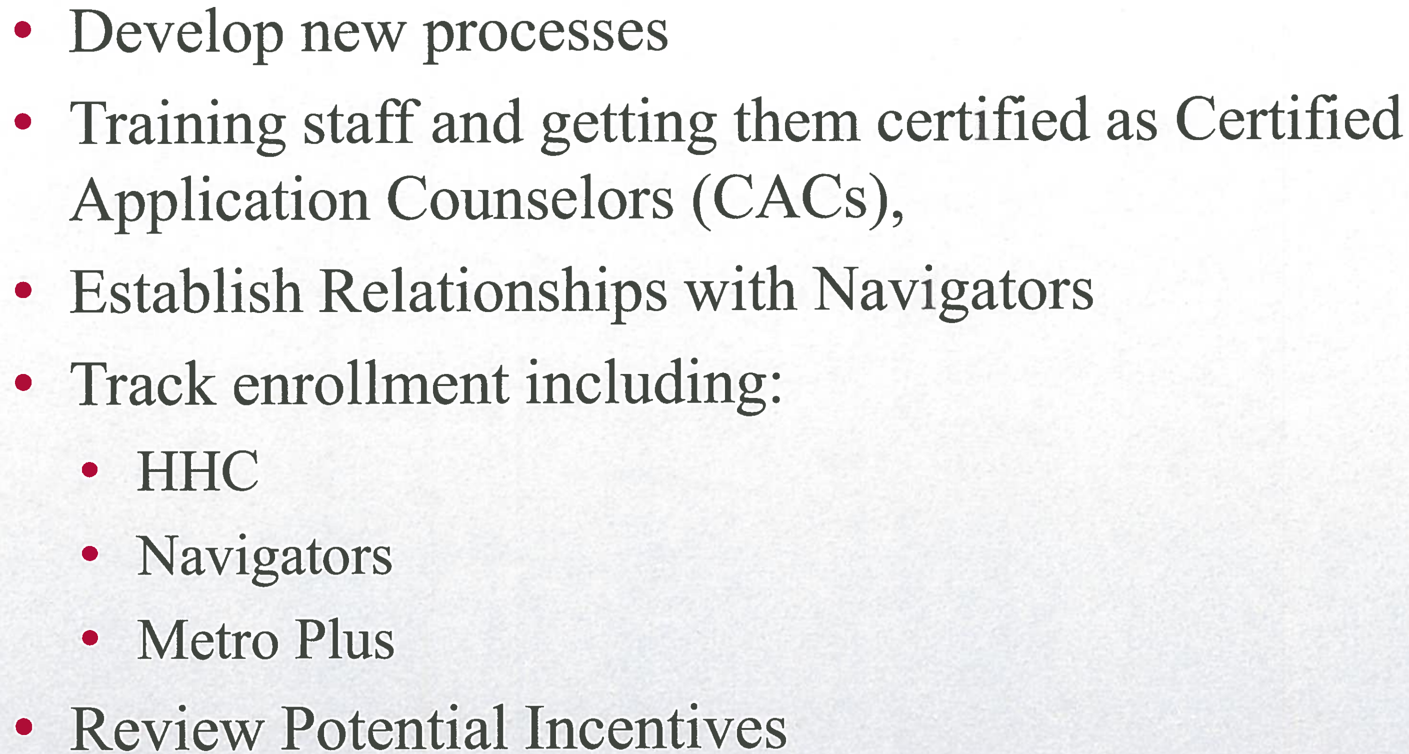
- Some Medicaid clients (Non-MAGI) will have their eligibility determined using current Medicaid rules
- Examples of Non-MAGI includes: disabled, aged, blind, categorically eligible clients (TANF, SSI, foster care), medically needy, individuals who request long-term care, cancer services program etc.,



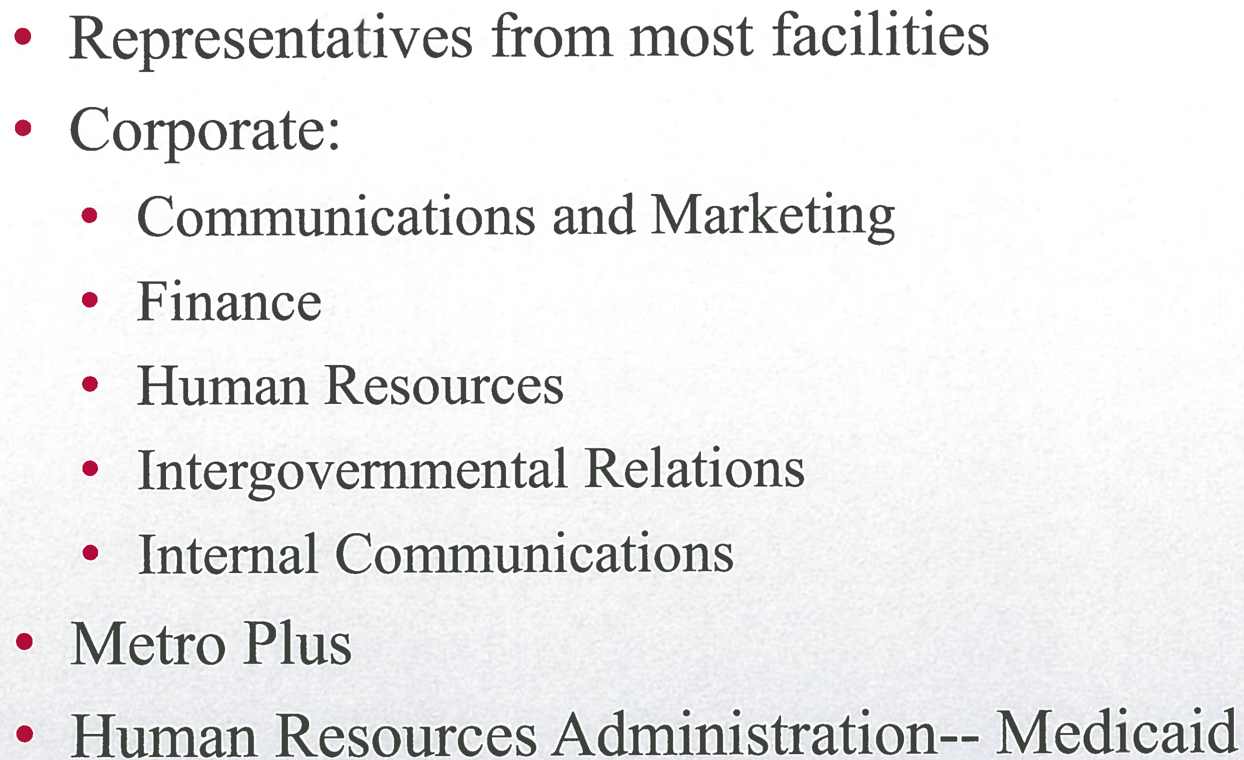
- Preparing Staff
  - Internal Communication has been providing all staff with information as it becomes available.
- Protection/Retention of Revenue
  - Will patients enroll into the Exchanges given immigration status and cost of premiums and co-pays (out of pocket)?
  - Will HHC retain our patients?
    - Will they select participating plans?
    - Will HHC be able to provide sufficient access?

