

**HHC ACO INC.
BOARD OF DIRECTORS
MEETING
August 14, 2014
At 2:30 p.m.
125 Worth Street, 5th Floor Board Room
New York City**

AGENDA

CALL TO ORDER

Dr. Ross M. Wilson

OLD BUSINESS

Dr. Ross M. Wilson

1. Approve and adopt minutes of the HHC ACO Inc. (the "Corporation") Board of Directors meeting held on November 6, 2013 (Exhibit A)

NEW BUSINESS

Dr. Ross M. Wilson / Dr. Ramanathan Raju

1. RESOLUTION authorizing, pursuant to § 4.11 of the Amended and Restated By-laws of the Corporation (the "By-laws"), that Alan D. Aviles, due to the conclusion of his term as President of the New York City Health and Hospitals Corporation ("HHC") on March 31, 2014, conclude his term as a Director of the Corporation as of that date, subject to approval and ratification by HHC;

AND

Authorizing, pursuant to § 5.10 of the By-laws, that Alan D. Aviles, due to the conclusion of his term as President of HHC as of March 31, 2014, conclude his term as the Corporation's Chairman of the Board as of that date;

AND

Authorizing, pursuant to § 4.13 of the By-laws, that Ramanathan Raju, M.D. be elected to serve as a Director of the Corporation as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju's employment as President of HHC as of that date, subject to approval and ratification by HHC;

AND

Authorizing, pursuant to § 5.02 of the By-laws, that Ramanathan Raju, M.D. be elected to serve as the Corporation's Chairman of the Board as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju's employment as President of HHC as of that date.

2. RESOLUTION approving and adopting amended and restated By-laws of the Corporation (Exhibit B), modifying Article 4 (Directors) and Article 5 (Officers), subject to approval and ratification by HHC, the Corporation's sole Member.
3. RESOLUTION authorizing KPMG LLP ("KPMG") to provide the Corporation with auditing services and other directly related services for a term of four (4) years, as set forth in a Resolution approved by the Board of Directors of HHC on April 24, 2014 (Exhibit C).
4. WELCOMING OF NEW BOARD MEMBERS
5. REPORT by Chief Executive Officer, Ross M. Wilson, M.D. on the Corporation's activities and related matters

ADJOURNMENT

Dr. Ramanathan Raju

RESOLUTION OF HHC ACO INC. (“CORPORATION”)

Authorizing, pursuant to § 4.11 of the Amended and Restated By-laws of the Corporation (the “By-laws”), that Alan D. Aviles, due to the conclusion of his term as President of the New York City Health and Hospitals Corporation (“HHC”) on March 31, 2014, conclude his term as a Director of the Corporation as of that date, subject to approval and ratification by HHC;

AND

Authorizing, pursuant to § 5.10 of the By-laws, that Alan D. Aviles, due to the conclusion of his term as President of HHC as of March 31, 2014, conclude his term as the Corporation’s Chairman of the Board as of that date;

AND

Authorizing, pursuant to § 4.13 of the By-laws, that Ramanathan Raju, M.D. be elected to serve as a Director of the Corporation as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju’s employment as President of HHC as of that date, subject to approval and ratification by HHC;

AND

Authorizing, pursuant to § 5.02 of the By-laws, that Ramanathan Raju, M.D. be elected to serve as the Corporation’s Chairman of the Board as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju’s employment as President of HHC as of that date.

WHEREAS, the Corporation previously appointed Alan D. Aviles to serve as a Director of the Corporation and Chairman of the Corporation’s Board of Directors and, due to the conclusion of Mr. Aviles’s term as President of HHC as of March 31, 2014, now wishes to conclude his term as a Director of the Corporation and as Chairman of the Board as of that date; and

WHEREAS, the Corporation wishes to elect Ramanathan Raju, M.D as a Director of the Corporation and as Chairman of the Corporation’s Board of Directors as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju’s employment as President of HHC as of that date.

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation hereby authorizes, pursuant to § 4.11 of the By-laws, that Alan D. Aviles conclude his term as a Director of the Corporation as of March 31, 2014, due to the conclusion of his term as President of HHC as of that date, subject to approval and ratification by HHC; and

RESOLVED, that the Corporation hereby authorizes, pursuant to § 5.10 of the By-laws, that Alan D. Aviles conclude his term as the Corporation’s Chairman of the Board as of March 31, 2014, due to the conclusion of his term as President of HHC as of that date; and

RESOLVED, that the Corporation hereby authorizes, pursuant to § 4.13 of the By-laws, that Ramanathan Raju, M.D. be elected to serve as a Director of the Corporation as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju's employment as President of HHC as of that date, subject to approval and ratification by HHC; and

RESOLVED, that the Corporation hereby authorizes, pursuant to § 5.02 of the By-laws, that Ramanathan Raju, M.D. be elected to serve as the Corporation's Chairman of the Board as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju's employment as President of HHC as of that date.

