

AGENDA

FINANCE COMMITTEE

MEETING DATE: JANUARY 15, 2013
TIME: 9:00 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER

BERNARD ROSEN

ADOPTION OF THE DECEMBER 11, 2012 MINUTES

SENIOR VICE PRESIDENT'S REPORT

MARLENE ZURACK

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS

FRED COVINO

ACTION ITEMS

1. Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

MARLENE ZURACK

2. Authorizing and approving the adoption of the resolution entitled "Health System Bonds, 2013 Series Resolution" providing for the issuance of a series of Health System Bonds (the "2013 Series Bonds") in a principal amount not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

LINDA DEHART/MARLENE ZURACK

INFORMATION ITEMS

1. STATEMENT OF REVENUES & EXPENSES PERIOD ENDED 9/30/2012 & 2011

JAY WEINMAN

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT

BERNARD ROSEN

MINUTES

MEETING DATE: DECEMBER 11, 2012

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held December 11, 2012 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
E. Youssouf
I. Hartman-O'Connell, (representing Deputy Mayor Linda Gibbs in a voting capacity)

OTHER ATTENDEES

J. DeGeorge, Analyst, Office of the State Comptroller
M. Disowski, Budget Analyst, OMB
M. Dolan, Senior Assistant Director, DC 37
C. Fiorentini, Analyst, NYC Independent Budget Office (IBO)
R. McIntyre, Account Executive, Siemens
J. Wessler, Commission on the Public's Health System

Minutes of the December 11, 2012 Finance Committee Meeting

HHC STAFF

V. Bekker, Chief Financial Officer (CFO), Generations+ Northern Manhattan Health Network
D. Cates, Chief of Staff, Board Affairs
A. Cohen, Chief Financial Officer, South Manhattan Health Network
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, Chief Financial Officer, MetroPlus Health Plan, Inc
L. Dehart, Assistant Vice President, Corporate Reimbursement Services/Debt Finance
B. Deiorio, Senior Director, Office of Special Projects
M. Everette, Director, EEO/Affirmation Action
D. Frimer, Controller, Coney Island Hospital
K. Garramone, Chief Financial Officer, North Bronx Healthcare Network
G. Guilford, Senior Director, Office of the Senior Vice President/Finance/Managed Care
E. Guzman, Chief Financial Officer, Metropolitan Hospital Center
C. Jacobs, Senior Vice President, Patient Safety
J. Jurenko, Senior Assistant Vice President, Intergovernmental Relations
J. John, Chief Financial Officer, Central Brooklyn Family Health Network
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
P. Lockhart, Secretary to the Corporation, Office of the Chairman
N. Mar, Director, Debt Finance/Reimbursement Services
A. Marengo, Senior Vice President, Communications/Marketing
T. Mammo, Chief of Staff, Office of the President
H. Mason, Deputy Executive Director, Kings County Hospital Center
A. Martin, Executive Vice President/Chief Operating Officer, Office of the President
K. McGrath, Senior Director, Corporate Communications & Marketing
D. Moskos, Director, Facilities Development
K. Olson, Senior Director, Corporate Budget
K. Park, Associate Executive Director, Queens Health Network
J. Perrine, 1st Deputy IG, Inspector General
D. Powell, Assistant Director, Marketing, Gouverneur Healthcare Services
G. Ranghelli, Chief Financial Officer, Coler/Goldwater Specialty Care Hospital
S. Russo, General Counsel, Office of Legal Affairs
W. Saunders, Assistant Vice President, Intergovernmental Relations
M. Sylvester, Assistant Director, Corporate Communications/Marketing
P. Slesarchick, Assistant Vice President, Corporate Labor Relations
J. Wale, Senior Assistant Vice President, Office of Behavioral Health
J. Weinman, Corporate Comptroller, Corporate Comptroller's Office
M. Zurack, Senior Vice President, Corporate Finance/Managed Care

Minutes of the December 11, 2012 Finance Committee Meeting

CALL TO ORDER

BERNARD ROSEN

The meeting of the Finance Committee was called to order at 9:05 a.m. The minutes of the October 16, 2012 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 a status report on HHC's cash position, Soarian progress, the New York City Budget update, Reimbursement for Sandy related expenses, and an update to inpatient charges.

Ms. Zurack began her report by first acknowledging Gloria Ranghelli, Chief Financial Officer, Coler/Goldwater Specialty Care Hospital who is retiring in January 2013. Ms. Ranghelli has worked for the Corporation for twenty five year. She has been a major participant in the relocation of Goldwater Hospital to a new facility in Harlem and to that extent HHC extends an invitation to Ms. Ranghelli for the opening of the new hospital upon completion. The Corporation wishes Ms. Ranghelli a healthy and enjoyable retirement.

CASH UPDATE

Ms. Zurack stated that HHC's cash on hand is at 23 days which is a diminution from last month when the days of cash on hand was at 33 days. HHC is projecting a negative balance in early June 2013. To remedy this situation, the Corporation is seeking assistance to offset the revenue loss at Coney and Bellevue that is currently impacting the status.

Mr. Rosen asked if the \$200 million loss is being projected with the anticipated of those two hospitals opening in February 2013. Ms. Zurack stated that it is; however, it is important to inform the Committee of the impact on HHC's revenue due to the evacuation of those facilities relative to the storm. The State through its 1115 Waiver process is reviewing the process for some source of revenue for HHC to offset the loss. Additionally, at the federal level the same is being explored for both HHC and the City.

Ms. Youssouf asked if any of the loss is included in any of the bills submitted to Congress. Ms. Zurack stated that it may be included in some of the draft bills as part of the City's funding streams that are very general or perhaps certain appropriations could be used for that at the discretion of the City and State in conjunction with meeting the needs of the other agencies.

Ms. Zurack stated that as a result of the storm, HHC has not extended the implementation of Soarian scheduling beyond Coney and Gouverneur. Currently, the pre-work is being completed and refresher training is being done at Bellevue and Metropolitan so as to move forward with the scheduled installations in January 2013. Additionally, HHC will double its efforts on the rest of the facilities and

Minutes of the December 11, 2012 Finance Committee Meeting

expects completion by early June 2013. This is a delay from the original April 2013 deadline. This delay has not delayed the implementation of Soarian financials which should begin in September 2013 and take one year to complete.

CITY BUDGET

Ms. Zurack stated that on November 9, 2012 the City released a financial plan update that included a Program to Eliminate the Gap (PEG). HHC had originally been given a target of 5.4 % for FY13 and 8% for FY 2014 or \$3.9 million and \$5 million respectively. Funds from DOMH were also targeted. The City restored the entire direct PEG. The reduction is \$213,000 in FY13 and \$248,000 in the out years. In FY13 only there is a reduction to HIV testing of \$169,000 and also in FY13 a reduction of \$105,000 in substance abuse funding, in FY14 there is a reduction of \$248,000 in substance abuse funding.

Mr. Rosen stated that it is important to note that the City has indicated as part of the City's Financial Plan that if the increase in the taxi medallions is achieved, the PEGs would be removed.

SANDY

Ms. Zurack reported that as a result of the storm HHC evacuated Coney and Bellevue and accordingly those two facilities are not generating revenue. HHC is projecting a loss of \$15 million a week for these facilities which has adversely impacted the cash flow. As part of the recovery efforts, HHC has completed the very early stages of an application to FEMA for public assistance and has already spent more than \$40 million in debris removal and emergency protective measures. It is anticipated that HHC will spend nearly \$100 million on these efforts in addition to another \$610 million on the permanent work and mitigation needed to fully restore its facilities. The City has appropriated \$300 million in capital and will be adding federal categorical aid to the budget to hasten the cash flow related to the FEMA reimbursement due. HHC is expecting that reimbursement will be at the 90% level.

Ms. Youssouf asked what type of work would be included in those costs.

Ms. Zurack stated that it would include some air handling and electrical work, mitigation that would involve removing electrical work from the basement and relocating it to another floor. There was some discussion regarding the replacement of Coney Island hospital as opposed to making repairs; however, the consultants are currently reviewing that option in addition to the allowable funding covered by FEMA. Although HHC has released the \$610 million estimate that number is subject to change in the months ahead.

Ms. Youssouf asked if that number included the rebuilding of a new facility for Coney Island. Ms. Zurack stated that it did not in total but some portion of that may be included. There is \$195 million for Coney Island as part of the permanent work estimates.

Dr. Stocker asked for clarification of the replacement work.

Minutes of the December 11, 2012 Finance Committee Meeting

Ms. Zurack stated that it would be a new facility that would replace some portion of the main building. The City has appropriated \$300 million in capital funding for HHC. In addition, as HHC prepares the project worksheets which are the FEMA claim forms, the City will put federal categorical Aid in the City budget which will allow HHC to draw the cash quicker than the traditional applicant would be allowed to do. As previously stated, it is anticipated that the reimbursement on the FEMA related claims will be at the 90% level pursuant to what the President submitted.

Ms. Youssouf asked if the \$610 million is in addition to the \$300 million and whether remediation is included in the \$100 million. Ms. Zurack stated that it is instead of the \$300 million and that the \$100 million includes remediation.

Ms. Youssouf asked if HHC is aware of the extra tax credit that is included in the tax package released by Senator Schumer for new market tax credits, etc. that may be appropriated for some of the building perhaps, Bellevue.

Ms. Zurack stated that HHC used the new market tax credit at Harlem and will research that option.

POSTED CHARGES

Ms. Zurack, moving to the next item in the reporting, stated that HHC is planning to update its posted charges for inpatient room and board effective July 1, 2013. This is long overdue as these charges have not been updated in 25 years. Under the new scenario charges will be uniform within HHC. The charges will vary by service. Also charges will be 30% higher on days one and two of each stay. Charges are expected to increase by 80 percent. This will enable HHC to earn an additional \$5 million a year from commercial non contract insurers. However, most importantly this will have absolutely no effect on what patients are expected to pay through the HHC Options program. The charges are needed more for the insurance companies than the patients. HHC is using the lead time to educate its patients regarding the inpatient charges and to maximize its insurances. Accordingly, Corporate Finance is working with Ms. Laray Brown, Senior Vice President, Corporate Planning and HIV Services, Intergovernmental Relations and Community Health and HHC's Community Advisory Boards (CAB) to provide critical patient information to ensure that patients are assured that they will continue to enjoy affordable care.

Mrs. Bolus asked what are posted charges.

Ms. Zurack stated that charges are the daily fees for room and board as reflected on the bill. For example if a patient stays in the hospital for five days and the rate is \$2,000 a day the total charges for that stay would be \$10,000. The way in which bills get adjudicated starts with the posted charges and the applied discounts. If a patient is covered by an insurance plan such as HIP, the bill may get reduced to \$5,000 which would be the contractual rate established by HHC in conjunction with that HMO. If the patient is included in HHC Options, the contracted rate is \$250. Those charges would get written

Minutes of the December 11, 2012 Finance Committee Meeting

off to charity care and those charges are categorized as allowances, the difference between charges and the actual payments. Only affluent patient would be impacted by the increase in posted charges.

Dr. Stocker asked what percentage of HHC's patients would be included in the affluent group. Ms. Zurack stated that it would be a very small percentage; mostly those who failed to comply with the requirements for HHC Options would be charged the posted rate. However, as previously stated the lead time is being used to allow HHC to work with the community groups and do outreach in educating the patient population regarding the charges to avoid any panic on the part of the patients who might view the increase as a barrier to care.

Ms. Youssouf asked for an example of the increase in the posted charges. Ms. Zurack, using med/surg inpatient unit as an example stated that the charges are increasing from \$2,520 to \$4,700. It is important to note that although HHC is increasing its charges, compared to the private and voluntary hospitals, HHC is still on the low side.