HHC Concerns

Workgroup Goals



- Develop new processes
- Training staff and getting them certified as Certified Application Counselors (CACs),
- Establish Relationships with Navigators
- Track enrollment including:
  - HHC
  - Navigators
  - Metro Plus
- Review Potential Incentives



- Representatives from most facilities
- Corporate:
  - Communications and Marketing
  - Finance
  - Human Resources
  - Intergovernmental Relations
  - Internal Communications
- Metro Plus
- Human Resources Administration-- Medicaid

Workgroup Participants

NAME	FACILITY	NAME	FACILITY
Jean Littman	CONEY ISLAND	Rosemarie Ortiz	WOODHULL
Lynette Faust	HARLEM	Susan Burstein	KINGS COUNTY
Marcella Mehlmann	NORTH CENTRAL BX / JACOBI	Yvonne Cummings	CENTRAL OFFICE
Martha SanMiguel	ELMHURST	Julius Wool	QUEENS
Michelle Figueroa	METROPOLITAN	Sana Shakir	CENTRAL OFFICE
Navroop Thind	QUEENS	Laura Free	CENTRAL OFFICE
Toni Morton	BELLEVUE	Dhruneanne Woodrooffe	OMB
Jeff Lutz	EITS	Paula Mandel	LINCOLN
Kevin Brown	EITS	Kelii Opulauoho	METROPLUS

Process Preparation

Current State

- 40,000 + eligible patients anticipated
- 1,900 patients currently assigned to Metro Plus
- If HHC isn't ready 1/1/14, we may see an increase in uninsured
- Emergency Medicaid will continue
- Will still need to process non-MAGI through LDO/HRA
- Some pts will be in the house as of 1/1/14 but their insurance status will not be resolved
- Multiple processes are in place to ensure that all uninsured admissions are identified and interviewed

Measure	Pre-event
HD: Inpatient HCIs	191*
HD: HCI app productivity (apps/FTEs)	164
Q/S: Code 1 First Pass Yield	87%
Q/S: Inpts insured (effectiveness)	96.7%
F: Conversion from self-pay to MA conversion	69%
T/D: App process non-portal (processing time)	7 hrs
G/C: Applications submitted (workload)	31,172

* Harlem and Woodhull #s TBD

Process Preparation

Target State, continued

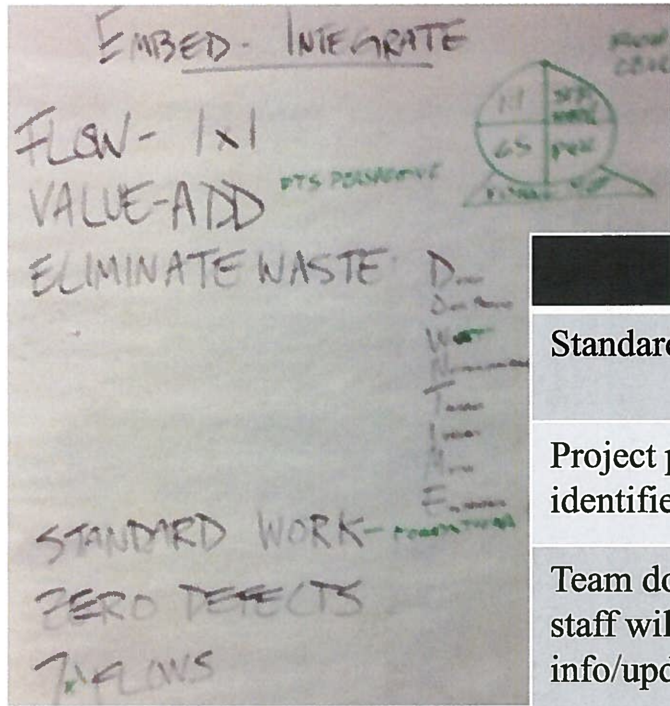
- All uninsured inpatients have been assisted in getting coverage through the exchange
- All of the people who should be certified as CACs are certified
- CACs are fully trained (CAC, HRA and HHC training)
- Inpatient process feels smooth and effective for both patients and staff

Measure	Pre-Event As of 6/30/13	Target
HD: CACs trained and certified	0	100% of 190
HD: CAC productivity (# apps/FTEs)	164	164
Q/S: Inpatients insured	97%	97%
F: MA from inpatient apps	$342m	Maintain revenue
T/D: Portal apps completed in 30 days	0	98%
G/C: Applications submitted (through portal and non-portal)	31,172 (non-portal)	31,172

Process Preparation

Gap Analysis

Breakthrough Concepts to include in SW



Building the 7 Flows and 7 Ways

Need
Standard work for inpatient CAC
Project plan to ensure all tasks are identified and completed on time
Team does not have all needed info; staff will frequently receive new info/updates by SDOH, HRA, etc.

SIPOC

INPUTS	OUTPUTS
ADMISSIONS INFORMATION TREATMENT DOC 4471 MAP 486 + 1151 FORMS SYSTEMS	MEDICAID APPLICATIONS CODE 1, 2 + 4 FEE SCALE SINGLE CASE AGREEMENT COLLECTION AGENCIES

PROCESS

1. COMPLETE COMPUTER INQUIRIES.
2. INTERVIEW PATIENT FOR ELIGIBILITY.
3. FOR MAGI or QHP - ENTER INTO PORTAL.
4. FOR MAGI or QHP - FOLLOW-UP / DASHBOARD.
5. NON MAGI - COMPLETE MCAID APPL, FEE SCALE OPTION, SURPLUS OR SINGLE CASE APPLICATION.

SUPPLIERS	CUSTOMERS
PATIENT FAMILY HRA STAFF SOCIAL WORKERS CROSS HOSPITAL INQUIRIES OTHER HOSPITALS	PATIENT / FAMILY SOCIAL WORKER NURSING HOMES DISCHARGE PLANNING CASE MANAGEMENT FINANCE STAFF HHC STAFF

Process Preparation

Rapid Experiments

Need	Experiment	Expected Outcome	Actual Outcome
Standard work for inpatient CAC	Conduct 7 flows and create 6 Ways, then take highest ranked elements from each to create Way 7	Create backbone and understanding of what flows across multiple related domains, evaluate multiple ways in order to identify strongest elements that meet key requirements and criteria	Completed only 4 ways, then created #5 from best of the four. One beauty contest. Too many criteria and process unnecessarily complex for narrow scope?
	Simulate portions of the Ways that reflect new processes	Identify if process steps and equipment are effective	Surface (tablet) may be too heavy for prolonged use, unable to go into portal as CAC (not yet certified)
	Create the Process at a Glance	Visualize high level steps	Completed drawing
	Develop a handoff diagram to reflect handoffs and touches beyond the CAC; create SW for these	Understand who and how many times the CAC hands off or touches other staff so that communication and/or SW for these can be created	25 touches and handoffs to 7 people/offices not included in SW; created abbreviated SW for these
	Develop standard work for the CAC based on the 7 flows/ways activity and simulation (including compliance considerations)	SW written	Written standard work is extensive, covering 4 broad processes. Strong draft will be circulated for further review
Project plan to ensure all tasks are identified and completed on time	Conduct a VVSM	Identify who needs to do what by when in order to get to 1/1/14 ready for go-live	Map created. Will require tight management and asap assignment of individual row tasks by 11/25/14
Team does not have all needed info; staff will frequently receive new info/updates by SDOH, HRA, etc.	Invite HRA representative for Q and A session during 2P and develop an FAQ sheet for Finance staff	Resulting SW will better reflect need, staff will have questions answered to the extent that info is available	Linda Hacker from HRA provided extensive and helpful info on Day 2. Q and A sheet developed and finalized for dissemination
	Develop a change management plan	A process to identify when SW is no longer relevant and to update the SW is created	Change management plan created; cannot test until new info challenges new SW post-event