RESOLUTION OF HHC ACO INC. (“CORPORATION”)

Approving and adopting amended and restated By-laws of the Corporation (Exhibit B), modifying Article 4 (Directors) and Article 5 (Officers), subject to approval and ratification by the New York City Health and Hospitals Corporation (“HHC”), the Corporation’s sole Member.

WHEREAS, the Corporation previously approved and adopted amended and restated By-laws regulating the conduct and the affairs of the Corporation and now wishes to approve and adopt further amended and restated By-laws (Exhibit B), modifying Article 4 (Directors) and Article 5 (Officers), subject to approval and ratification by HHC.

NOW, THEREFORE, BE IT

RESOLVED, that further amended and restated By-laws of the Corporation (Exhibit B), modifying Article 4 (Directors) and Article 5 (Officers), are hereby approved and adopted as the By-laws of the Corporation, subject to approval and ratification by HHC.

RESOLUTION OF HHC ACO INC. (“CORPORATION”)

Authorizing KPMG LLP (“KPMG”) to provide the Corporation with auditing services and other directly related services for a term of four (4) years, as set forth in a Resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation (“HHC”) on April 24, 2014 (Exhibit C).

WHEREAS, Corporation is a wholly owned subsidiary of HHC, which as a public authority is required by city, state and federal regulations to engage an independent certified public accounting firm to audit its annual financial statements;

WHEREAS, due to the nature of the financial relationship between Corporation and HHC, it is most efficient for a single certified public accounting firm to provide auditing services for both the Corporation and HHC;

WHEREAS, HHC, in accordance with its policies and procedures, selected KPMG to provide HHC with auditing services and other directly related services, including auditing and rendering an opinion on Corporation’s annual statutory financial statements and issuing a management letter for the Corporation (if deemed necessary), for a term of four (4) years;

WHEREAS, the charges for such auditing services and other directly related services provided to the Corporation shall be determined in accordance with the rates agreed upon for similar services provided to HHC; and

WHEREAS, HHC’s Board of Directors approved a Resolution authorizing this agreement with KPMG on April 24, 2014 (Exhibit C).

NOW, THEREFORE, BE IT

RESOLVED, that KPMG is hereby authorized to provide the Corporation with auditing services and other directly related services for a term of four (4) years, as set forth in a Resolution approved by the Board of Directors of HHC on April 24, 2014 (Exhibit C).

EXHIBIT A

**HHC ACO INC.
MINUTES OF THE
BOARD OF DIRECTORS MEETING
November 6, 2013
125 Worth Street, 5th Floor
Board Room
New York City**

ATTENDEES

BOARD MEMBERS

Alan D. Aviles
Jeromane Berger-Gaskin
Balavenkatesh Kanna, M.D.
Luis R. Marcos, M.D.
Antonio D. Martin
Salvatore J. Russo
Ross Wilson, M.D.
Marlene Zurack

HHC STAFF

Nancy Barnicle, Executive Secretary
Megan Cunningham, Associate Director
John Jurenko, Senior AVP
Nicholas Stine, M.D., Chief Medical Officer
Jay Weinman, Corporate Comptroller
Jaye Weisman, Chief Operating Officer

CALL TO ORDER

The meeting of the Board of Directors of the HHC ACO Corporation (“Board”) was called to order by Alan D. Aviles, Chair of HHC ACO, Inc. (“Corporation”), at 8:08 a.m.

OLD BUSINESS

Mr. Aviles entertained a motion to adopt the minutes of the August 29, 2012 meeting of the Board, as previously distributed with the Agenda for the November 6, 2013 meeting. A motion was duly made and seconded. There being no corrections to the minutes offered by the members of the Board, the motion to adopt the minutes was unanimously approved.

NEW BUSINESS

The first item on the agenda was to welcome new members to the Board. Mr. Aviles introduced Dr. Luis Marcos, representing the Physician Affiliate Group of New York (“PAGNY”); Dr. Balavenkatesh Kanna, representing the PAGNY Faculty Practice Plans; and Jeromane Berger-Gaskin, a Medicare beneficiary.

The next agenda item was a report from the Chief Executive Officer of the Corporation, Dr. Ross Wilson. Dr. Wilson began with a high-level overview of accountable care, a healthcare payment model that incentivizes the achievement of the Triple Aim. If an Accountable Care Organization (“ACO”) is able to demonstrate improved care and reduced costs to Medicare, it can share in the savings up to fifty percent. In a one-sided risk environment, there is no penalty to the ACO if it fails to reach benchmarks.

Research indicates that there is no relationship between the quality and cost of healthcare services. The more money spent does not always equate to better care, and lower spending is not necessarily linked to diminished outcomes. The ACO model challenges groups of healthcare providers to identify and address the factors that are driving spending, other than quality.