Mrs. Bolus asked if the Medicare bill would continue to reflect the 80/20 payment. Ms. Zurack in concluding her report stated that it would remain the same as stated.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS

FRED COVINO

Mr. Covino stated that the reports reflected data for the current FY 13 year-to-date (YTD) through October 2012. Utilization trends for acute discharges are down by 1.2% or 759 discharges; D&TCs visits are down by 11.5% or 26,000 visits; and nursing home days are down by 13.1% or 40,000 days. Operations at the D&TCs were shut down for two days due to the storm. The ALOS, all of the facilities with the exception of Lincoln, Metropolitan and Coney Island are within 1/3 day of the corporate average. Lincoln and Metropolitan were less than the corporate average, 7/10 and 6/10 days respectively; whereas Coney Island was 4/10 greater than the average. The CMI is up by .5% compared to last year. FTEs are down by 505.5 which is greater than the YTD targeted budget. Receipts are \$48 million worse than budget.

Mr. Covino reported that receipts are \$48.2 million under collected against the budget and disbursements are \$24.6 million underspent which resulted in a net YTD negative variance of \$23.5 million. Page 3, a comparison of actuals for the current FY 12 to the prior FY 11, receipts were \$169 million worse than last year due to the timing of a DSH/UPL payment totaling \$91.6 million and a decline in inpatient Medicaid fee-for-service receipts of \$67 million. Expenses were \$231 million better than last year due to the timing of pension payments that are not yet paid this FY totaling \$120 million. All other payments to the City are \$94 million less than last year.

Ms. Youssouf asked how much of the expenses is related to the storm and whether the bulk of the impact would be reflected in the November 2012 data.

Mr. Covino stated that not much of the expenses for the storm are included given that the storm occurred at the end of the month. There was an incident at Bellevue whereby a \$7.5 million payment

Minutes of the December 11, 2012 Finance Committee Meeting

was not posted in October 2012 but will be reflected in the November 2012 receipts. The impact of the storm is expected to be reflected in November 2012.

Mr. O'Connell asked if the decline in the Medicaid fee-for-service is due to more patients in managed care plans.

Mr. Covino stated that there is a transition as shown on the report as part of the comparison that shows the variance for Medicaid-fee-for-service which declined by \$68 million and managed care increased by \$30 million. Page 4, actuals compared to the budget, inpatient receipts are down by \$13.2 million primarily in Medicaid fee-for-service. Outpatient receipts are down by \$23 million due to under-collections in Medicaid managed care that was projected to increase through the period. All other receipts are down by \$11.6 million due to the year to year change in appeals and settlements. Expenses are \$2.7 million under budget due to the reduction in FTEs that has exceeded the target and overtime expenses are down by \$1.2 million. Fringe benefits are \$9.4 million better than budget due to a \$7 million FICA recovery that was not factored into the budget. OTPS expenses are better than budget by \$13 million due to a reduction in non-med and med/surg supplies.

INFORMATION ITEM

FRED COVINO

REVIEW OF PERSONAL SERVICES (PS) KEY INDICATORS – FY 13 THROUGH OCTOBER 2012

Mr. Covino brought to the attention of the Committee that the report which was scheduled for reporting through the first quarter of FY 13 had been updated through October 2012 which would provide a review of the indicators prior to the storm. As shown on page 2, PS expenses actual versus budget, there is a \$2.7 million YTD surplus against the budget. Page 3 reflects the 505.5 reduction in FTEs by facility. The corporate-wide FTE variance by category shows that the majority of the reduction was in environmental/hotel and clericals with a slight increase in residents and physicians.

Ms. Youssouf asked if the majority of the reductions were through attrition. Mr. Covino stated that the majority were. Ms. Zurack added that all of the reduction was through attrition.

Mr. Covino continuing with the reporting stated that overtime expenses against the budget are down and less than last year's actual for the same period by \$3.5 million. Nurse registry expenses are also down compared to last year by \$1.1 million due to a reduction in expenses at Lincoln Hospital due to a prior year payment made last year. Allowances are down by \$2.9 million. Overall the report reflects a very positive trend.

Dr. Stocker asked if Crothall and JCI resources were useful during the storm.

Mr. Covino stated that they were very helpful and on page 6 the impact as shown in plant maintenance shows a \$3.5 million reduction due to their management.

Ms. Zurack added that both Crothall and JCI were very useful. Crothall has provided the resources for the majority of the activities previously mentioned in the reporting such as the de-watering and

Minutes of the December 11, 2012 Finance Committee Meeting

sanitation. JCI has been involved in the abatement and electrical work that were needed and most importantly is that the two contractors were able to respond quickly to HHC's need during the disaster.

Mr. Rosen asked if the data through October 2012 was reflective of a normal period and whether the impact of the storm will be reflected next month or the months ahead.

Mr. Covino stated that the report reflects a normal period similarly to last year's storm, whereby there was a \$2.5 million expense that was constant throughout the year. However, this one will be much larger in the months ahead.

Ms. Youssef asked how many of the Bellevue and Coney Island patients were transferred to other HHC facilities.

Ms. Zurack stated that there were a number of patients transferred to HHC facilities and in the months ahead that data will be reported. Not all of the patients from those facilities were transferred within HHC. However, the facilities, Bellevue and Coney Island have restored outpatient and emergency services which will result in some revenue for those two facilities. The best scenario is that the projected loss in revenue is overstated.

Ms. Bolus asked if HHC has identified the expenses related to the shelters for personnel and equipment.

Ms. Zurack stated that HHC is collecting the data which Ms. Krista Olson, Senior Director, Corporate Budget has been compiling and would share with the Committee the status of that process.

Ms. Olson stated that the payroll data is being collected for both regular time and overtime expenses for the staff assigned to the shelters. FEMA has indicated that only the overtime expense are reimbursable; however, HHC is collecting both which is needed for the completion of the actual cost.

Ms. Youssef asked if HHC has looked into getting business interruption insurance. Ms. Zurack stated that HHC must follow the City's process as it relates to this issue. However, it's not known if the City has secured any type of disaster insurance. Based on feedback from some of the voluntary and private hospitals, the coverage is only 40% of the loss and it's difficult to get that due to deductions, etc.

Mr. Rosen added that based on his experience, the City probably has not secured any flood insurance which would be very costly.

Ms. Youssef stated that the question related only to business interruption insurance.

Ms. Zurack added that FEMA will deduct the regular insurance notwithstanding business interruption insurance from what is allowed. The City in the past for other disasters has obtained a waiver for that. Therefore, it is not likely that HHC could get that type of insurance.

Minutes of the December 11, 2012 Finance Committee Meeting

Mr. Rosen added that during the aftermath of 9/11, the City did not use contractors for FEMA reimbursement and was able to secure funding.

Ms. Youssof stated that the New York City Housing Authority (NYCHA) recently hired consultants to assist in coordinating the submission of the FEMA application which is a very lengthy process.

Ms. Zurack stated that during the emergency, HHC hired a consulting firm, Base Tactical that specializes in disaster recovery. HHC has issued an Request for Proposals (RFP) for a permanent consulting firm. The proposals are due on December 14, 2012. The FEMA collection process could be ongoing for to two year.

INFORMATION ITEM

MAXINE KATZ

INPATIENT/OUTPATIENT ADULT AND PEDIATRICS PAYOR MIX REPORTS

Ms. Katz reported that the inpatient discharge payor mix report reflects a change in the data compilation which is now being obtained from the new Soarian data warehouse and is expected to be more accurate. Additionally, an adjustment to the logic was also made. As a result of those changes, there is a slight change in the data as shown on the report. The changes impacted the inpatient report more than the outpatient adult and pediatrics reports. In re-running the data the inpatient change is due primarily to the inclusion of data that was not completed at the time the report was run for that period. The coming months will show whether the data is comparable to the prior reporting. As shown on the report the percentage of patients insured to total was at 92% last year compared to 97% for the current FY which is an indication that the facilities are working the cases to get patient eligible.

Mr. Rosen asked if the FY 12 data was from the Soarian warehouse.

Ms. Katz stated it would be close to where HHC was during that period. As shown on the report, the shift in payor is continuing, particularly in Medicaid managed care and Medicaid. Discharges are down compared to last year for the same period. On the outpatient side the same would apply in terms of the data except the impact was less due to the way the data was run in the past. The outpatient compared to last year is at the same level compared to the previous year for the same period at 86% total insured patients and pediatrics payor mix has also remained at the same level at 92% overall compared to the prior year.

MEDICAID ELIGIBILITY REPORT

MAXINE KATZ

Ms. Katz informed the Committee of the change in the reporting from monthly to quarterly. Although the submission of Medicaid application is down, the percentage of eligible decisions to submissions is up slightly at 90.6% compared to 90.4% last year. In an effort to improve the process, the process improvements will continue. There will be a value stream (VS) refresh for Medicaid investigations that would have taken place in December 2012 but has been rescheduled to next year.

Minutes of the December 11, 2012 Finance Committee Meeting

Ms. Youssouf added that the request for additional information has increased on a smaller base. Ms. Katz stated that the staff is reviewing the data.

Ms. Youssouf asked if the trend over the years has been that HHC has always been at the same percentage level and whether an analysis has been done to determine if HHC has reached the maximum for improvements in this area.

Ms. Zurack stated that there has been some improvement. Ms. Katz added that through the process, the staff is reviewing the impact of the shift in payor mix on the process.

Ms. Zurack stated that in the Breakthrough efforts there have been some changes in the process that have been positive. In the documentation and coding project there have been some significant changes as the Corporation continues to examine the data. There is room for improvement in the Medicaid eligibility process which HHC will continue to explore in more detail and examine all of the factors/barriers to improve the process. If after 6-9 months the process has not met the expectations, HHC should then decide whether to continue with the reporting or identify other process improvements that would better define the process and show greater improvement.

Mr. Rosen asked if HHC Options are consistent throughout the Corporation. Ms. Zurack stated that the policy and the computer screens are the same and there has been training across the Corporation. The brochures are prepared centrally for all languages.

Mrs. Bolus added that her involvement in informing the community about Options has been both positive and negative in that some are reluctant to go to a City hospital and apply for assistance; however, on the positive side those that have applied are very pleased with the program.

Ms. Zurack thanked Ms. Bolus adding that her efforts in the process are greatly appreciated.

Dr. Stocker, referencing the quarterly PS Key Indicators Report, asked if the overtime variance shown on page 6 of the report was annualized would the savings be \$10 million.

Mr. Covino stated that the variance should not be annualized to determine the savings given that the expenses for the storm last year include one-time costs in addition to the timing of the hurricane.

Ms. Zurack added that the overtime for the recent storm has yet to be paid.

ADJOURNMENT

BERNARD ROSEN

There being no further business to discuss, the meeting was adjourned at 9:45 a.m.