Process Preparation

Work Products

	Standard Work Sheet		
Opera tion:	CAC Interview with Patient on In Patient Unit, to Apply for Medicaid or Other Insurance through the Portal	Proc ess:	People Included in Patient Application through Portal

Work Sheet

Pr oc es | Investigation for Non-MAGI, MAGI (Medicaid/OHP

Sheet

CAC I STAND

2P – Inpatient Accounts Standard Work

Certified Application Counselor Interview Script
Greetings & Introduction:
Good Morning/Afternoon/Evening, Mr/Mrs < Pt Name> , My name is <Staff Name> and I am from <Department Name>. I am here to help you obtain health insurance, based on your initial registration insurance informa... Is this correct?
Are you feeling w
Purpose & Reaso

2P for CAC Standard Processes
11/18/20-11/21/20

Q & A for Stuart Pre

CA 2P Communication Plan

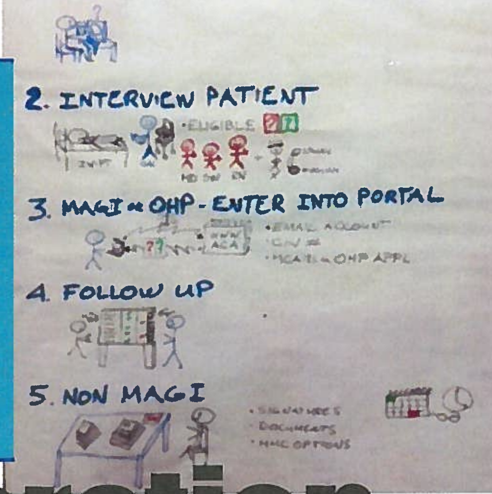
Communication Plan
Element: Inclusion of Care Team, Head Nurse, Unit
...rk

CAC - CHANGE MANAGEMENT PLAN

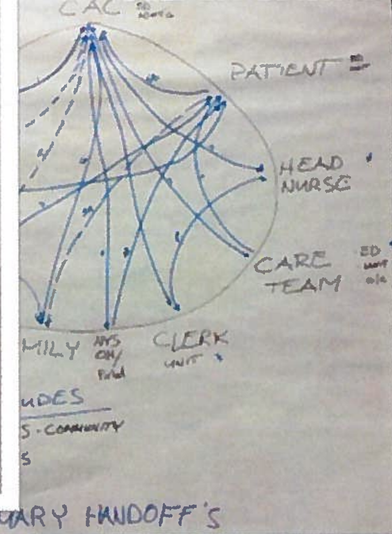
Governance: Who Decides?	Steering Committee w/ 3 People: 2 Finance Rep's(1 from facility) 1 Breakthrough Representative The Committee will have the 2P Team as
Trigger: What Action Warrants Activation of the Plan?	Significant change in standard work to be made and communicated, as determined by: - Regulatory Changes - Operational Flaws - Voice of the Customer
Done: What Product Will result?	Modified Standard Work
How / Method: How Will Decisions be Made?	Decisi... Execu... Approv...
Repository: Where will the Gold Standards Reside?	With C... Produc... / Missi...
Revision Control: How Will the Gold Standard be Identified?	- Revis... - Date... - Curre... on Re...

Definitions:
CAC - Certified Application Counselors
HCI - Hospital Care Investigator
IPA's - In Person Assisters
Navigators - Paid/Funded through grant by feds- otherwise same as CAC
Broker - paid/receive commision
MAGI - Modified adjusted Gross Income
OAM - Original Account Manager
BMT - Billing Master Tracking