ACO arrangements are underway across the country, with a greater concentration on the east coast. A small number of the 32 ACOs that joined the Pioneer program have dropped out because the burden of the startup work was not pre-paid by the incentive available. For some organizations, an ACO may not currently be sustainable. However, it is critical to learn about this model because the healthcare payment system is moving toward shared savings. The HHC ACO is participating in the Medicare Shared Savings Program (“MSSP”) to prepare for this future state.

Dr. Wilson then described characteristics of the approximately 13,000 Medicare beneficiaries currently attributed to the HHC ACO. As compared to all beneficiaries attributed to MSSP ACOs nationwide, the HHC ACO population has slightly more end-stage renal disease, and significantly higher rates of disabled and aged dual-eligible beneficiaries. The top diagnoses are diabetes and major psychiatric disorders.

Medicare data showing expenditures for HHC ACO beneficiaries versus the national fee-for-service population indicate that HHC spent more money on inpatient care than the national average, less money on skilled nursing facilities, less on outpatient/Part B care, approximately the average on home health and durable medical goods, and significantly less on hospice. Ms. Zurack inquired whether the Medicare data was adjusted to reflect regional rate differentials. Dr. Wilson indicated that this is preliminary data to be used as a starting point for further conversation rather than drawing conclusions.

Medicare also provided data on the causes of inpatient admissions for HHC ACO beneficiaries. The admission rate for heart failure has been steadily declining in recent years. For uncontrolled

diabetes and diabetes short-term complications, the admission rate is high. The HHC ACO is seeking to better understand the difference between the asthma and chronic obstructive pulmonary disease admission rates. The HHC ACO will review data on the number of ambulatory visits by facility as a guide to focus its clinical outreach and education efforts.

Elmhurst Hospital Center (“Elmhurst”) patients are not included in this dataset, because until recently the Part B charges for this population were billed through the tax identification number (“TIN”) for Icahn School of Medicine at Mount Sinai (“Sinai”). Sinai recently obtained and began billing under a new TIN for the providers delivering services at Elmhurst, which should permit these patients to be attributed to the HHC ACO beginning in 2014.

Mr. Aviles inquired about the total number of Medicare beneficiaries currently attributed to the HHC ACO. Dr. Wilson responded that it is more than 13,000 beneficiaries. The HHC ACO is seeing quarterly churn based on where beneficiaries receive the plurality of their primary care services. Mr. Aviles asked about how many beneficiaries were likely to be attributed in the short term. Dr. Wilson indicated that the HHC ACO might see another 3,000 once the Elmhurst patients are attributed.

Dr. Marcos questioned how many Medicare patients are treated by HHC. Dr. Wilson noted that the HHC ACO serves the Medicare fee-for-service population, which is a small percentage of the overall Medicare population. Ms. Zurack indicated that a new payer-mix report was forthcoming that would provide precise figures.

Dr. Marcos asked how Medicare assigns beneficiaries to an ACO. Dr. Wilson explained that Medicare retrospectively evaluates where primary care services were delivered and attributes patients to the ACO that provided the plurality of such services. In the local environment, Sinai and Montefiore are the two largest ACOs to which patients that also receive care at HHC are being attributed. NYU does not have an ACO at the present time, due to its focus on bundled payment models rather than shared savings. Mr. Russo stated that the threshold for assignment is the “plurality” rather than “majority” of primary care services, because there could be multiple sites where patients receive care.

Dr. Wilson distributed a document outlining the activities undertaken by the HHC ACO in the last twelve months. Medicare is closely monitoring all aspects of MSSP ACO operations. HHC ACO personnel participate on a monthly conference call with a CMS Coordinator. The HHC ACO is satisfying the all MSSP requirements and will report on quality measure performance for 2013 in the first quarter of 2014.

The HHC ACO was required to send all attributed beneficiaries a standard letter to inform them of the ACO and provide opportunity to opt out of having their Medicare claims data shared. A very small number of beneficiaries declined data sharing. The HHC ACO established a hotline for patients to call with questions. Mr. Russo inquired whether that service was managed in-house or contracted. Dr. Wilson responded that it was managed by HHC ACO personnel out of Central Office. To the extent appropriate and possible, the HHC ACO makes use of HHC

resources. Ms. Zurack introduced Jay Weinman, Corporate Comptroller, and noted that the HHC ACO will need to carefully account for all expenses.

The HHC ACO communications strategy is being implemented, beginning with presentations to facility-level leadership and doctors. A physician advisory group will be established to discuss how the ACO can improve patient care. The HHC ACO wants to avoid having two standards of care across HHC, so any innovations developed for this group will be broadly applied. The HHC ACO also has a website.

Sinai recently signed a Participation Agreement to add providers delivering services at Elmhurst to the HHC ACO. As a Participant, Sinai is eligible to have access to the Board and share in the distribution of savings.