KEY INDICATORS
FISCAL YEAR 2013 UTILIZATION

Year to Date
 November 2012

NETWORKS	UTILIZATION			AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	FY 13	FY 12	VAR %	ACTUAL	EXPECTED	FY 13	FY 12
<u>North Bronx</u>							
Jacobi	7,910	8,434	-6.2%	6.4	6.5	1.0941	1.0319
North Central Bronx	3,333	3,349	-0.5%	4.5	4.5	0.7273	0.6985
<u>Generations +</u>							
Harlem	4,638	4,425	4.8%	5.4	5.6	0.9451	0.9453
Lincoln	9,624	9,754	-1.3%	4.8	5.5	0.8909	0.9189
Belvis DTC	24,205	27,042	-10.5%				
Morrisania DTC	32,625	39,867	-18.2%				
Renaissance	23,653	28,353	-16.6%				
<u>South Manhattan</u>							
Bellevue	8,253	10,508	-21.5%	6.8	6.4	1.1257	1.0800
Metropolitan	5,037	4,807	4.8%	4.7	5.2	0.8108	0.7728
Coler	103,932	129,291	-19.6%				
Goldwater	117,915	132,826	-11.2%				
Gouverneur - NF	21,881	29,847	-26.7%				
Gouverneur - DTC	100,351	114,398	-12.3%				
<u>North Central Brooklyn</u>							
Kings County	10,475	9,950	5.3%	5.8	5.9	0.9631	1.0191
Woodhull	5,777	5,988	-3.5%	5.0	4.9	0.8165	0.8041
McKinney	47,609	48,157	-1.1%				
Cumberland DTC	36,756	40,929	-10.2%				
East New York	31,098	35,097	-11.4%				
<u>Southern Brooklyn / S I</u>							
Coney Island	5,772	6,917	-16.6%	6.6	6.3	1.0714	1.0657
Seaview	45,477	45,412	0.1%				
<u>Queens</u>							
Elmhurst	10,234	10,451	-2.1%	5.8	5.4	0.9316	0.9278
Queens	5,370	5,609	-4.3%	5.6	5.4	0.9084	0.8756
Discharges/CMI-- All Acutes	76,423	80,192	-4.7%			0.9521	0.9496
Visits-- All D&TCs	248,688	285,686	-13.0%				
Days-- All SNFs	336,814	385,533	-12.6%				

Notes:

Utilization

Acute: discharges excluding psych and rehab; D&TC; reimburseable visits; SNF; chronic and rehab days

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

All Payor CMI

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

KEY INDICATORS

FISCAL YEAR 2013 BUDGET PERFORMANCE (\$s in 000s)

Year to Date
November 2012

NETWORKS	FTE's VS 6/2/12	RECEIPTS		DISBURSEMENTS		BUDGET VARIANCE	
		actual	better / (worse)	actual	better / (worse)	better / (worse)	
<u>North Bronx</u>							
Jacobi	(25.0)	\$ 221,301	\$ 6,490	\$ 221,750	\$ 6,394	\$ 12,884	2.9%
North Central Bronx	(15.5)	<u>74,717</u>	<u>965</u>	<u>73,798</u>	<u>6,049</u>	<u>7,015</u>	4.6%
	(40.5)	\$ 296,018	\$ 7,456	\$ 295,548	\$ 12,443	\$ 19,898	3.3%
<u>Generations +</u>							
Harlem	(54.0)	\$ 132,380	\$ (7,063)	\$ 133,804	\$ 3,080	\$ (3,984)	-1.4%
Lincoln	0.0	183,554	(11,759)	200,127	985	(10,774)	-2.7%
Belvis DTC	(3.0)	4,528	684	5,150	1,644	2,328	21.9%
Morrisania DTC	(8.5)	7,049	355	9,331	2,622	2,977	16.0%
Renaissance	(6.5)	<u>5,049</u>	<u>467</u>	<u>8,059</u>	<u>309</u>	<u>776</u>	<u>6.0%</u>
	(72.0)	\$ 332,561	\$ (17,317)	\$ 356,471	\$ 8,640	\$ (8,677)	-1.2%
<u>South Manhattan</u>							
Bellevue	(83.5)	\$ 250,955	\$ (40,032)	\$ 280,253	\$ (867)	\$ (40,898)	-7.2%
Metropolitan	(63.5)	108,351	(9,880)	115,191	12,407	2,527	1.0%
Coler	(15.0)	28,112	3,315	48,221	(10,178)	(6,864)	-10.9%
Goldwater	(33.5)	36,406	(1,275)	69,372	(17,008)	(18,284)	-20.3%
Gouverneur	<u>5.0</u>	<u>27,876</u>	<u>4,601</u>	<u>32,665</u>	<u>2,041</u>	<u>6,643</u>	<u>11.5%</u>
	(190.5)	\$ 451,699	\$ (43,271)	\$ 545,702	\$ (13,606)	\$ (56,877)	-5.5%
<u>North Central Brooklyn</u>							
Kings County	(137.0)	\$ 267,100	\$ (19,391)	\$ 264,116	\$ 7,877	\$ (11,514)	-2.1%
Woodhull	(36.0)	143,724	(12,364)	154,794	(2,849)	(15,213)	-4.9%
McKinney	(4.0)	9,986	(4,531)	17,542	1,966	(2,565)	-7.5%
Cumberland DTC	(10.5)	11,833	2,855	11,800	280	3,135	14.9%
East New York	(4.0)	<u>7,009</u>	<u>(375)</u>	<u>8,256</u>	<u>1,657</u>	<u>1,282</u>	<u>7.4%</u>
	(191.5)	\$ 439,652	\$ (33,806)	\$ 456,508	\$ 8,931	\$ (24,875)	-2.6%
<u>Southern Brooklyn/SI</u>							
Coney Island	(24.5)	\$ 122,643	\$ (6,093)	\$ 144,523	\$ (800)	\$ (6,893)	-2.5%
Seaview	(12.5)	<u>16,304</u>	<u>1,617</u>	<u>20,309</u>	<u>(1,431)</u>	<u>186</u>	<u>0.6%</u>
	(37.0)	\$ 138,947	\$ (4,476)	\$ 164,832	\$ (2,231)	\$ (6,707)	-2.2%
<u>Queens</u>							
Elmhurst	(40.0)	\$ 220,176	\$ (2,381)	\$ 218,651	\$ 18,919	\$ 16,538	3.6%
Queens	<u>0.0</u>	<u>123,342</u>	<u>(9,912)</u>	<u>145,836</u>	<u>(4,475)</u>	<u>(14,388)</u>	<u>-5.2%</u>
	(40.0)	\$ 343,519	\$ (12,294)	\$ 364,487	\$ 14,444	\$ 2,150	0.3%
NETWORKS TOTAL	(571.5)	\$ 2,002,395	\$ (103,707)	\$ 2,183,548	\$ 28,620	\$ (75,087)	-1.7%
Central Office	(9.0)	349,890	2,670	112,091	5,047	7,717	1.7%
HHC Health & Home Care	3.0	8,281	(4,589)	12,959	2,968	(1,621)	-5.6%
Enterprise IT	<u>47.0</u>	<u>0</u>	<u>0</u>	<u>65,808</u>	<u>3,762</u>	<u>3,762</u>	<u>5.4%</u>
GRAND TOTAL	(530.5)	\$ 2,360,567	\$ (105,627)	\$ 2,374,406	\$ 40,398	\$ (65,229)	-1.3%

Notes:

Residents & Grants are included in the reported FTE's.
Reported FTE's are compared to 6/2/12.

New York City Health & Hospitals Corporation
Cash Receipts and Disbursements (CRD)
Fiscal Year 2013 vs Fiscal Year 2012 (in 000's)
TOTAL CORPORATION

	Month of November 2012			Fiscal Year To Date November 2012		
	actual 2013	actual 2012	better / (worse)	actual 2013	actual 2012	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	\$ 63,710	\$ 86,826	\$ (23,116)	\$ 372,351	\$ 463,058	\$ (90,708)
Medicaid Managed Care	43,433	42,969	463	261,711	231,214	30,497
Medicare	47,542	40,812	6,731	230,659	243,960	(13,302)
Medicare Managed Care	21,377	14,455	6,923	95,804	93,791	2,012
Other	<u>16,589</u>	<u>18,607</u>	<u>(2,018)</u>	<u>91,434</u>	<u>95,694</u>	<u>(4,259)</u>
Total Inpatient	\$ 192,651	\$ 203,669	\$ (11,018)	\$ 1,051,958	\$ 1,127,717	\$ (75,759)
Outpatient						
Medicaid Fee for Service	\$ 19,317	\$ 15,764	\$ 3,554	\$ 80,340	\$ 85,326	\$ (4,986)
Medicaid Managed Care	35,687	25,146	10,541	155,561	132,932	22,629
Medicare	4,778	4,498	280	24,206	28,725	(4,519)
Medicare Managed Care	9,044	16,912	(7,868)	36,696	44,425	(7,730)
Other	<u>10,813</u>	<u>13,238</u>	<u>(2,425)</u>	<u>57,819</u>	<u>61,339</u>	<u>(3,520)</u>
Total Outpatient	\$ 79,640	\$ 75,557	\$ 4,083	\$ 354,622	\$ 352,748	\$ 1,874
All Other						
Pools	\$ 6,233	\$ 5,895	\$ 338	\$ 208,791	\$ 207,906	\$ 885
DSH / UPL	-	-	0	624,100	715,650	(91,550)
Grants, Intracity, Tax Levy	15,806	11,522	4,284	94,786	97,145	(2,359)
Appeals & Settlements	8,432	(5,360)	13,792	(1,280)	(2,979)	1,700
Misc / Capital Reimb	<u>5,362</u>	<u>4,758</u>	<u>605</u>	<u>27,589</u>	<u>21,178</u>	<u>6,411</u>
Total All Other	\$ 35,833	\$ 16,815	\$ 19,019	\$ 953,987	\$ 1,038,900	\$ (84,914)
Total Cash Receipts	\$ 308,124	\$ 296,040	\$ 12,084	\$ 2,360,567	\$ 2,519,366	\$ (158,799)
Cash Disbursements						
PS	\$ 190,099	\$ 187,390	\$ (2,708)	\$ 1,037,181	\$ 1,027,181	\$ (10,000)
Fringe Benefits	43,603	105,701	62,098	286,978	472,718	185,740
OTPS	96,243	101,555	5,312	483,187	518,405	35,218
City Payments	-	-	0	141,363	235,257	93,894
Affiliation	75,742	73,198	(2,545)	375,717	365,586	(10,131)
HHC Bonds Debt	<u>18,605</u>	<u>7,937</u>	<u>(10,668)</u>	<u>49,981</u>	<u>38,164</u>	<u>(11,817)</u>
Total Cash Disbursements	\$ 424,292	\$ 475,781	\$ 51,489	\$ 2,374,406	\$ 2,657,311	\$ 282,904
Receipts over/(under) Disbursements	\$ (116,168)	\$ (179,741)	\$ 63,573	\$ (13,840)	\$ (137,945)	\$ 124,105

New York City Health & Hospitals Corporation
Actual vs. Budget Report
Fiscal Year 2013 (in 000's)
TOTAL CORPORATION

	Month of November 2012			Fiscal Year To Date November 2012		
	actual 2013	budget 2013	better / (worse)	actual 2013	budget 2013	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	\$ 63,710	\$ 110,041	\$ (46,331)	\$ 372,351	\$ 438,812	\$ (66,461)
Medicaid Managed Care	43,433	50,210	(6,778)	261,711	252,445	9,266
Medicare	47,542	43,135	4,407	230,659	226,137	4,522
Medicare Managed Care	21,377	22,713	(1,335)	95,804	102,292	(6,488)
Other	<u>16,589</u>	<u>21,319</u>	<u>(4,730)</u>	<u>91,434</u>	<u>100,211</u>	<u>(8,777)</u>
Total Inpatient	\$ 192,651	\$ 247,419	\$ (54,768)	\$ 1,051,958	\$ 1,119,897	\$ (67,939)
Outpatient						
Medicaid Fee for Service	\$ 19,317	\$ 20,489	\$ (1,172)	\$ 80,340	\$ 84,711	\$ (4,371)
Medicaid Managed Care	35,687	31,699	3,988	155,561	158,787	(3,225)
Medicare	4,778	6,234	(1,456)	24,206	30,071	(5,865)
Medicare Managed Care	9,044	12,579	(3,535)	36,696	43,431	(6,735)
Other	<u>10,813</u>	<u>13,918</u>	<u>(3,105)</u>	<u>57,819</u>	<u>66,337</u>	<u>(8,518)</u>
Total Outpatient	\$ 79,640	\$ 84,919	\$ (5,279)	\$ 354,622	\$ 383,336	\$ (28,714)
All Other						
Pools	\$ 6,233	\$ 6,179	\$ 54	\$ 208,791	\$ 209,058	\$ (267)
DSH / UPL	-	-	0	624,100	624,100	0
Grants, Intracity, Tax Levy	15,806	17,232	(1,426)	94,786	98,064	(3,277)
Appeals & Settlements	8,432	2,140	6,292	(1,280)	1,211	(2,491)
Misc / Capital Reimb	<u>5,362</u>	<u>5,794</u>	<u>(432)</u>	<u>27,589</u>	<u>30,527</u>	<u>(2,938)</u>
Total All Other	\$ 35,833	\$ 31,345	\$ 4,488	\$ 953,987	\$ 962,961	\$ (8,974)
Total Cash Receipts	\$ 308,124	\$ 363,683	\$ (55,559)	\$ 2,360,567	\$ 2,466,193	\$ (105,627)
Cash Disbursements						
PS	\$ 190,099	\$ 189,615	\$ (484)	\$ 1,037,181	\$ 1,039,397	\$ 2,216
Fringe Benefits	43,603	57,317	13,714	286,978	310,110	23,133
OTPS	96,243	98,794	2,551	483,187	498,800	15,613
City Payments	-	-	0	141,363	140,072	(1,291)
Affiliation	75,742	75,742	(0)	375,717	375,727	10
HHC Bonds Debt	<u>18,605</u>	<u>18,539</u>	<u>(66)</u>	<u>49,981</u>	<u>50,697</u>	<u>716</u>
Total Cash Disbursements	\$ 424,292	\$ 440,008	\$ 15,716	\$ 2,374,406	\$ 2,414,804	\$ 40,398
Receipts over/(under) Disbursements	\$ (116,168)	\$ (76,325)	\$ (39,843)	\$ (13,840)	\$ 51,389	\$ (65,229)

Annual Deficit in budgeted receipts vs disbursements is funded through reserves

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

WHEREAS, on October 29, 2012 hurricane Sandy caused substantial damage to numerous HHC facilities, which required the evacuation of all patients and staff from Bellevue Hospital Center and Coney Island Hospital and an emergency supply of generators at Coler/Goldwater Specialty Facility; and

WHEREAS, the President of HHC issued a Declaration of Emergency and directed that repairs and replacement of facility assets necessary to have the facilities resume providing medical care to their respective communities be carried out immediately; and

WHEREAS, a Request for Proposals was issued on November 23, 2012 in accordance with the Corporation's operating procedures; and

WHEREAS, the submitted proposals were evaluated by a selection committee and rated using criteria specified in the RFP, and the Committee determined that Base Tactical was the highest rated of all proposers in meeting the Corporation's requirements; and

WHEREAS, the overall monitoring of the contract shall be the responsibility of the Senior Vice President/Chief Financial Officer.