PROCESS AT A GLANCE



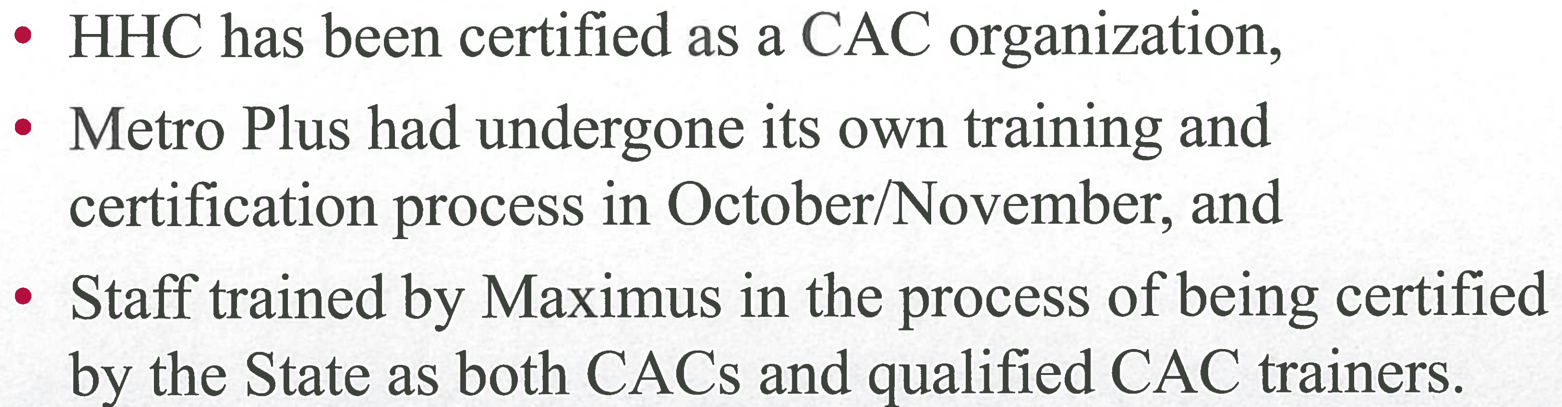
HAND OFF DIAGRAM



Process Preparation

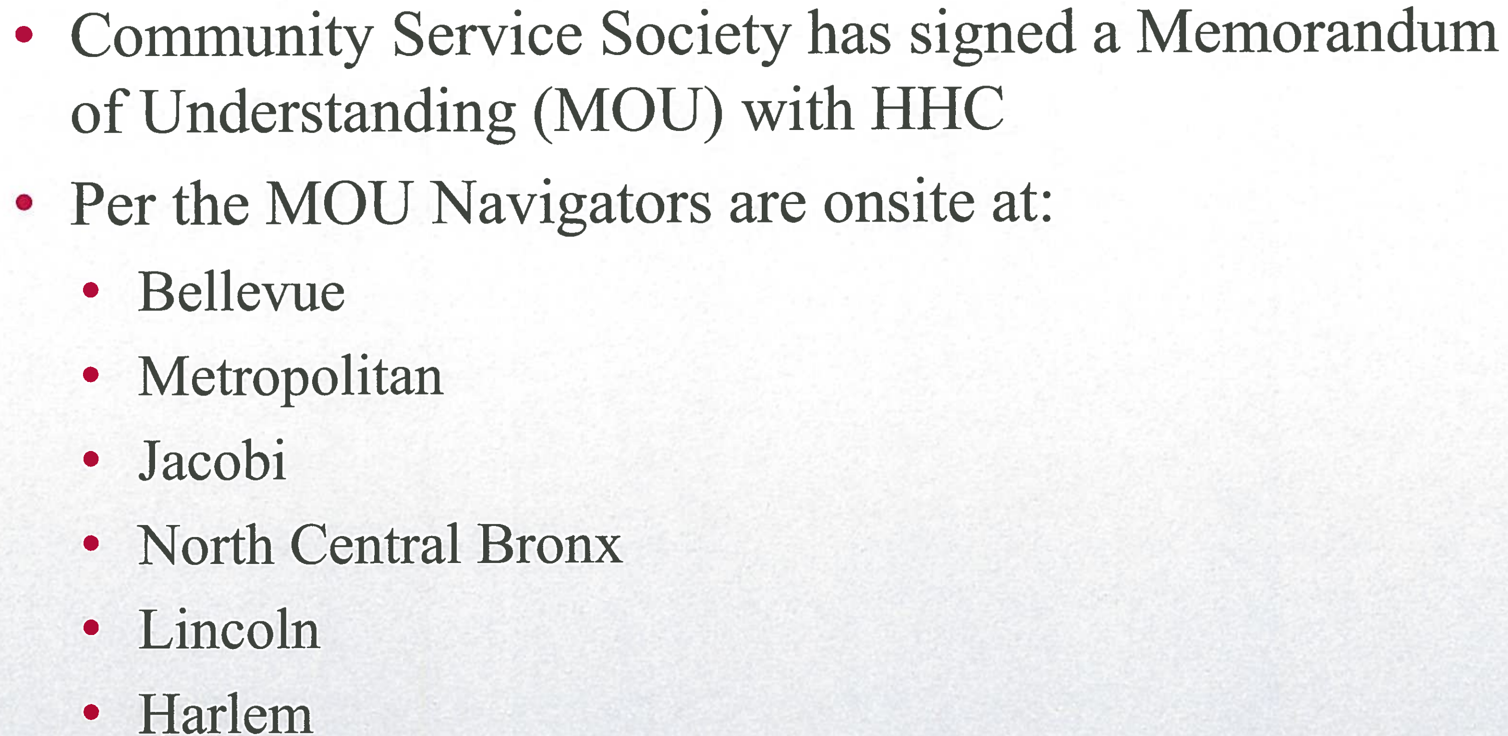
- NYS prioritized training:
  - Navigators
  - Health Plans
  - CACs
- 117 staff attended CAC training sessions– Every One Passed,
- GNYHA association arranged for HHC to have slots at the State Sponsored Training Program provide by Maximus,
- HHC expects to train more than 700 people Corporate-wide by March 2014,
- Metro Plus will train 36 staff starting December 10, 2013

Staff Training



- HHC has been certified as a CAC organization,
- Metro Plus had undergone its own training and certification process in October/November, and
- Staff trained by Maximus in the process of being certified by the State as both CACs and qualified CAC trainers.

Staff Certification

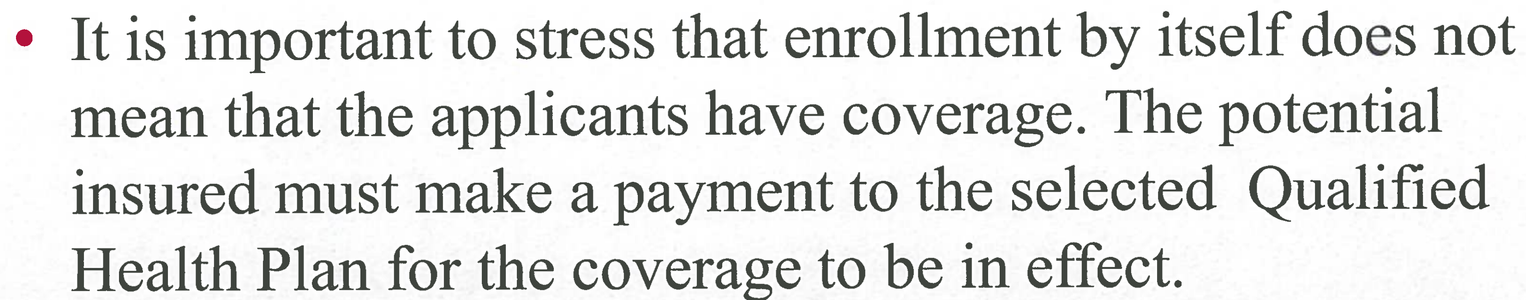


Navigators

- State-wide number of completed applications for the New York state of Health was **284, 440**. Of this number **91,103** individuals or families were enrolled. Approximately 45%, or 41,000 represented new Medicaid enrollees, and 50,000 enrolled in the Qualified Health Plans.

- Metro Plus has enrolled 5,038 individuals/families in the Qualified Health Plans. A vast majority, 49%, selected silver non -standard plans. More than 70 per cent of the enrollees are in the age bracket of 20 to 49 years of age. Those in the 20-35 age bracket account for almost one half of all enrollees. This is a very positive development, since this cohort represents relatively healthy people.

Enrollment

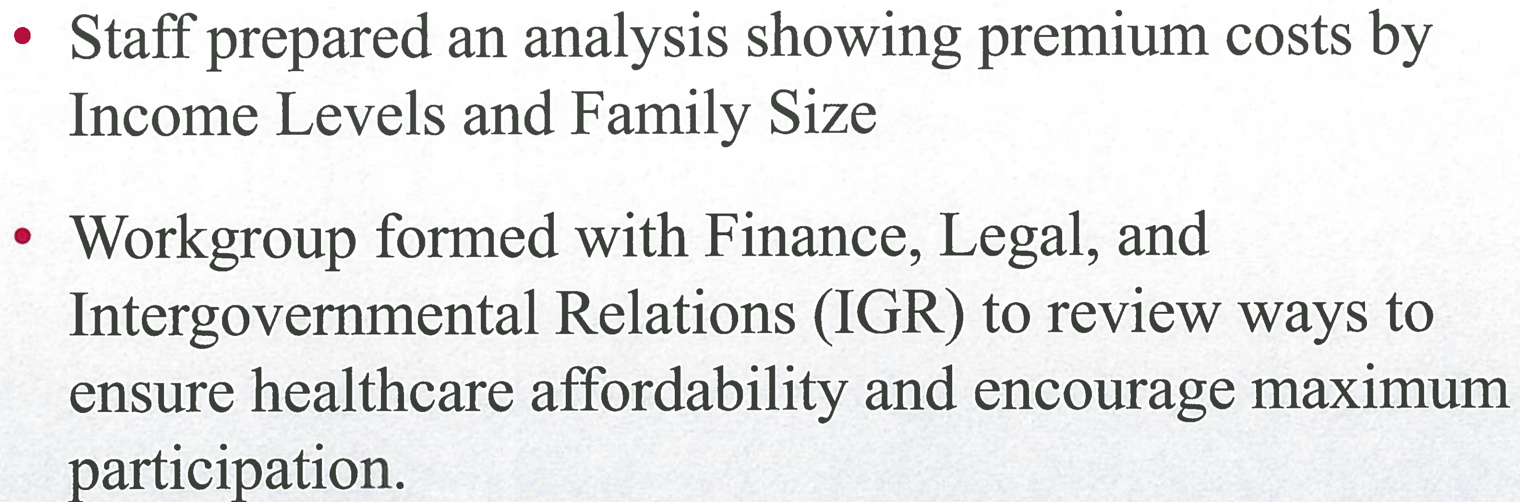


- It is important to stress that enrollment by itself does not mean that the applicants have coverage. The potential insured must make a payment to the selected Qualified Health Plan for the coverage to be in effect.