Most HHC ACO activity to date relates to working with Bert Robles and the information technology (“IT”) department to automate quality reporting on the 33 ACO indicators. Some data will need to be manually abstracted. IT engaged an external vendor that specializes in MSSP ACOs to assist with data collection and reporting. IT is dedicating significant effort to developing an ACO patient registry and integrating data sources, which should be fully functional in 2014.

Medicare will begin providing claims data next month, which will enable the HHC ACO to understand all costs to Medicare associated with the attributed beneficiaries, even for care delivered outside of HHC. Using this claims data, HHC will also have the opportunity to analyze its billing practices. Mr. Aviles questioned how current the claims data will be. Dr. Weisman responded that there would be approximately a three-month lag, to allow Medicare time to adjudicate the claims.

The HHC ACO is yet to build infrastructure to monitor the financial aspects of its operations, particularly the internal costs. However, recordkeeping is in place to enable this to occur. The challenge will be allocating costs incurred by the HHC ACO through existing HHC employees and structures. Most of the costs at the present time are fairly low.

Dr. Wilson expressed confidence that the HHC ACO would be able to successfully report and be evaluated by Medicare this year; however, the HHC ACO does not project savings in the first performance year. In order to share savings, an ACO must both satisfy quality reporting requirements and reduce costs. Ms. Zurack asked whether Medicare provided a benchmark against which savings would be calculated. Dr. Wilson noted that Medicare has modified its formula for calculating savings on several occasions, which is further complicated by HHC’s arrangements for Part B billing. The HHC ACO will withhold judgment on the benchmarks or the expected financial outcomes for this year until Medicare provides claims data in December.

Mr. Aviles inquired whether the HHC ACO has independently validated Medicare’s attribution of fee-for-service beneficiaries, because the number seems low given the total number of Medicare patients served by HHC. Dr. Wilson responded that HHC’s finance department

conducted an analysis during the MSSP application phase. This analysis predicted that the HHC ACO would have 12,000 to 25,000 attributed beneficiaries based on a threshold of two primary care visits. Many individuals had emergency department visits without any primary care visits, and it was unknown whether those patients received primary care elsewhere. Mr. Aviles asked if this data included primary care visits with faculty practice plans as well as HHC primary care visits. Ms. Zurack indicated that it did, because faculty practice plan visits mirror technical visits.

The composition of the HHC ACO Board has changed since the last meeting. The leaders of the four PAGNY professional corporations recently convened to nominate a single representative to the HHC ACO Board. Dr. Kanna was selected by his peers for a one-year term. PAGNY also has a dedicated seat on the Board, occupied by its Chief Executive Officer Dr. Marcos. Ms. Berger-Gaskin serves on the Board as a Medicare beneficiary to keep patient care at the forefront of HHC ACO activities.

To date, the HHC ACO has been highly focused on developing its infrastructure. Over the next 12 months, the HHC ACO will have a reasonable understanding of quality and claims performance against Medicare benchmarks. The HHC ACO will need to formalize its mechanical and business structures, and finalize a compliance plan.

The next item of business was the distribution of the *Acknowledgement of Fiduciary Duties and Responsibilities* (“Acknowledgement”) identified as item three on the Agenda. Mr. Aviles asked each Board member to review and sign the Acknowledgement, which is required by state law because the HHC ACO is a public authority. The Acknowledgement is a statement by Board members that they understand the mission of the HHC ACO and their fiduciary responsibility to act in the best interests of the HHC ACO.

The next item of business was consideration of a Resolution that relates to officers of the Corporation. A motion was made and duly seconded to adopt the Resolution identified as number four on the Agenda that was previously distributed to the Board:

4. RESOLUTION authorizing that the following persons are hereby elected to serve in the offices of the Corporation set forth opposite his or her name below, to serve, subject to such person’s earlier death, resignation or removal, in accordance with the laws of the State of New York until such person’s successor is duly elected and qualified:

<u>Name</u>	<u>Office</u>
Alan D. Aviles	Chairman
Ross Wilson, M.D.	Chief Executive Officer
Marlene Zurack	Treasurer
Salvatore J. Russo	Secretary

There was no further discussion of the motion. The motion was unanimously approved.

The next item of business was consideration of a Resolution that relates to the establishment of a Governance Committee of the Corporation. A motion was made and duly seconded to adopt the Resolution identified as number five on the Agenda that was previously distributed to the Board:

5. RESOLUTION authorizing the establishment of a Governance Committee of the Corporation, pursuant to Article 4, Section 4.11 of the Corporation's by-laws and whose purposes and powers are set forth in its Charter (Exhibit C) annexed to the Resolution, and such Governance Committee shall be comprised of the following three persons, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified:

Name

Alan D. Aviles

Antonio D. Martin

Ross Wilson, M.D.

Mr. Russo explained that the Governance and Audit Committees were being established to meet the requirements of the Public Authorities Accountability Act.