Now, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("the Corporation") be and hereby is authorized to negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

EXECUTIVE SUMMARY

The New York City Health and Hospitals Corporation (HHC) incurred major disruption and damage resulting from Hurricane Sandy which was declared an Emergency by the President of the United States, FEMA 4085 DR NY. The incident began on October 27, 2012 when New York City and HHC set up command stations, began preparing buildings, and set up Emergency Medical Shelters on behalf of the City of New York.

HHC suffered major consequences due to flooding, fallen trees, wind, and power outages. During the exigent period HHC retained the assistance of a firm, through an emergency procurement, to help plan for the Category A and B services and to oversee emergency protective measures.

Base Tactical, is a firm that has hospital specific disaster recovery experience having worked in New Orleans, Baton Rouge and Florida. Other clients include the states of New York, Florida, Kentucky, Ohio, Illinois, Iowa, and Vermont including the cities of New Orleans, Nashville, Louisville, Cincinnati, and Cedar Rapids.

Base Tactical was engaged by the Corporation on November 6, 2012 through the President's Declaration of Emergency for the purpose of assuring that the Corporation have expert consulting services in disaster recovery planning, project management and FEMA claiming. That contract will expire on January 31, 2013 and was for a total not to exceed \$1.42 million. Base Tactical has already completed the application which resulted in FEMA's submission of Expedited Project Worksheets for nearly \$150 million in expenses for Emergency Protective Measures

On November 23, 2012, the Corporation issued a Request for Proposal (RFP) seeking a consultant for strategic planning, project management and assistance with the Federal Emergency Management Agency (FEMA) public assistance claiming process. Use of an expert consultant is critical because significant dollars are at stake and planning and project management efforts need to benefit from experience with floods and other disasters. This engagement was designed to replace the original emergency contract thus affording the Corporation to benefit from a competitive process. The second engagement would complete the first effort which address the initial phase of the recovery and take the Corporation through the completion of the preparation for the permanent work.

Scope of Work:

The Consultant will report directly to the President and CEO of the New York City Health and Hospitals Corporation. The firm will also provide direct support to the Corporate Chief Financial Officer and the CEOs of Bellevue Hospital, Coney Island Hospital, and Coler Hospital as well as providing support to other CEOs on a much smaller scale.

Strategic Planning The Corporation is currently challenged with the competing requirement to resume normal operations as quickly as possible while planning and doing

permanent work to have its buildings be as resilient as possible to future disasters. Emergency Protective Measures are underway and managed by local teams headed by individual Hospital CEOs. The overall strategy and critical decisions making must be vetted by the Corporate CEO. The consultants will be responsible for providing advice and oversight in the development of cost-effective project scopes.

Finance The Corporation is an applicant for FEMA public assistance. This effort is being centrally managed by the Corporate CFO. Through the initial emergency engagement the Corporation set up invoice review and accounts payable and claiming processes consistent with FEMA regulations. The Kick-off meeting and initial project worksheets have been submitted for Category A and B Emergency Protective Measures. The consultant shall assist with the submission of additional project worksheets for the Permanent Work as well as providing on-going advice and support through the process. This engagement replaces the exigent engagement and is expected to commence February 1, 2013 and conclude July 31, 2014. The expectation is that these services will be much more heavily needed through the beginning of this period and shall phase out.

Project Management Reporting on a day-to-day basis to the CEO's of the individual hospitals the consultants shall provide some overall project management services. The consultant shall also provide weekly updates to the Corporate CEO. This part of the engagement is expected to commence February 1, 2013 and conclude July 31, 2014. The expectation is that these services will be much more heavily needed through the beginning of this period and shall phase out.

Through the RFP process a selection committee reviewed 8 proposals and selected Base Tactical based on their: depth and technical expertise of staff, strength of the project team assigned, proposed methodology for working through the FEMA application process, knowledge of hospital building infrastructure, equipment, space adjacencies and operations, and cost.

The contract will commence on February 1, 2013 and conclude on July 31, 2014 for an amount not to exceed \$4,422,700. The contract will require specific deliverables and verification of hours at prescribed rates per consultant team member ranging from \$175 per hour to \$523 per hour. If tasks can be completed with less effort the Corporation will only pay for the effort provided.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Consulting Services for Federal Emergency Management Agency (FEMA) Related Disaster Recovery Funding

Project Title & Number: Consulting Services for FEMA Related Disaster Recovery Funding – DCN 2053

Project Location: Bellevue, Central Office, Coler, Coney Island, Harlem, Health and Home Care, Kings, Metropolitan, Metro Plus, Neponsit

Successful Respondent: Base Tactical Disaster Recovery

Contract Amount: Not to exceed \$4,422,700

Contract Term: 18 Months

Requesting Dept.: Corporate Finance

Number of Respondents: 8*
(If Sole Source, explain in Background section)

Range of Proposals: \$2,490,460 to \$30,600,000

Minority Business Enterprise Invited: X Yes

Funding Source: X Grant: eligible for 75% FEMA reimbursement

Method of Payment: X Other: explain Project based, not to exceed

EEO Analysis: Approval pending

Compliance with HHC's McBride Principles? Yes

Vendex Clearance Vendex approval pending

* A proposal was rejected because it was missing an entire section.

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):

The New York City Health and Hospitals Corporation (HHC) requires the services of a consultant expert in disaster management and recovery including strategic planning and project management and the finance processes involved in applying for and claiming public assistance from the Federal Emergency Management Agency (FEMA).

Strategic Planning The Corporation is currently challenged with the competing requirement to resume normal operations as quickly as possible while planning and doing permanent work to have its buildings be as resilient as possible to future disasters. Emergency Protective Measures are underway and managed by local teams headed by individual Hospital CEOs. The overall strategy and critical decisions making must be vetted by the Corporate CEO. The consultants will be responsible for providing advice and oversight in the development of cost-effective project scopes. This function shall report directly to the Corporate CEO. This part of the engagement is expected to commence February 1, 2013 and conclude June 30, 2013.

Project Management Reporting on a day-to-day basis to the CEO's of the individual hospitals the consultants shall provide some overall project management services. The consultant shall also provide weekly updates to the Corporate CEO. This part of the engagement is expected to commence February 1, 2013 and conclude June 30, 2014. The expectation is that these services will be much more heavily needed through the beginning of this period and shall phase out.

Finance The Corporation is an applicant for FEMA public assistance. This effort is being centrally managed by the Corporate CFO. Through the initial emergency engagement the Corporation will have set up invoice review and accounts payable and claiming processes consistent with FEMA regulations. The Kick-off meeting and initial project worksheets will have been submitted for Category A and B Emergency Protective Measures. The consultant shall assist with the submission of additional project worksheets for the Permanent Work as well as providing on-going advice and support through the process. This engagement February 1, 2013 and conclude June 30, 2014. The expectation is that these services will be much more heavily needed through the beginning of this period and shall phase out.

CONTRACT FACT SHEET (continued)

Contract Review Committee

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

The Contract Review Committee (CRC) reviewed and approved the issuance of a Request for Proposal (RFP) on its November 21, 2012 meeting.

The Contract is being presented for approval on January 4, 2013

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC?

The budget increased from \$2.5 million to \$4.5 million and the timeframe changed from 24 months to 18 months.

Selection Process (attach list of selection committee members, list of firms responding to RFP or NA, 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:

Roslyn Weinstein, SAVP, President's Office, Chair
Alfonso Pistone, AVP, OFD
Daniel Collins, Director/Engineering, CIH
Frederick Covino, AVP, Budget
Joseph Quinones, SAVP, Operations
Michael Buchholz, AED, Coler
Michael Rawlings, AED, Bellevue

List of firms responding to RFP:

David M Shapiro
Jacobs
Base Tactical
Witt Associates
CDM Smith/Navigant
Resilire
Ernst & Young
Experis

List of firms considered for Best and Final:

Jacobs
Base Tactical
Witt Associates

The Selection Committee members rated each proposal and voted on weighted average based upon the following evaluation criteria (in order of priority):

- Depth and Technical Expertise of Staff
- Sufficient Staff to complete the project within the contract term
- Ability to Work with and Educate Corporate Staff so that it can Become Self Sufficient
- Methodology that will be used to support HHC's FEMA application and claiming
- Strategy for applying for FEMA funding
- Demonstrated knowledge of hospital building infrastructure, equipment, space adjacencies and operations
- Deliverables that meet HHC's needs
- Number of Hours Assigned to Each Category Appropriate
- Allocation of the staff and expertise allow for cost effective completion of the engagement
- Hourly rates for staff reasonable

Base Tactical received the highest rating from the Committee members.

Provide a brief costs/benefits analysis of the services to be purchased.

FEMA will reimburse 75% of acceptable recovery costs under typical circumstances. Because of the extreme nature of Sandy the President has asked Congress to increase the level of reimbursement to 90%. The Corporation has already submitted nearly \$150 million in costs for Emergency Protective Measures to FEMA for the initial dewatering and abatement activities needed to restore services at Bellevue, Coler, and Coney. Through Base Tactical's initial engagement the Corporation was able to gain the full cooperation of FEMA in processing \$150 million in expedited project worksheets.

Moreover, Base Tactical has worked with the Hospital staff to assess the damages and catalog and video tape for future project worksheets. In addition, the City has appropriated another \$300 million for permanent work to bring electrical and other operations back as a down payment on expected FEMA reimbursement. The \$300 million was based on very early estimates and could cost as much as \$610 million. Accordingly, an enormous sum of potential FEMA reimbursement is a risk.

If we assume the City appropriation number of \$300 million at 75%, the potential reimbursement is \$225 million. If we assume more current estimates and the President's percentage the potential reimbursement is \$550 million. FEMA both allows and encourages the use of outside experts and reimburses for their services. In sum, the Corporation would be well advised to avail itself of this much needed expertise.

Provide a brief summary of historical expenditure(s) for this service, if applicable.

This is the first disaster of this scale ever experienced by the Corporation. By contrast the entire Irene claim was less than \$10 million. We have already used Base Tactical to assist in the first round of FEMA application and have had good results. This engagement was for 3 months for \$1.2 million.

Provide a brief summary as to why the work or services cannot be performed by the Corporation's staff.

Corporate staff does not have the requisite experience in such matters.

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?