- There are two effective dates for coverage in 2014: December 23rd for January 1st, and March 15th for April 1st

Enrollment

Incentives



KEY INDICATORS
CASH RECEIPTS & DISBURSEMENTS REPORTS

KEY INDICATORS
FISCAL YEAR 2014 UTILIZATION

Year to Date
October 2013

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS						
	FY 14	FY 13	VAR %	FY 14	FY 13	VAR %	ACTUAL	EXPECTED	FY 14	FY 13
North Bronx										
Jacobi	143,824	147,529	-2.5%	6,809	6,373	6.8%	5.7	5.9	1.0163	1.1216
North Central Bronx	67,889	73,847	-8.1%	1,730	2,661	-35.0%	5.3	5.6	0.8968	0.7245
Generations +										
Harlem	118,508	99,752	18.8%	3,770	3,724	1.2%	5.6	6.0	0.9843	0.9575
Lincoln	189,291	181,788	4.1%	8,105	7,710	5.1%	4.6	5.3	0.8534	0.8947
Belvis DTC	19,053	19,664	-3.1%							
Morrisania DTC	28,048	26,240	6.9%							
Renaissance	17,097	19,672	-13.1%							
South Manhattan										
Bellevue	192,531	196,740	-2.1%	7,940	8,163	-2.7%	6.3	6.3	1.1574	1.1183
Metropolitan	132,889	132,467	0.3%	4,000	3,889	2.9%	4.5	5.2	0.7872	0.7933
Coler				90,533	83,395	8.6%				
Goldwater				46,485	94,718	-50.9%				
Gouverneur - NF				15,065	17,439	-13.6%				
Gouverneur - DTC	94,712	82,165	15.3%							
HJ Carter										
North Central Brooklyn										
Kings County	236,855	240,357	-1.5%	7,703	8,402	-8.3%	7.0	6.3	1.0541	0.9684
Woodhull	167,863	154,371	8.7%	4,403	4,547	-3.2%	5.0	5.1	0.8291	0.8089
McKinney				38,547	38,179	1.0%				
Cumberland DTC	29,347	30,472	-3.7%							
East New York	24,895	26,356	-5.5%							
Southern Brooklyn / S I										
Coney Island	116,251	111,649	4.1%	4,563	5,772	-20.9%	6.5	6.1	1.0240	1.0232
Seaview				36,744	36,466	0.8%				
Queens										
Elmhurst	215,005	220,362	-2.4%	7,681	8,204	-6.4%	5.4	5.3	0.8964	0.9285
Queens	139,933	138,038	1.4%	4,165	4,259	-2.2%	5.7	5.4	0.8866	0.9055
Discharges/CMI-- All Acutes				60,869	63,704	-4.5%			0.9596	0.9516
Visits-- All D&TCs & Acutes	1,933,991	1,901,469	1.7%							
Days-- All SNFs				227,374	270,197	-15.8%				

Notes:

Utilization

Acute: discharges excl. psych and rehab; reimbursable visits include clinics, emergency department and ambulatory surgery
D&TC: reimbursable visits
LTC: SNF and Acute days

All Payor CMI

Acute discharges are grouped using the 2012 New York State APR-DRGs

Average Length of Stay

Actual: discharges divided by days; excludes one day stays
Expected: weighted average of DRG specific corporate average length of stay using APR-DRGs

FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.

KEY INDICATORS

FISCAL YEAR 2014 BUDGET PERFORMANCE ($s in 000s)

Year to Date
October 2013

NETWORKS	FTE's VS 6/15/13	RECEIPTS actual	RECEIPTS better / (worse)	DISBURSEMENTS actual	DISBURSEMENTS better / (worse)	BUDGET VARIANCE better / (worse)	
North Bronx							
Jacobi	49.0	$ 159,206	$ (11,263)	$ 171,453	$ (995)	$ (12,259)	-3.6%
North Central Bronx	2.5	52,430	(6,454)	54,687	9,017	2,562	2.1%
	51.5	$ 211,636	$ (17,718)	$ 226,141	$ 8,021	$ (9,697)	-2.1%
Generations +							
Harlem	(33.5)	$ 95,907	$ (6,180)	$ 103,698	$ (2,819)	$ (8,998)	-4.4%
Lincoln	(10.0)	150,188	(4,000)	150,646	(4,035)	(8,035)	-2.7%
Belvis DTC	0.0	6,643	(447)	4,647	705	259	2.1%
Morrisania DTC	1.0	8,142	(181)	7,886	965	784	4.6%
Renaissance	(3.0)	3,598	(751)	6,629	(218)	(969)	-9.0%
	(45.5)	$ 264,478	$ (11,559)	$ 273,506	$ (5,401)	$ (16,960)	-3.1%
South Manhattan							
Bellevue	33.5	$ 203,703	$ (17,290)	$ 233,330	$ (16,125)	$ (33,415)	-7.6%
Metropolitan	19.5	94,527	(1,719)	92,986	3,785	2,066	1.1%
Coler	(4.5)	18,683	(5,399)	42,143	(7,570)	(12,970)	-22.1%
Goldwater	(138.0)	22,824	(12,863)	50,910	(18,590)	(31,453)	-46.2%
Gouverneur	5.5	22,053	(2,200)	27,337	13	(2,186)	-4.2%
HJ Carter	0.0	0	0	0	0	0	0.0%
	(84.0)	$ 361,789	$ (39,471)	$ 446,706	$ (38,488)	$ (77,959)	-9.6%
North Central Brooklyn							
Kings County	69.5	$ 206,280	$ (8,084)	$ 210,660	$ 3,738	$ (4,346)	-1.0%
Woodhull	37.0	106,270	(13,859)	124,729	(5,860)	(19,718)	-8.3%
McKinney	1.5	13,039	1,761	13,883	(185)	1,576	6.3%
Cumberland DTC	(1.0)	6,278	(1,496)	9,325	1,204	(292)	-1.6%
East New York	8.0	6,343	(1,243)	7,384	(299)	(1,542)	-10.5%
	115.0	$ 338,211	$ (22,921)	$ 365,980	$ (1,402)	$ (24,323)	-3.4%
Southern Brooklyn/SI							
Coney Island	24.0	$ 92,166	$ (8,702)	$ 109,466	$ (414)	$ (9,116)	-4.3%
Seaview	(8.0)	13,385	2,186	15,994	(541)	1,645	6.2%
	16.0	$ 105,551	$ (6,516)	$ 125,460	$ (955)	$ (7,471)	-3.2%
Queens							
Elmhurst	(6.5)	$ 175,431	$ (2,231)	$ 167,177	$ 4,424	$ 2,193	0.6%
Queens	(6.5)	108,705	(3,519)	111,480	(3,536)	(7,055)	-3.2%
	(13.0)	$ 284,136	$ (5,749)	$ 278,658	$ 888	$ (4,862)	-0.9%
NETWORKS TOTAL	**40.0**	**$ 1,565,801**	**$ (103,933)**	**$ 1,716,451**	**$ (37,337)**	**$ (141,271)**	**-4.2%**
Central Office	66.5	38,067	1,436	101,209	(161)	1,275	0.9%
HHC Health & Home Care	5.0	4,662	(5,248)	12,175	(2,843)	(8,091)	-42.1%
Enterprise IT	22.0	7,451	1,451	73,737	1,760	3,211	3.9%
GRAND TOTAL	**133.5**	**$ 1,615,982**	**$ (106,294)**	**$ 1,903,572**	**$ (38,582)**	**$ (144,876)**	**-4.0%**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.