There was no further discussion of the motion. The motion was unanimously approved.

The next item of business was consideration of a Resolution that relates to the establishment of an Audit Committee of the Corporation. A motion was made and duly seconded to adopt the Resolution identified as number six on the Agenda that was previously distributed to the Board:

6. RESOLUTION authorizing that Marlene Zurack is relieved of her responsibilities to perform the audit functions of the Corporation, which audit functions are being assumed by an Audit Committee of the Corporation, established pursuant to Article 4, Section 4.11 of the Corporation's by-laws and whose purposes and powers are set forth in its Charter (Exhibit D) annexed to the Resolution, and such Audit Committee shall be comprised of the following three persons, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified:

Name

Antonio D. Martin

Salvatore J. Russo

Luis R. Marcos, M.D.

Ms. Zurack asked Mr. Russo whether he had spoken with Wayne McNulty, Chief Corporate Compliance Officer, regarding his view of potential conflicts of interest. Mr. Russo confirmed that there are no conflicts of interest because the CEO and Chairman of HHC ACO will not serve on the Audit Committee. The Audit Committee members will operate independently in auditing the Corporation.

There was no further discussion of the motion. The motion was unanimously approved.

The final item of new business was consideration of a Resolution that relates to expanding the number of Directors on the Board. A motion was made and duly seconded to adopt the Resolution identified as number seven on the Agenda that was previously distributed to the Board:

7. RESOLUTION authorizing that the number of Directors of the Corporation's Board of Directors be fixed at nine, subject to approval by the Centers for Medicare and Medicaid Services ("CMS") of the Participation Agreement executed between the ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI doing business as Mount Sinai Elmhurst Faculty Practice Group ("Elmhurst FPP") and the Corporation;

AND

Authorizing, upon such CMS approval, that the person designated below is hereby elected to serve as an additional Director of the Corporation's Board of Directors, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified, subject to approval and ratification by the Corporation's sole Member, the New York City Health and Hospitals Corporation ("HHC"):

A Director to be named by the Elmhurst FPP, as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of the Corporation;

AND

Authorizing, upon such CMS approval, that the existing non-HHC Participants Director shall hereafter be named pursuant to a designation by a majority in number of the Corporation's ACO Participants, as defined in 42 C.F.R. Part 425, other than HHC and the Elmhurst FPP, that have executed Participation Agreements with the Corporation, which Director is specified in a writing signed by such majority that is delivered to the Chairman of the Corporation

Mr. Russo noted two primary aspects of the Resolution. First, the MSSP regulations specify that 75% control of the Board of Directors for an ACO must be held by Participants. Ms. Berger-Gaskin and Dr. Marcos do not meet the technical definition of Participants. Second, the by-laws of the Corporation and the Certificate of Incorporation establish the HHC ACO as a membership corporation with HHC as the sole member. Expansion of the HHC ACO Board must be approved by the full HHC Board of Directors. Mr. Aviles explained that the Elmhurst FPP will designate an individual to fill this new position at a later date.

Ms. Zurack asked for clarification about how the Elmhurst FPP is defined. Dr. Wilson answered that it includes Elmhurst physicians that previously billed under Sinai's TIN, who will now bill under a separate TIN for services rendered to patients at Elmhurst. Ms. Zurack advised that the name used in the Resolution may not be the ultimate name associated with the Elmhurst FPP. Mr. Aviles responded that if the name is subsequently changed, the Resolution will be duly updated.

Dr. Marcos questioned whether the Elmhurst FPP would have a separate incorporation from Sinai, with its own by-laws and governance. Mr. Russo stated that was unknown but that the

Elmhurst FPP satisfies the requirements of a Participant. The group has a unique TIN and will conform to all requirements to uphold the TIN. Dr. Wilson explained that Sinai has a different relationship and legal structure with the Elmhurst FPP than PAGNY has with its professional corporations.

There was no further discussion of the motion. The motion was unanimously approved.

Mr. Aviles asked whether there was any additional business. Dr. Wilson reminded the Board that it does not have the power to independently alter its members of by-laws. Certain resolutions approved by the HHC ACO Board are subject to ratification by the full HHC Board of Directors.

Ms. Berger-Gaskin inquired about the strategy for conducting outreach to community members about the HHC ACO. Dr. Wilson explained that the HHC ACO's communications have been limited to assigned beneficiaries and their providers. Because the HHC ACO represents only a small percentage of the overall population served by HHC, it is difficult to reach out to the general community on this topic. Dr. Wilson suggested that Ms. Berger-Gaskin meet with Dr. Weisman so that the HHC ACO might benefit from her recommendations in this regard.

ADJOURNMENT

There being no further business, Mr. Aviles adjourned the meeting at 9:00 a.m. *sine die*.

Respectfully submitted,

Salvatore J. Russo
Secretary

Adopted _____

EXHIBIT B

AMENDED AND RESTATED

BY-LAWS

OF

HHC ACO INC.