NO

Contract monitoring (include which Senior Vice President is responsible):

Marlene Zurack, Senior VP/CFO, Finance

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. _____
Date

Analysis Completed By E.E.O. _____
Date

Name

**ACTION ITEM
PRESENTATION**

BASE TACTICAL DISASTER RECOVERY

FINANCE COMMITTEE MEETING

JANUARY 15, 2013

NYC HHC Disaster Recovery

Bellevue, Coler, and Coney Island Hospitals



Base Tactical

January 31, 2013



NYC, October 27, 2012

FEMA DECLARATION & REIMBURSEMENT

The Superstorm Sandy declaration allows for:

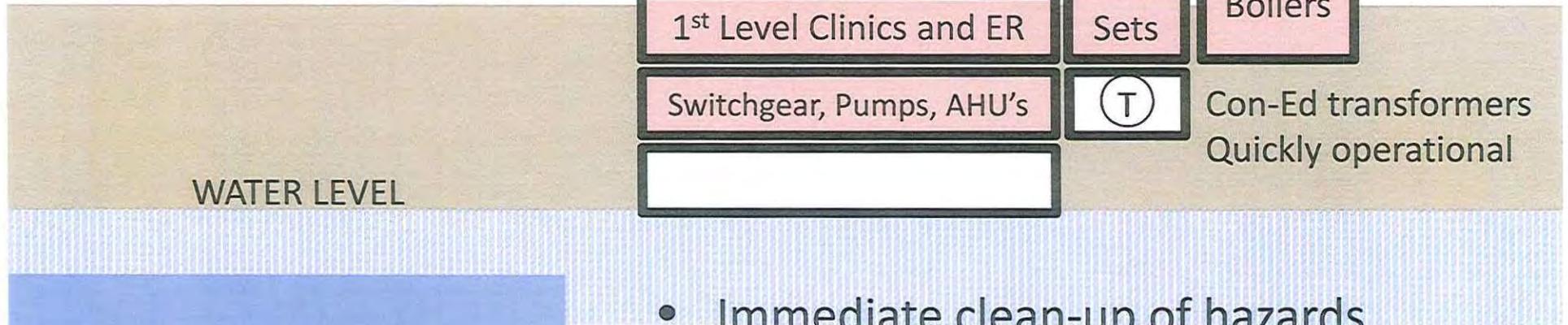
Emergency Stabilization (Category B)

Permanent Reconstruction (Category E)

Hazard Mitigation (HMGP)

REPAIR

Basement fixes provide for no change in resiliency nor any improvement in patient safety

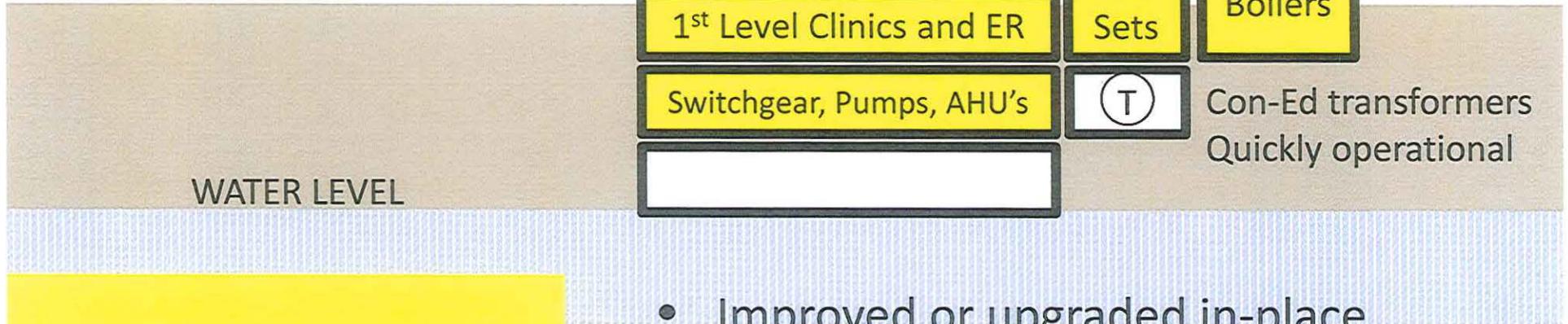


**PERMANENT
RECONSTRUCTION
OPTION 1**

- Immediate clean-up of hazards
- No improvement in resiliency – same level of exposure to future threats.
- May not resolve code issues
- FEMA Reimbursement at 100%

REPLACE

Level 2 Improve-in-place designs MAY mitigate EVACUATION plans or improve patient safety



AHU's

Inpatient Rooms

Inpatient Rooms

Procedures

1st Level Clinics and ER

Switchgear, Pumps, AHU's

Gen Sets

Boilers

Ⓣ

Con-Ed transformers
Quickly operational

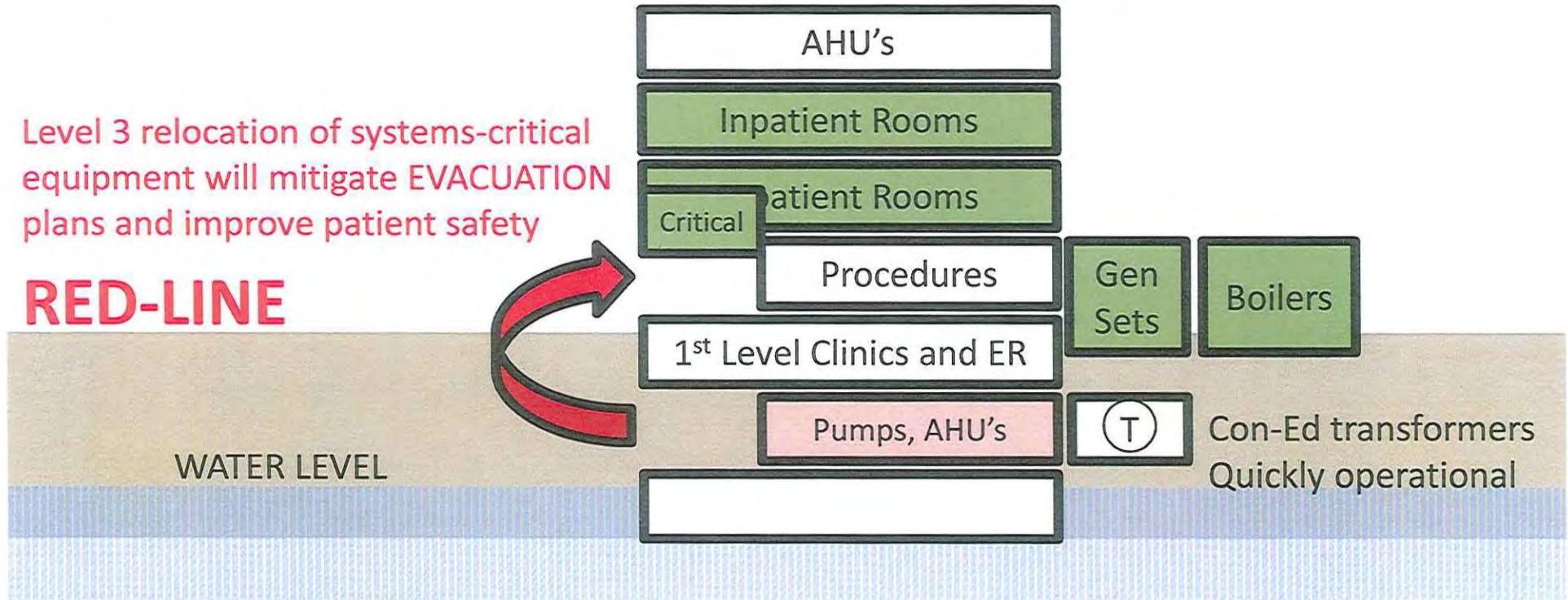
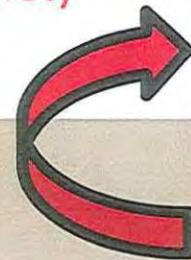
**PERMANENT
RECONSTRUCTION
OPTION 2**

- Improved or upgraded in-place replacement of equipment
- Regulatory Compliance
- FEMA Reimbursement

RECONSTRUCT or RELOCATE

Level 3 relocation of systems-critical equipment will mitigate EVACUATION plans and improve patient safety

RED-LINE



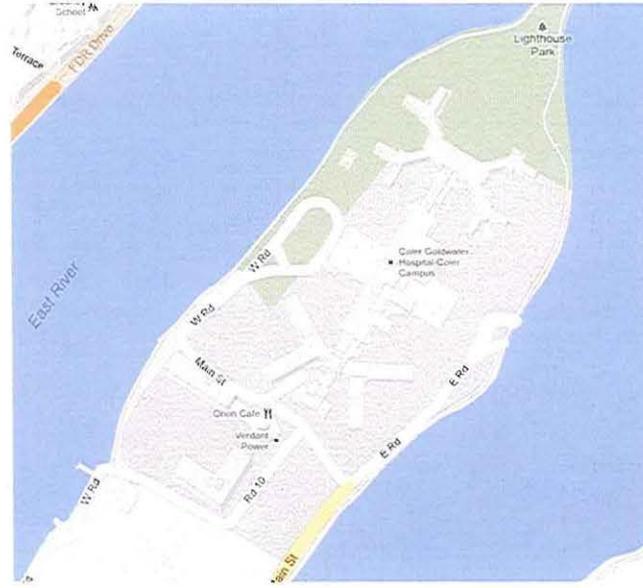
**PERMANENT
RECONSTRUCTION
OPTION 3**

- Relocated equipment & new or replacement code-compliant, flood hardened design
- Regulatory Compliance
- Hazard Mitigation funds available

HHC's Most Impacted Hospitals



BELLEVUE



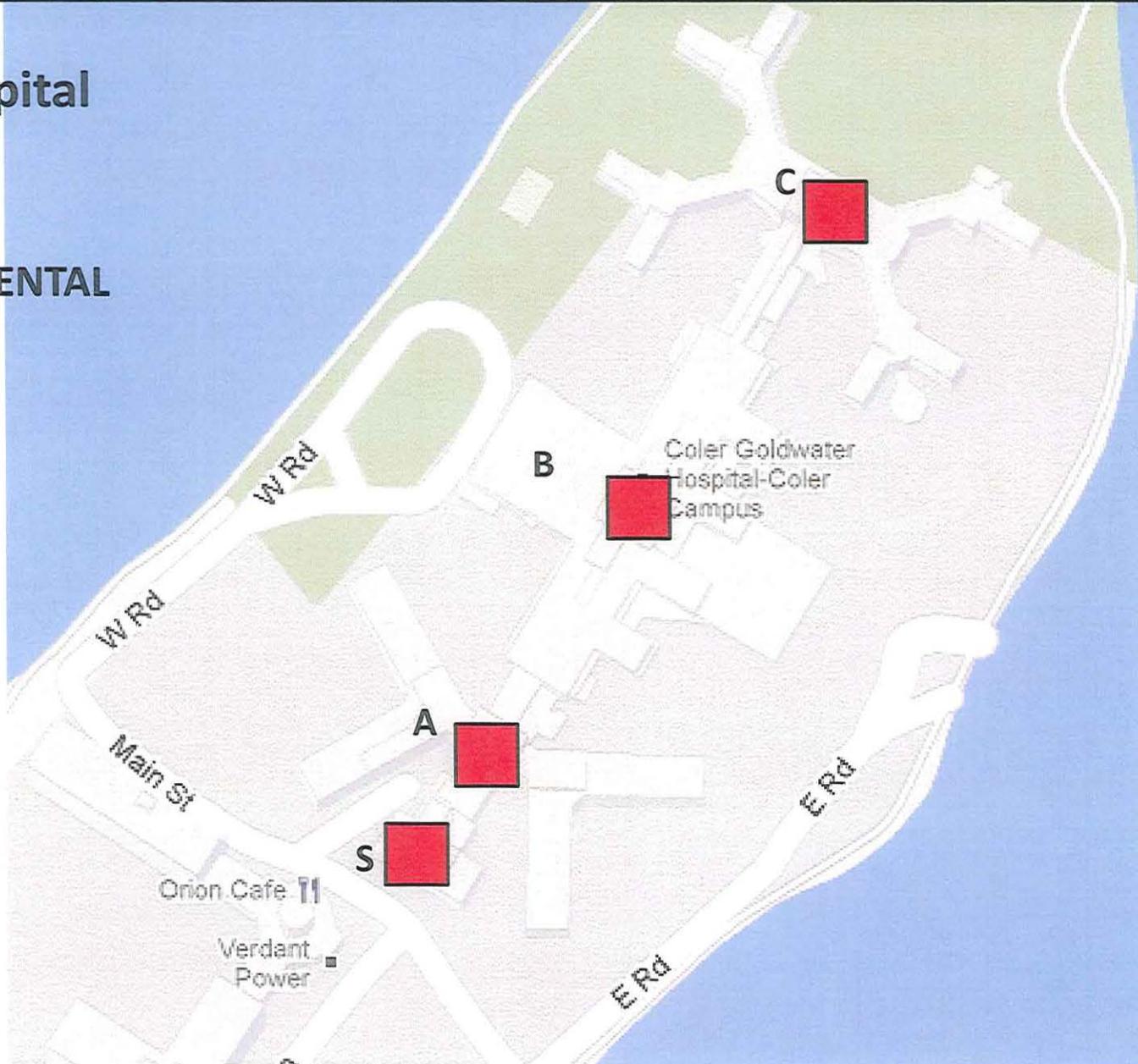
COLER



CONEY ISLAND

Coler Hospital

ENVIRONMENTAL
ELECTRICAL



COLER

1. Steam tunnel impacted by flood. Abatement project completed, insulation was completed by December 25, 2012.

Outcome: Release temp boilers and restore normal heating functions. **Timeline:** January

2. Electrical: We are still operating on temporary generators. This temporary condition is a risk for failure. **Gap:** Need to transition to ConEd power. **Needs:** Design the short term and long term solution for electricity. **Timeline:** May - June.