Residents and Grants are included in the reported FTEs. Reported FTEs are compared to 6/15/13.

New York City Health & Hospitals Corporation
Cash Receipts and Disbursements (CRD)
Fiscal Year 2014 vs Fiscal Year 2013 (in 000's)
TOTAL CORPORATION

	Month of October 2013			Fiscal Year To Date October 2013		
	actual 2014	actual 2013	better / (worse)	actual 2014	actual 2013	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 76,661	$ 73,412	$ 3,249	$ 287,315	$ 308,641	$ (21,326)
Medicaid Managed Care	62,252	52,093	10,159	215,208	218,278	(3,070)
Medicare	36,983	43,851	(6,868)	167,077	183,116	(16,040)
Medicare Managed Care	20,733	16,122	4,611	91,102	74,426	16,676
Other	19,976	18,818	1,158	77,088	74,849	2,238
Total Inpatient	$ 216,605	$ 204,296	$ 12,308	$ 837,789	$ 859,311	$ (21,522)
Outpatient						
Medicaid Fee for Service	$ 42,516	$ 14,172	$ 28,345	$ 81,174	$ 61,023	$ 20,152
Medicaid Managed Care	24,872	29,840	(4,968)	214,276	119,874	94,401
Medicare	3,701	4,256	(555)	15,679	19,428	(3,748)
Medicare Managed Care	5,795	4,998	796	30,685	27,652	3,033
Other	11,192	10,957	235	62,642	47,006	15,637
Total Outpatient	$ 88,076	$ 64,223	$ 23,853	$ 404,456	$ 274,982	$ 129,474
All Other						
Pools	$ 5,995	$ 95,038	$ (89,043)	$ 113,208	$ 202,558	$ (89,350)
DSH / UPL	-	-	0	152,000	624,100	(472,100)
Grants, Intracity, Tax Levy	31,109	100	31,009	83,449	80,813	2,636
Appeals & Settlements	9,058	(3,964)	13,022	6,937	(9,712)	16,648
Misc / Capital Reimb	3,361	(78)	3,438	18,142	22,227	(4,085)
Total All Other	$ 49,523	$ 91,096	$ (41,573)	$ 373,736	$ 919,986	$ (546,250)
Total Cash Receipts	**$ 354,204**	**$ 359,616**	**$ (5,412)**	**$ 1,615,982**	**$ 2,054,279**	**$ (438,298)**
Cash Disbursements						
PS	$ 185,851	$ 184,303	$ (1,549)	$ 827,913	$ 847,082	$ 19,170
Fringe Benefits	83,831	62,736	(21,095)	303,470	243,374	(60,096)
OTPS	137,129	94,764	(42,366)	451,245	386,960	(64,285)
City Payments	-	-	0	-	141,363	141,363
Affiliation	76,137	75,008	(1,129)	296,018	302,250	6,232
HHC Bonds Debt	6,575	8,272	1,697	24,927	31,376	6,449
Total Cash Disbursements	**$ 489,524**	**$ 425,083**	**$ (64,441)**	**$ 1,903,572**	**$ 1,952,406**	**$ 48,833**
Receipts over/(under) Disbursements	**$ (135,320)**	**$ (65,467)**	**$ (69,853)**	**$ (287,591)**	**$ 101,874**	**$ (389,464)**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.

New York City Health & Hospitals Corporation
Actual vs. Budget Report
Fiscal Year 2014 (in 000's)
TOTAL CORPORATION

	Month of October 2013			Fiscal Year To Date October 2013		
	actual 2014	budget 2014	better / (worse)	actual 2014	budget 2014	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 76,661	$ 101,390	$ (24,730)	$ 287,315	$ 336,993	$ (49,678)
Medicaid Managed Care	62,252	59,388	2,864	215,208	236,938	(21,730)
Medicare	36,983	36,456	527	167,077	174,770	(7,693)
Medicare Managed Care	20,733	22,479	(1,746)	91,102	86,772	4,330
Other	19,976	22,051	(2,075)	77,088	80,984	(3,896)
Total Inpatient	$ 216,605	$ 241,764	$ (25,159)	$ 837,789	$ 916,457	$ (78,667)
Outpatient						
Medicaid Fee for Service	$ 42,516	$ 44,871	$ (2,354)	$ 81,174	$ 93,751	$ (12,576)
Medicaid Managed Care	24,872	32,655	(7,783)	214,276	216,268	(1,992)
Medicare	3,701	6,627	(2,926)	15,679	26,434	(10,755)
Medicare Managed Care	5,795	7,163	(1,369)	30,685	32,901	(2,217)
Other	11,192	14,421	(3,229)	62,642	67,759	(5,117)
Total Outpatient	$ 88,076	$ 105,737	$ (17,661)	$ 404,456	$ 437,113	$ (32,657)
All Other						
Pools	$ 5,995	$ 6,436	$ (441)	$ 113,208	$ 114,503	$ (1,294)
DSH / UPL	-	-	0	152,000	152,000	(0)
Grants, Intracity, Tax Levy	31,109	32,407	(1,298)	83,449	83,625	(176)
Appeals & Settlements	9,058	(2,361)	11,419	6,937	(4,336)	11,272
Misc / Capital Reimb	3,361	6,365	(3,004)	18,142	22,915	(4,772)
Total All Other	$ 49,523	$ 42,847	$ 6,675	$ 373,736	$ 368,706	$ 5,030
Total Cash Receipts	**$ 354,204**	**$ 390,349**	**$ (36,145)**	**$ 1,615,982**	**$ 1,722,276**	**$ (106,294)**
Cash Disbursements						
PS	$ 185,851	$ 183,528	$ (2,324)	$ 827,913	$ 822,605	$ (5,307)
Fringe Benefits	83,831	83,237	(594)	303,470	305,832	2,362
OTPS	137,129	120,728	(16,401)	451,245	413,046	(38,199)
City Payments	-	-	0	-	-	0
Affiliation	76,137	76,270	133	296,018	297,664	1,647
HHC Bonds Debt	6,575	6,961	386	24,927	25,843	916
Total Cash Disbursements	**$ 489,524**	**$ 470,724**	**$ (18,800)**	**$ 1,903,572**	**$ 1,864,991**	**$ (38,582)**
Receipts over/(under) Disbursements	**$ (135,320)**	**$ (80,375)**	**$ (54,945)**	**$ (287,591)**	**$ (142,715)**	**$ (144,876)**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.

RESOLUTION

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Hawkins Delafield & Wood LLP ("Hawkins") to provide bond counsel services related to the structuring and continuing implementation of the Corporation's financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: $420 for Partners, $360 for Senior Associates, $280 for Associates, $210 for Junior Associates, and $150 for paraprofessionals.