AS OF AUGUST __, 2014

Article 1.

Definitions

Section 1.01 Name. The “Corporation” shall mean HHC ACO INC., its successors and assigns.

Section 1.02 Board. The “Board” shall mean the Board of Directors of the Corporation.

Article 2.

Office

Section 2.01 Office. The office of the Corporation shall be located in the County of New York and the State of New York.

Section 2.02 Additional Offices. The Corporation may also have offices at such other places within the State of New York as the Board may from time to time designate or the business of the Corporation may require.

Article 3.

Membership

Section 3.01 Members. The sole Member of the Corporation shall be the New York City Health and Hospitals Corporation.

Section 3.02 Annual Meeting. A meeting of the Member shall be held annually on such date and at such time and place as may be fixed by the Board, and adopted by the Member, for the purpose of electing Directors, receiving annual reports of the Board and Officers, and for the transaction of such other business as may be brought before the meeting.

Section 3.03 Special Meetings. Special meetings of the Member may also be called at any time by the Member's Chairman, by the Member or a majority of the Member's Directors then in office, or as otherwise provided by law.

Section 3.04 Place and Time of Meetings. Meetings of the Member may be held at such place and at such time as may be fixed in the notice of the meeting.

Section 3.05 Open Meetings. Meetings of the Member shall be conducted within the requirements of the New York Open Meetings Law (Public Officers Law, Article 7).

Section 3.06 Participation by Videoconference. Unless otherwise prohibited by the New York Open Meetings Law, meetings of the Member may be conducted by means of videoconference communications equipment allowing all persons participating in the meeting to hear and see each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Article 4.

Directors

Section 4.01 Annual Meeting. A meeting of the Board shall be held annually at such place within the State of New York, on such date and at such time as may be fixed by the Board, for the purpose of electing Officers, receiving annual reports of the Board and Officers, and for the transaction of such other business as may be brought before the meeting.

Section 4.02 Number. The number of Directors constituting the entire Board shall be fixed by the Member, but such number shall not be less than three.

Section 4.03 Election and Term of Office. The initial Directors of the Corporation shall be those persons specified in the Certificate of Incorporation of the Corporation. Thereafter, the Directors shall be elected by the Member at the annual meeting or at any regular or special meeting of the Member of the Corporation. Each Director shall hold office until the next annual meeting of the Member and until such Director's successor has been elected and qualified, or until his or her death, resignation or removal or the termination of his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement with the Corporation.

Section 4.04 Powers and Duties. Subject to the provisions of law, of the Certificate of Incorporation and of these By-Laws, but in furtherance and not in limitation of any rights and powers thereby conferred, the Board shall have the control and management of the affairs and operations of the Corporation and shall exercise all the powers that may be exercised by the Corporation.

Section 4.05 Additional Meetings. Regular meetings of the Board may be held at such times as the Board may from time to time determine. Special meetings of the Board may

also be called at any time by the Chairman or by a majority of the Directors then in office.

Section 4.06 Notice of Meetings. Except as otherwise provided by law, including without limitation, the New York Open Meetings Law (Public Officers Law, Article 7), no notice need be given of any annual or regular meeting of the Board. Notice of a special meeting of the Board shall be given by service upon each Director in person or by mailing the same to him at his or her post office address as it appears upon the books of the Corporation or by facsimile, telegraph, cable, email or other form of recorded communication at least four business days (Saturdays, Sundays and legal holidays not being considered business days for the purpose of these By-Laws) if given by mailing the same, or at least 2 business days if given in person or by any other means of communication, before the date designated for such meeting specifying the place, date and hour of the meeting. Whenever all of the Directors shall have waived notice of any meeting either before or after such meeting, such meeting shall be valid for all purposes. A Director who shall be present at any meeting and who shall not have protested, prior to the meeting or at its commencement, the lack of notice to him, shall be deemed to have waived notice of such meeting. In any case, any acts or proceedings taken at a Directors' meeting not validly called or constituted may be made valid and fully effective by ratification at a subsequent Directors' meeting that is legally and validly called. Except as otherwise provided herein, notice of any Directors' meeting or any waiver thereof need not state the purpose of the meeting, and, at any Directors' meeting duly held as provided in these By-Laws, any business within the legal province and authority of the Board may be transacted.

Section 4.07 Place of Meetings. The Board may hold its meetings within the State of New York.

Section 4.08 Quorum. At any meeting of the Board, a majority of the Directors then in office shall be necessary to constitute a quorum for the transaction of business. However, should a quorum not be present, a majority of the Directors present may adjourn the meeting from time to time to another time and place, without notice other than announcement at such meeting, until a quorum shall be present.

Section 4.09 Voting. At all meetings of the Board, each Director shall have one vote. Except as otherwise provided by the New York Not-For-Profit Corporation Law, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board.