3. Restoration & Environmental: Signal still working but is slowed by asbestos abatement and mold in auditorium. Asbestos in basement will be abated. **Timeline:** March

Long Range plan: Cure environmental conditions, execute long term electricity solution, design first floor changes (auditorium and offices).

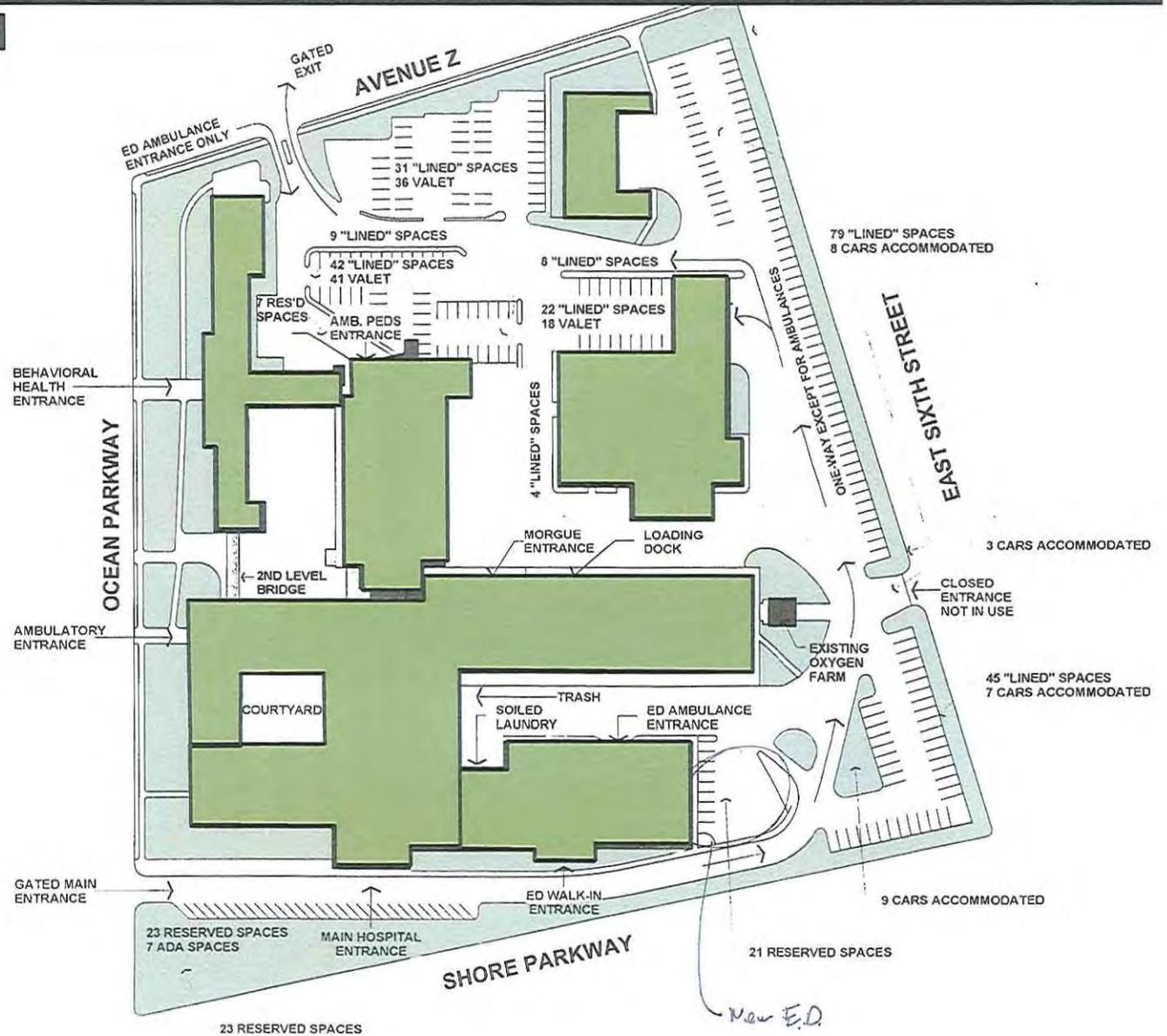
Coney Island Hospital

ENVIRONMENTAL

ELECTRICAL

MECHANICAL

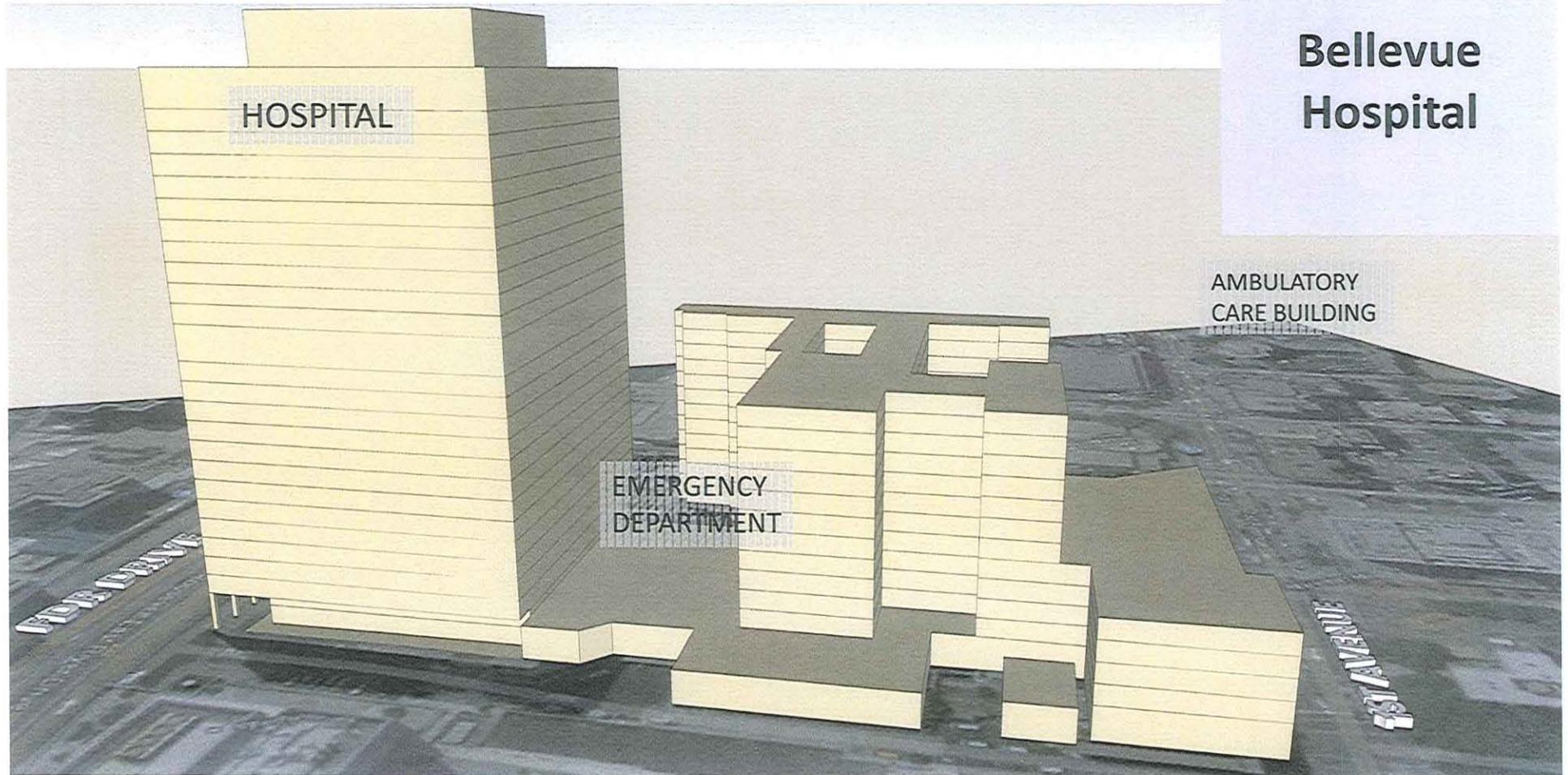
GROUND LEVEL ED



Coney Island

1. Environmental issues complicate the stabilization of the facility. Basement needs abatement (water and materials are impacted with asbestos). Project has been bid and is about to be contracted. **Outcome:** By stabilizing basement, mold will no longer seep into main hospital building. **Timeline:** February
2. Electrical: Operating on borrowed power from C/D switch. Temp solution works until March. **Need:** Design a temp or permanent solution for electricity. **Timeline and cost:** Being designed.
3. Hospital is operational with permanent work and hazard mitigation solutions under development.