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

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

WHEREAS, Hawkins has served as bond counsel to the Corporation since 1995; and

WHEREAS, Hawkins' extensive health care experience and outstanding reputation among the credit rating agencies and the investment banking community has served the Corporation very well in the past; and

WHEREAS, through a Request for Proposals ("RFP") process for bond counsel services, a selection committee determined that Hawkins Delafield & Wood LLP is best qualified to provide the bond counsel services required; and

WHEREAS, the overall management of this contract will be under the direction of the Senior Vice President, Finance/Chief Financial Officer and Assistant Vice President, Debt Finance/Corporate Reimbursement Services.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute a contract with Hawkins Delafield & Wood LLP to provide bond counsel services related to the structuring and continuing implementation of the Corporation's financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: $420 for Partners, $360 for Senior Associates, $280 for Associates, $210 for Junior Associates and $150 for paraprofessionals.

EXECUTIVE SUMMARY

Hawkins Delafield & Wood LLP

Bond Counsel Services

The Corporation funds a vast majority of its major capital expenditures with the proceeds of bonds, notes, leases, or other publicly traded securities issued either by the Corporation or by a third-party on the Corporation's behalf. This activity has become increasingly diverse in recent years, encompassing fixed and variable rate bond issues, equipment leases, and lease-leaseback financings. The Corporation cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure and ancillary documents.

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

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

Hawkins was selected in 1995 and 1998 through a RFP process. In 2001 and 2004, the Corporation's Board of Directors approved Hawkins as its bond counsel for back-to-back three-year sole source contracts primarily due to the depth of Hawkins' health care experience and the firm's thorough working knowledge of the Corporation's legal and business components. Hawkins' knowledge was proven to be extremely beneficial to the Corporation during its' bond issuances in 1997, 1999, 2002, 2003, 2008 and 2010; and its 2004 capital lease financing. Hawkins has an intricate understanding of the Corporation's credit, legal structure and its relationship with the City of New York, resulting in effective advocacy on the Corporation's behalf. This can be demonstrated by Hawkins' successful interpretation of the Corporation's lockbox security structure to credit rating agencies which resulted in a Moody's upgrade from Baa3 to A3 in 2001. Hawkins' extensive health care experience and outstanding reputation among the credit rating agencies and the investment banking community has served the Corporation very well in the past. To ensure that the Corporation selected the highest level of expertise and services and to allow the Corporation an opportunity to consider other potential bond counsel firms, a RFP was issued in August 2007. Of the five responsive firms that submitted proposals, Hawkins was chosen by a Selection Committee comprised of representatives from the New York City Office of Management and Budget ("OMB"), New York City Office of the Comptroller ("NYC Comptroller's Office"), the Corporation's Finance staff and senior staff from Gouverneur Healthcare Services and Woodhull Hospital Center. Selection criteria included: overall firm and individual team members' experience in health care, New York City, tax-exempt/taxable debt; taxation experience in arbitrage rebate, legislative and/or regulatory issues; and firm's reputation. During the 2010 RFP process, Hawkins was chosen from the pool of seven firms that responded to the RFP.

Four firms responded to the RFP issued by the Corporation on July 22, 2013. Hawkins was ranked as the best qualified bond counsel firm by the Selection Committee that consisted of staff from two HHC Central Office divisions (Finance and Legal Affairs), Bellevue Hospital, OMB and the NYC Comptroller's Office.

CONTRACT FACT SHEET
New York City Health and Hospitals Corporation

Contract Title: Bond Counsel Services

Project Title & Number: N/A

Project Location: N/A

Successful Respondent:	Hawkins, Delafield & Wood LLP
Contract Amount:	Hourly fees as follows: Partners $420; Senior Associates $360; Associates $280; Junior Associates $210; Paraprofessional $150
Contract Term:	Three years, plus two (1) year renewal options; commencing December 1, 2013.

Requesting Dept.: Debt Finance/Corporate Reimbursement Services

Number of Respondents: Four
(If sole source, explain in background section)

Range of Proposals: Hourly Fees: Partners: $425-$395, Senior Associates: $375-$270, Associates $300-$245, Junior Associates: $225-$200, and Paraprofessionals: $150-$125
One Firm offered a blended rate of $500/hr, or a transaction fee structure.

Minority Business Enterprise Invited: ☑ Yes If no, please explain: ____________

Funding Source: ☐ General Care ☐ Capital
☐ Grant: explain ____________
☑ Other: explain Central budget and bond proceeds

Method of Payment: ☐ Lump Sum ☐ Per Diem ☑ Time and Rate
☐ Other: explain ____________

EEO Analysis: Approved (see attached)

Compliance with HHC's McBride Principles? ☑ Yes ☐ No

Vendex Clearance ☐ Yes ☐ No ☑ Awaiting Approval
(required for contracts In the amount of $50,000 or more awarded pursuant to an RFP or as a sole source, or $100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

***Background** (include description and history of problem; previous attempts, if any, to solve it; and how this contract will solve it):*

Hawkins Delafield & Wood LLP ("Hawkins") has served as the Corporation's bond counsel since November 1995. During the past 18 years, the firm assisted in all aspects of successfully structuring nine HHC bond issuances and two tax-exempt capital leases. Hawkins provided high quality counsel services in helping the Corporation interpret, understand and resolve many taxation, bond and legal issues it faced over the years.

Hawkins is a highly reputable public finance law firm in the U.S. and was ranked nationally as second most used bond counsel for long term debt issuances in 2008 through 2011. The attorneys and key staff assigned to HHC have 26 to 37 years of experience in health care and tax-exempt financing. The wealth and depth of Hawkins' health care experience is extremely beneficial to the Corporation. Hawkins' extensive health care experience and outstanding reputation among credit rating agencies and the investment banking community has served the Corporation very well in the past and will continue to do so in the future. Hawkins' thorough understanding of the Corporation's credit, legal structure, lockbox security mechanism and the close yet unique relationship with the City of New York has resulted in effective advocacy on the Corporation's behalf.

Bond counsel services are required by the Corporation on an ongoing basis - as long as the Corporation continues to fund capital needs through public debt issuances and/or any of the Corporation's tax-exempt debts are still outstanding.

Contract Review Committee

Was the proposed contract presented at the Contract Review Committee (CRC)? (include date):

No. HHC's Operating procedure 40-58 indicates that bond counsel services contracts are exempt from the CRC process.

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC? If so, please indicate how the proposed contract differs since presentation to the CRCs:

Not applicable.

Selection Process *(attach list of selection committee members, list of firms responding to RFP, list of firms considered, describe here the process used to select the proposed contractor, the selection criteria, and the justification for the selection):*

Selection Committee members:
Linda DeHart, HHC Debt Finance/Corporate Reimbursement Services, Assistant Vice President
Joanne Haberlin, HHC Office of Legal Affairs, Senior Counsel
Rebecca Fischer, Bellevue Hospital, Associate Executive Director
Michael Stern, New York City Office of the Comptroller, Director of Debt Management
Carmen Pigler, New York City Office of the Comptroller
Scott Ulrey and Jeff Werner, New York City Office of Management and Budget, Counsel

Firms that responded to the RFP:
Harris Beach PLLC
Hawkins, Delafield & Wood LLP
Nixon Peabody LLP
Winston & Strawn LLP

Firms considered:
Winston & Strawn was deemed to be non-responsive due to their billing/pricing structure (i.e. blended hourly rate of $500). All firms were evaluated by the Selection Committee.