Section 4.10 Action Without a Meeting. Except as otherwise provided by law, including without limitation, the New York Open Meetings Law (Public Officers Law, Article 7), any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or any such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or any such committee shall be filed with the minutes of the proceedings of the Board or such committee.

Section 4.11 Removal. Any Director may be removed for any reason by the Member.

Section 4.12 Resignation. Any Director may resign from office at any time by delivering a resignation in writing to the Board of Directors, and the acceptance of the resignation, unless required by its terms, shall not be necessary to make the resignation effective.

Section 4.13 Vacancies. Any newly created directorships and any vacancy occurring on the Board arising at any time and from any cause may be filled by the Member. A Director elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

Section 4.14 Committee. The Board, by resolution adopted by a majority of the entire Board, may designate from among the Directors an executive committee and other standing committees, each consisting of three or more Directors, to serve at the pleasure of the Board, and each of which, to the extent provided in such resolution, shall have the authority of the Board, except as to matters prohibited by Section 712 of the New York Not-For Profit Corporation Law. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

Section 4.15 Participation by Videoconference. Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of a videoconference communications equipment allowing all persons participating in the meeting to hear and see each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 4.16 Records. Minutes shall be kept of each meeting of the Board. Copies of the minutes of each such meeting shall be filed with the corporate records.

Article 5.

Officers

Section 5.01 Election and Qualifications; Term of Office. The Officers of the Corporation shall be a Chairman, a Chief Executive Officer, one or more Vice Presidents, a Secretary and a Treasurer. The Officers shall be elected by the Board at the annual meeting or at any regular or special meeting of the Board and each Officer shall hold office for a term of one year and until such Officer's successor has been elected or appointed and qualified, unless such Officer shall have resigned, shall have been removed as provided in Sections 10 and 11 of this Article 5, or shall have been terminated from his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement with the Corporation. The same person may hold more than one office, except that the same person may not be both Chief Executive Officer and Secretary. The Board may appoint such other Officers as may be deemed desirable, including one or

more other Vice-Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. Such Officers shall serve for such period as the Board may designate.

Section 5.02 Vacancies. Any vacancy occurring in any office, whether because of death, resignation or removal or the termination of his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement with the Corporation, with or without cause, or any other reason, shall be filled by the Board.

Section 5.03 General Powers of the Officers. All Officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as shall be provided in these By-Laws or, to the extent not so provided, by the Board.

Section 5.04 Powers and Duties of the Chairman. The Chairman shall preside at all meetings of the Board at which he or she is present and may call meetings of the Board or any committee when he or she deems necessary. The Chairman shall have such other powers and shall perform such other duties as may from time to time be assigned to the Chairman by the Board.

Section 5.05 Powers and Duties of the Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall from time to time make such reports of the affairs and operations of the Corporation as the Board may direct and shall preside at all meetings of the Board. The Chief Executive Officer shall have such other powers and shall perform such other duties as may from time to time be assigned to the Chief Executive Officer by the Board.

Section 5.06 Powers and Duties of the Vice-Presidents. Each of the Vice-Presidents shall have such powers and shall perform such duties as may from time to time be assigned to such Vice President by the Board.

Section 5.07 Powers and Duties of the Secretary. The Secretary shall record and keep the minutes of all meetings of the Board. The Secretary shall be the custodian of, and shall make or cause to be made the proper entries in, the minute book of the Corporation and such books and records as the Board may direct. The Secretary shall be the custodian of the seal of the Corporation and shall affix such seal to such contracts, instruments and other documents as the Board or any committee thereof may direct. The Secretary shall have such other powers and shall perform such other duties as may from time to time be assigned to the Secretary by the Board.

Section 5.08 Powers and Duties of the Treasurer. The Treasurer shall be the custodian or custodians of all funds and securities of the Corporation. Whenever so directed by the Board, the Treasurer shall render a statement of the cash and other accounts of the Corporation, and the Treasurer shall cause to be entered regularly in the books and records of the Corporation to be kept for such purpose full and accurate accounts of the Corporation's receipts and disbursements. The Treasurer shall at all reasonable times exhibit the books and accounts to any Director upon application at the principal office of the Corporation during business hours. The Treasurer shall have such other powers and

shall perform such other duties as may from time to time be assigned to the Treasurer by the Board.

Section 5.09 Delegation. In case of the absence of any Officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may at any time and from time to time delegate all or any part of the powers or duties of any Officer to any other Officer or to any Director or Directors.

Section 5.10 Removal. Any Officer may be removed from office at any time, with or without cause, by a vote of a majority of the Directors then in office at any meeting of the Board.

Section 5.11 Resignation. Any Officer may resign his or her office at any time, such resignation to be made in writing and to take effect immediately without acceptance by the Corporation.