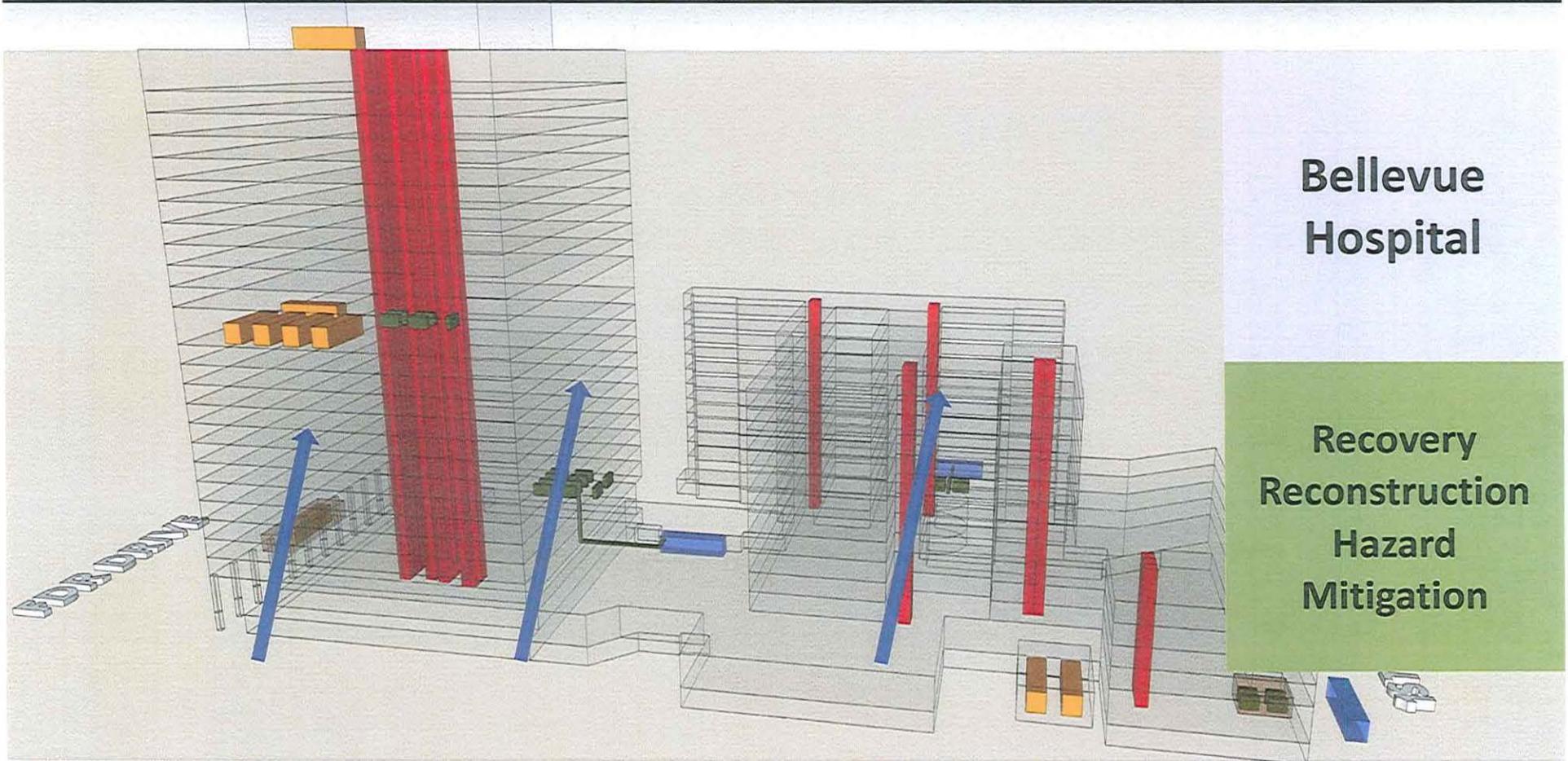
The long term solution: Electrical gear replacement is the solution to Coney Island's immediate needs but a design and strategy must take into account the long range plan for new facilities.



Ambulatory services open.
Emergency department open with limited services.
Main hospital to open in February 2013.

Bellevue

1. Ambulatory services were re-established in November.
2. Emergency Department (with limited services) opened in December.
3. Electrical: Replacement to first floor is proceeding.
4. Mechanical: Replacement of air make up systems. New equipment will be outdoor type which will make it more resilient. Submarine doors are being planned for further mitigation.
5. Establish strategy to move fuel pumps, domestic water pumps and other critical services to areas above the basement.
6. Re-open Bellevue in February and design hazard mitigation solutions to prevent a similar event from occurring.



Bellevue Hospital

Recovery
Reconstruction
Hazard
Mitigation

RELOCATE GENERATOR TO HIGHER POSITION AND CONSTRUCT WALLS AROUND IT TO DIRECT NOISE FROM OPERATION TO SKY

NYPA VAULT SWITCHGEAR TO BE RELOCATED TO HIGHER LEVEL.

OPTION #1 : LEVEL 1 ABOVE CURRENT LOCATION,
DISPLACED PROGRAM TO BE RELOCATED
OPTION #2 : LEVEL 3 SHELL SPACE IN HOSPITAL TOWER

MOVE SWITCHGEAR UP 1 FLOOR.

DISPLACED PROGRAM TO BE RELOCATED

MAKE THE MODERN CONSTRUCTION WATERTIGHT AND CREATE A VAULT FOR SWITCHGEAR

POSSIBLE RELOCATION TO UPPER FLOOR BUT WILL LOSE BUILDING PROGRAM.

Questions



RESOLUTION

Authorizing and approving the adoption of the resolution entitled “Health System Bonds, 2013 Series Resolution” providing for the issuance of a series of Health System Bonds (the “2013 Series Bonds”) in a principal amount not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

WHEREAS, in accordance with the New York City Health and Hospitals Corporation Act, New York Unconsolidated Law Section 7381 *et seq.*, and pursuant to the resolution entitled “Health System Bonds General Resolution” adopted by the Corporation on November 19, 1992, as amended by resolution adopted on December 19, 1996 (hereinafter referred to as the “General Resolution”), which authorizes the issuance from time to time of Health System Bonds and notes of the Corporation in one or more series pursuant to a series resolution authorizing such series; and

WHEREAS, on June 15, 1993, the Corporation issued its Health System Bonds, 1993 Series A in the aggregate principal amount of \$550,000,000 (the “1993 Series Bonds”), which were refunded entirely with the issuance on March 18, 1999 of its Health System Bonds, 1999 Series A in the aggregate principal amount of \$235,700,000 (the “1999 Series Bonds”) and the issuance of on January 15, 2003 of its Health System Bonds, 2003 Series A in the aggregate principal amount of \$245,180,000 (the “2003 Series Bonds”); and

WHEREAS, on April 10, 1997, the Corporation issued its Health System Bonds, 1997 Series in the aggregate principal amount of \$320,000,000 (the “1997 Series Bonds”), which were refunded entirely with the issuance on July 25, 2002 of its Health System Bonds, 2002 Series A-H in the aggregate principal amount of \$590,500,000 (the “2002 Series Bonds”) that both refunded the 1997 Series Bonds and provided new money funds to finance certain capital projects; and

WHEREAS, on August 21, 2008, the Corporation issued its Health System Bonds, 2008 Series A in the aggregate principal amount of \$268,915,000 (the “2008 Series A Bonds”) and on September 4, 2008, the Corporation issued its Health System Bonds, 2008 Series B, C, D, and E in the aggregate principal amount of \$189,000,000 (the “2008 Series B, C, D, and E Bonds”, and, together with the 2008 Series A Bonds, the “2008 Series Bonds”) that the 2008 Series Bonds refunded the remaining \$346,025,000 of the 2002 Series B, C, D, E, F, G, and H Bonds and provided new money funds to finance certain capital projects; and

WHEREAS, on October 26, 2010, the Corporation issued its Health System Bonds, 2010 Series A in the aggregate principal amount of \$510,460,000 (the “2010 Series Bonds”). The 2010 Series Bonds refunded the remaining \$199,715,000 of the 1999 Series A Bonds, and refunded \$142,315,000 of the 2002 Series A Bonds (with \$11,905,000 of the 2002 Series A

Bonds with maturity in 2011, 2012, and 2013 remained un-refunded); and provided new money funds to finance certain capital projects; and

WHEREAS, the General Resolution permits the issuance by the Corporation of Additional Bonds constituting Parity Indebtedness, as those terms are defined in the General Resolution, on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds, the 2003 Series Bonds, the 2008 Series Bonds, and the 2010 Bonds; and

WHEREAS, the Board of Directors of the Corporation has determined that it is necessary and desirable to authorize and issue pursuant to the General Resolution a series of bonds, as Additional Bonds constituting Parity Indebtedness under the General Resolution, on a parity with the Health System Bonds to provide funds to carry out the purpose set forth in the General Resolution; and

WHEREAS, the overall management of the financing and refinancing of the Health System Bonds will be under the direction of the Senior Vice President, Finance and Assistant Vice President, Debt Finance/Corporate Reimbursement Services.

NOW THEREFORE, be it

RESOLVED, that the Board of Directors of the Corporation hereby authorizes the adoption of the resolution entitled "Health System Bonds, 2013 Series Resolution" providing for the issuance of a series of Health System Bonds in a principal amount not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

EXECUTIVE SUMMARY

Health System Bonds, 2013 Series Resolution

The attached New York City Health and Hospitals Corporation (the "Corporation"), Health System Bonds, 2013 Series Resolution ("2013 Series Resolution") authorizes the Corporation to issue bonds not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

Purpose:

The bond proceeds will provide approximately \$150 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds with the remaining to finance the capital reserve fund, the cost of issuance, the escrow account, if any;

Initial Placement or Sale of 2013 Series Health System Bonds:

Approving the 2013 Series Resolution appoints Citigroup Global Markets, Inc. as the lead managing underwriter, and Morgan Stanley & Co. LLC, and J.P. Morgan Securities, Inc. as co-senior managing underwriters (together the "Managers") for the 2013 Series Bonds. The underwriters shall sell the bonds at the purchase price as designated in the Certificate of Determination, and the terms and conditions as stipulated in the Contract of Purchase.

Bond Structure:

The Corporation is working to refund all or a portion of the remaining \$111.81 million 2003 Series A Bonds, and up to \$53.845 million 2008 Series A Bonds (with 2014 and 2015 maturity) fixed rate bonds.

Ancillary Documents:

The following related documents are approved by the Board of Directors pursuant to the 2013 Series Resolution, which authorizes the following documents:

- (1) **Contract of Purchase:** The Contract of Purchase will contain the terms and provisions between the Corporation and the underwriters for the sale of the 2013 Series Bonds.
- (2) **Tax Regulatory Agreement:** The Tax Regulatory Agreement contains the terms between the Corporation and the Trustee and addresses tax code compliance with the Internal Revenue Code of 1986.
- (3) **Official Statement:** The Official Statement is the marketing and disclosure document for the Corporation's 2013 Series Bonds.
- (4) **Continuing Disclosure Agreement:** The Continuing Disclosure Agreement will contain terms and provisions requiring the Corporation to disclose certain financial and operational information.
- (5) Other agreement related to the issuance of the 2013 Series Bonds prepared in accordance with industry practice and on the advice of the Managers and the Corporation's bond counsel.



How NYC takes care of its own.

Finance Committee Presentation

January 15, 2013

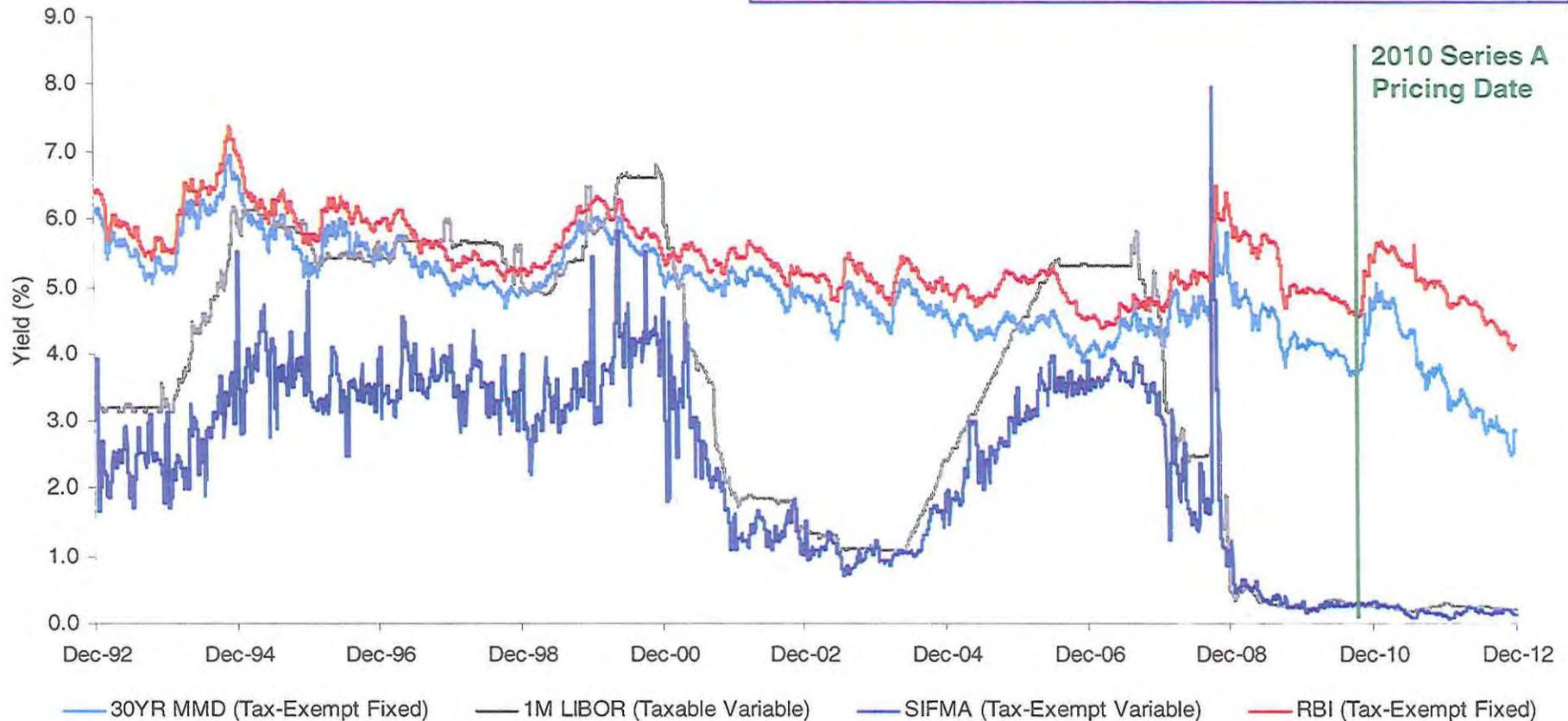
Overview

- HHC plans to refund \$149.3 million outstanding bonds for \$19.6 million in savings
 - All of the 2003 Series A Bonds
 - A portion of the 2008 Series A Bonds
 - Existing rates and maturities of other outstanding HHC bonds do not present opportunities for savings
- The refunding bonds will be issued as tax-exempt fixed rate premium bonds
- The bonds will be structured to concentrate savings in FYs 2014 & 2015
- Pricing is scheduled for the week of March 18th