History and Selection Process:
Hawkins was selected as bond counsel in 1995 and 1998 through an RFP process by a Selection Committee comprised of representatives from the New York City Office of Management and Budget ("OMB"), the New York City Office of the Comptroller, and the Corporation's Offices of Legal Affairs and Finance. Due to Hawkins' understanding of the Corporation's credit structure and its reputation among the investment community, HHC awarded Hawkins with three-year sole source contracts in 2001 and 2004. In 2007, Hawkins was one of 6 firms responding to the Corporation's RFP. The 2007 Selection Committee which consisted of staff from OMB, the New York City Office of the Comptroller, senior staff from Gouverneur Healthcare Services and Woodhull Hospital plus HHC's Office of Legal Affairs and HHC Finance determined that Hawkins was the best qualified bond counsel firm. In 2010, Hawkins was chosen from the pool of seven firms that responded to the RFP.

On September 6, 2013, the 2013 Bond Counsel Selection Committee ranked the four proposals that were received on August 15, 2013. The firms were judged on: (1) overall public finance experience (with extra credit given to New York City and healthcare experience), (2) taxation expertise, and (3) quality and experience of the attorneys assigned to HHC. Interviews of the top three ranked firms were held on September 24, 2013. The Selection Committee members submitted the evaluation forms for all the firms on the same day. Hawkins Delafield received the highest overall score.

Scope of work and timetable:

- Provide legal counsel at the Corporation's request in connection with matters related to the structuring and ongoing implementation of capital financing programs;
- Prepare and/or review documents (i.e., disclosure, security and ancillary documents) of lease and bond transactions, and assist the Corporation in negotiating such transactions;
- Render bond counsel opinions pertaining to the Corporation's authority to issue debt, the adequacy of disclosure, the legal validity under State law securities and tax-related issues;
- Discuss legal implications of proposed future HHC bond issues with rating agencies, credit enhancers and internal HHC personnel;
- Prepare arbitrage rebate compliance reports for all of HHC's tax-exempt obligations; and
- Other traditional bond counsel services not explicitly detailed above.

Timetable - Information Item at the following:
Finance Committee meeting: December 10, 2013
Board of Directors meeting: December 19, 2013
Contract commencing date: Retroactive to December 1, 2013

Costs/Benefits:

Hourly rates: Partners $420 per hour; Senior Associates $360 per hour; Associates $280, Junior Associates $210 per hour; and paraprofessionals $150 per hour.

Why can't the work be performed by Corporation staff:

The Corporation cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure, taxation and ancillary documents.

Will the contract produce artistic/creative/intellectual property? Who will own It? Will a copyright be obtained? Will it be marketable? Did the presence of such property and ownership thereof enter into contract price negotiations?

Not applicable.

CONTRACT FACT SHEET (continued)

Contract monitoring (include which Vice President is responsible):

Marlene Zurack, Senior Vice President and CFO, Finance, HHC
Linda DeHart, Assistant Vice President, Debt Finance/Corporate Reimbursement Services, HHC

Equal Employment Opportunity Analysis *(include outreach efforts to MBE/WBE's, selection process, comparison of vendor/contractor EEO profile to EEO criteria. Indicate areas of under-representation and plan/timetable to address problem areas):*

Received By E.E.O. ___________ (delivered via intra-office on 11/26/13)
Date

Analysis Completed By E.E.O. 12/2/2013 Manasses C. Williams
Date Name

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc
346 Broadway • Room 500B • New York, NY 10013 • Tel: 212-788-3380 • Fax: 212-788-3689

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO
manasses.williams@nychhc.org

TO: Nini Mar
Director
Central Office – Finance, Corporate Reimbursement

RECEIVED 12-5-13

FROM: Manasses C. Williams

DATE: December 2, 2013

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Hawkins Delafield & Wood LLP, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.
This company is a:
[ ] Minority Business Enterprise [ ] Woman Business Enterprise [X] Non-M/WBE

Project Location(s): HHC – Corporate Wide

Contract Number:___________ Project: Provide Legal Services

Submitted by: Central Office – Finance, Corporate Reimbursement

EEO STATUS:

1. [x] Approved

2. [ ] Conditionally approved with follow-up review and monitoring-No EEO Committee Review

3. [ ] Not approved

4. [ ] Conditionally approved subject to EEO Committee Review

COMMENTS:

c:

INFORMATION ITEM INFORMATION ITEM

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

(A Component Unit of the City of New York)

Statement of Revenue and Expenses

Periods ended September, 2013 and 2012

(in thousands)

	HHC		MetroPlus		Inter-Company Elimination Entries		Totals		
	2013	2012	2013	2012	2013	2012	2013	2012	Variance
Operating revenues:									
Net patient service revenue	$ 1,523,857	1,445,870	-	-	(216,169) (1)	(209,238) (1)	1,307,688	1,236,632	71,056
Appropriations from (remittances to) the City, net	1,225	(5,649)	-	-	-	-	1,225	(5,649)	6,874
Premium revenue	-	-	575,947	547,166	(5,676) (2)	(5,120) (2)	570,271	542,046	28,225
Grants revenue	48,429	49,485	-	-	-	-	48,429	49,485	(1,056)
Other revenue	11,269	11,778	1	1	-	-	11,270	11,779	(509)
Total operating revenues	1,584,780	1,501,484	575,948	547,167	(221,845)	(214,358)	1,938,883	1,834,293	104,590
Operating expenses:									
Personal services	607,959	595,934	14,073	12,516	-	-	622,032	608,450	13,582
Other than personal services	353,045	338,110	543,280	500,218	(216,169) (1)	(209,238) (1)	680,156	629,090	51,066
Fringe benefits and employer payroll taxes	288,205	295,698	3,995	4,829	(5,676) (2)	(5,120) (2)	286,524	295,407	(8,883)
Postemployment benefits, other than pension	75,597	97,111	3,266	3,206	-	-	78,863	100,317	(21,454)
Affiliation contracted services	231,842	227,241	-	-	-	-	231,842	227,241	4,601
Depreciation	65,543	65,122	671	499	-	-	66,214	65,621	593
Total operating expenses	1,622,191	1,619,216	565,285	521,268	(221,845)	(214,358)	1,965,631	1,926,126	39,505
Operating income (loss)	(37,411)	(117,732)	10,663	25,899	-	-	(26,748)	(91,833)	65,085
Nonoperating revenues (expenses):									
Investment income	600	1,171	554	336	-	-	1,154	1,507	(353)
Interest expense	(28,081)	(24,416)	-	-	-	-	(28,081)	(24,416)	(3,665)
Noncapital contributions	237	921	-	-	-	-	237	921	(684)
Total nonoperating revenues (expenses)	(27,244)	(22,324)	554	336	-	-	(26,690)	(21,988)	(4,702)
Income (Loss)	$ (64,655)	(140,056)	11,217	26,235	-	-	(53,438)	(113,821)	60,383

(1) Represents payments by Metroplus to HHC for medical services. Revenue and expenses are eliminated for consolidation purposes.

(2) Represents health benefits paid to Metroplus for HHC employees. Revenue and expenses are eliminated for consolidation purposes.