Section 5.12 Agents and Employees. The Board of Directors may appoint agents and employees who shall have such authority and perform such duties as may be prescribed by the Board of Directors. The Board of Directors may remove any agent or employee at any time with or without cause. Removal without cause shall be without prejudice to such person's contract rights, if any, and the appointment of such persons shall not itself create contract rights.

Section 5.13 Compensation of Officers, Agents and Employees. The Corporation may pay compensation in reasonable amounts to agents and employees for services rendered, such amount to be fixed by the Board of Directors or, if the Board of Directors delegates power to any Officer or Officers, then as approved by such Officer or Officers.

Article 6.

Conflicts Of Interest

Chapter 68 of the Charter of the City of New York defines a "code of ethics" which outlines the standards of conduct governing the relationship between private interests and the proper discharge of official duties of all employees and directors of the New York City Health and Hospitals Corporation, including those who are working for the Corporation or who are directors of the Corporation. Chapter 68 embodies an extensive recitation of acts that constitute conflicts of interest and are thereby prohibited.

The New York City Health and Hospitals Corporation has promulgated its own "Code of Ethics" which outlines the standards of conduct governing the relationship between private interests and the proper discharge of official duties of all personnel who are not covered by Chapter 68. Similar to Chapter 68, the New York City Health and Hospitals Corporation's Code of Ethics embodies an extensive recitation of acts that constitute conflicts of interest and are thereby prohibited. The Corporation has adopted the Code of Ethics with respect to its personnel and Directors who are not subject to Chapter 68.

The Board is committed to recognizing the Corporation's responsibility to organizational ethics and expects, therefore, every employee and Board member to support and adhere to the principles and policies set forth in Chapter 68 and the Code of Ethics.

Article 7.

Bank Accounts, Checks, Contracts and Investments

Section 7.01 Bank Accounts, Checks and Notes. The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation. The Board shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness.

Section 7.02 Contracts. The Board may authorize any Officer or Officers, agent or agents, in addition to those specified in these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount.

Section 7.03 Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board may deem desirable.

Article 8.

Miscellaneous

Section 8.01 Documents. There shall be kept at the office of the Corporation correct books of accounts of the activities and transactions of the Corporation, including a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these By-Laws, and all minutes of meetings of the Board of Directors.

Section 8.02 Fiscal Year. The fiscal year of the Corporation shall be June 30.

Section 8.03 Corporate Seal. The corporate seal shall be circular in form and have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal" and "New York". The seal shall be in the charge of the Secretary. If and when so directed by the Board, a duplicate of the seal may be kept and used by the Secretary or the Treasurer. The seal may be used by causing it or a facsimile thereof to be affixed or impressed or reproduced in any other manner.

Article 9.

Dissolution

The Corporation may be dissolved only upon adoption of a plan of dissolution and distribution of assets by the Board that is consistent with the Certificate of Incorporation. Any nonjudicial dissolution shall be accomplished in accordance with Article 10 of the New York Not-For-Profit Corporation Law or any applicable successor statute or law.

Article 10.

Amendments

These By-Laws may be altered, amended, added to or repealed only by the Member.

Article 11.

Construction

In the case of any conflict between the Certificate of Incorporation of the Corporation and these By-Laws, the Certificate of Incorporation of the Corporation shall control.

EXHIBIT C

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("Corporation") to negotiate and execute an agreement with KPMG LLP ("KPMG") to provide the Corporation with auditing services and other directly related services including debt issuance related services, debt compliance letter, tax services, and certification/attestation for cost reports for a term of four (4) years, for an amount not to exceed \$3,487,000 plus a 10% contingency reserve of \$340,000.

WHEREAS, the Corporation is required by Corporate By-Laws, bond covenants and city, state and federal regulations to engage an independent certified public accounting firm to audit its annual financial statements; and

WHEREAS, the Corporation's current contract with an independent certified public accounting firm ends June 30, 2014; and

WHEREAS, the Corporation in accordance with its policies and procedures issued on January 2, 2014, a Request for Proposals to perform annual audits of the financial statements, to issue annual management letters, and to perform other directly related services for the New York City Health and Hospitals Corporation, MetroPlus Health Plan, Inc., HHC Insurance Company, Inc. and HHC Accountable Care Organization, Inc.;

WHEREAS, the RFP Evaluation Committee reviewed and rated the submitted proposals using criteria specified in the Request for Proposals and gave KPMG the highest rating of any other proposer; and

WHEREAS, the overall responsibility for managing and monitoring the contract shall be under the Senior Vice President/CFO and Corporate Comptroller.

NOW, THEREFORE, Be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("Corporation") be and hereby is authorized to negotiate and execute an agreement with KPMG LLP ("KPMG") to provide the Corporation with auditing services and other directly related services including debt issuance related services, debt compliance letter, tax services, and certification/attestation for cost reports for a term of four (4) years, for an amount not to exceed \$3,487,000 plus a 10% contingency reserve of \$340,000.