Interest Rates Near 20-Year Lows, Despite Recent MMD Rise

Interest rates remain near 20-year lows, despite recent MMD increase due to proposed limitation on the benefits of investing in municipal bonds.

Historical Statistics (12/18/1992 - 12/20/2012)				
	1M LIBOR	RBI	SIFMA	30-Year MMD
Average:	3.40%	5.42%	2.31%	4.90%
Maximum:	6.82%	7.37%	7.96%	6.95%
Minimum:	0.19%	4.06%	0.06%	2.47%
Current:	0.21%	4.12%	0.13%	2.84%



Rates as of December 20, 2012. For illustration purposes only; past results do not indicate future performance.

RBI = Revenue Bond Index, which represents an estimation of the yield that would be offered on 30-year revenue bonds. The 25 issuers used to comprise the index cover a broad range of issuer types (transportation, housing, hospital, water & sewer, pollution control, etc.) and have a composite rating of Moody's A1 or Standard and Poor's A+.



Savings

Debt Service



- \$19.6 million of total Net Present Value debt service savings, due to all-time low interest rates
- \$28.3 million of cashflow relief in 2014 and \$12.0 million of cashflow relief in 2015
- FY 2014 cashflow savings includes \$12.0 million potential reduction to the Capital Reserve Fund requirement due to reduction in aggregate Maximum Annual Debt Service

For illustration purposes only; actual results will depend on future market conditions.

1. Rates as of COB December 20, 2012. Fixed rate scale estimated based on HHC's current ratings and may vary depending on pricing date and demand.

2. Cost of issuance are estimates only.

3. Series 2008B-E VRDOs assumed at 2.25%.

4. Net PV Savings excludes funds on hand from capital reserve release (as an upfront cashflow). Annual savings includes funds on hand from capital reserve release.

5. Capital reserve release is estimated only. Assumes capital reserve doesn't earn interest (subject to HHC confirmation of rates).

Proposed Plan of Finance

A fixed rate refunding of the 2003 Series A bonds and a portion of the 2008 Series A bonds results in Net Present Value savings of \$19.6 million, or 13.1%.

Summary Refunding Results

Existing Bond Statistics	
Par Amount	149,320,000
Bond Average Interest Rate (Coupon)	5.08%
Average Life (years)	6.9
New Bond Statistics	
Par Amount	118,595,000
Bond Interest Rate (Arbitrage Yield)	2.57%
Interest Rate Adjusted for Costs (All-in TIC)	2.69%
Average Life (years)	8.7
Estimated Savings	
Net Present Value Savings (arb. yield) ⁴	19,592,252
In first 3 years	38,088,760
In first 5 years	36,131,451
Net PV Savings as % Refunded Bonds	13.1%
Net PV Savings as % Refunding Bonds	16.5%
Maximum Annual Debt Service	
Existing	98,983,847
New	87,013,185
Capital Reserve Fund Release ⁵	11,970,662

The 2013 Series A bonds are expected to be sold at a premium to par, which means a smaller 2013 par amount will be needed because investors will pay more than face value (\$5,000) for each new bond.

For illustration purposes only; actual results will depend on future market conditions.

1. Rates as of COB December 20, 2012. Fixed rate scale estimated based on HHC's current ratings and may vary depending on pricing date and demand.

2. Cost of issuance are estimates only.

3. Series 2008B-E VRDOs assumed at 2.25%.

4. Net PV Savings excludes funds on hand from capital reserve release (as an upfront cashflow). Annual savings includes funds on hand from capital reserve release.

5. Capital reserve fund release is estimated only. Assumes capital reserve doesn't earn interest.

IRS Circular 230 Disclosure: Citigroup Inc. and its affiliates do not provide tax or legal advice. Any discussion of tax matters in these materials (i) is not intended or written to be used, and cannot be used or relied upon, by you for the purpose of avoiding any tax penalties and (ii) may have been written in connection with the "promotion or marketing" of any transaction contemplated hereby ("Transaction"). Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This presentation is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the information contained herein and the existence of and proposed terms for any Transaction.

Prior to entering into any Transaction, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such Transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any Transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any Transaction) and our disclaimer as to these matters. By acceptance of these materials, you and we hereby agree that from the commencement of discussions with respect to any Transaction, and notwithstanding any other provision in this presentation, we hereby confirm that no participant in any Transaction shall be limited from disclosing the U.S. tax treatment or U.S. tax structure of such Transaction.

We are required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with us. We will ask for your complete name, street address, and taxpayer ID number. We may also request corporate formation documents, or other forms of identification, to verify information provided.

Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers. These indications are provided solely for your information and consideration, are subject to change at any time without notice and are not intended as a solicitation with respect to the purchase or sale of any instrument. The information contained in this presentation may include results of analyses from a quantitative model which represent potential future events that may or may not be realized, and is not a complete analysis of every material fact representing any product. Any estimates included herein constitute our judgment as of the date hereof and are subject to change without any notice. We and/or our affiliates may make a market in these instruments for our customers and for our own account. Accordingly, we may have a position in any such instrument at any time.

Although this material may contain publicly available information about Citi corporate bond research, fixed income strategy or economic and market analysis, Citi policy (i) prohibits employees from offering, directly or indirectly, a favorable or negative research opinion or offering to change an opinion as consideration or inducement for the receipt of business or for compensation; and (ii) prohibits analysts from being compensated for specific recommendations or views contained in research reports. So as to reduce the potential for conflicts of interest, as well as to reduce any appearance of conflicts of interest, Citi has enacted policies and procedures designed to limit communications between its investment banking and research personnel to specifically prescribed circumstances.

© 2013 Citigroup Global Markets Inc. Member SIPC. All rights reserved. Citi and Citi and Arc Design are trademarks and service marks of Citigroup Inc. or its affiliates and are used and registered throughout the world.

Citi believes that sustainability is good business practice. We work closely with our clients, peer financial institutions, NGOs and other partners to finance solutions to climate change, develop industry standards, reduce our own environmental footprint, and engage with stakeholders to advance shared learning and solutions. Highlights of Citi's unique role in promoting sustainability include: (a) releasing in 2007 a Climate Change Position Statement, the first US financial institution to do so; (b) targeting \$50 billion over 10 years to address global climate change: includes significant increases in investment and financing of renewable energy, clean technology, and other carbon-emission reduction activities; (c) committing to an absolute reduction in GHG emissions of all Citi owned and leased properties around the world by 10% by 2011; (d) purchasing more than 234,000 MWh of carbon neutral power for our operations over the last three years; (e) establishing in 2008 the Carbon Principles; a framework for banks and their U.S. power clients to evaluate and address carbon risks in the financing of electric power projects; (f) producing equity research related to climate issues that helps to inform investors on risks and opportunities associated with the issue; and (g) engaging with a broad range of stakeholders on the issue of climate change to help advance understanding and solutions.

Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

efficiency, renewable energy and mitigation

HD&W DRAFT 1/2/13

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
HEALTH SYSTEM BONDS SERIES RESOLUTION

Authorizing the Issuance of

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
HEALTH SYSTEM BONDS,
2013 SERIES

Adopted January 31, 2013

TABLE OF CONTENTS

Page

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 101. Series Resolution3
Section 102. Definitions.....3
Section 103. Incorporation of 2013 Series Certificate of Determination4

ARTICLE II

AUTHORIZATION OF 2013 SERIES BONDS

Section 201. Principal Amount, Designation and Form5
Section 202. Purposes5
Section 203. Date, Maturities and Interest Rates5
Section 204. Interest Payments5
Section 205. Denominations, Numbers and Letters.....5
Section 206. Places of Payment6
Section 207. Redemption Prices and Terms6
Section 208. Sale of 2013 Series Bonds6
Section 209. Authorization of Related Documents.....7
Section 210. Certificate of Determination8

ARTICLE III

DISPOSITION OF 2013 SERIES BOND PROCEEDS

Section 301. Bond Proceeds Fund9
Section 302. Construction Account9
Section 303. Capitalized Interest Account.....9
Section 304. Working Capital Account9
Section 305. Cost of Issuance Account.....9
Section 306. Capital Reserve Fund.....10
Section 307. Interest Income.....10
Section 308. Refunding.....10

ARTICLE IV

FORM OF 2013 SERIES BONDS

Section 401. Form of 2013 Series Bonds.....11
Section 402. Attestation of 2013 Series Bonds.....15

ARTICLE V

MISCELLANEOUS

Section 501. Arbitrage Covenant16
Section 502. Notice to Rating Agencies16
Section 503. Continuing Disclosure16
Section 504. Effective Date17

A SERIES RESOLUTION OF THE NEW YORK CITY HEALTH AND HOSPITALS
CORPORATION AUTHORIZING
THE ISSUANCE OF NEW YORK CITY HEALTH AND HOSPITALS
CORPORATION HEALTH SYSTEM BONDS, 2013 SERIES A

WHEREAS, the New York City Health and Hospitals Corporation (the "Corporation") has adopted a resolution entitled "General Resolution" on November 19, 1992, as amended by resolution adopted on December 19, 1996 (hereinafter referred to as the "General Resolution"), which authorizes the issuance from time to time of Health System Bonds of the Corporation in one or more series pursuant to a Series Resolution authorizing such series; and

WHEREAS, on June 15, 1993, the Corporation issued \$550,000,000 in aggregate principal amount of its Health System Bonds, 1993 Series A (the "1993 Series Bonds"), pursuant to the General Resolution; and

WHEREAS, on April 10, 1997, the Corporation issued \$320,000,000 in aggregate principal amount of its Health System Bonds, 1997 Series A, B, C and D (the "1997 Series Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds; and

WHEREAS, on March 18, 1999, the Corporation issued \$235,700,000 in aggregate principal amount of its Health System Bonds, 1999 Series A (the "1999 Series Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds and the 1997 Series Bonds; and

WHEREAS, on July 25, 2002, the Corporation issued \$590,500,000 in aggregate principal amount of its Health System Bonds, 2002 Series A-H (the "2002 Series Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds, the 1997 Series Bonds and the 1999 Series Bonds; and

WHEREAS, on January 15, 2003, the Corporation issued \$245,180,000 in aggregate principal amount of its Health System Bonds, 2003 Series A (the "2003 Series Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds and the 2002 Series Bonds; and

WHEREAS, on August 21, 2008, the Corporation issued \$268,915,000 in aggregate principal amount of its Health System Bonds, 2008 Series A (the "2008 Series A Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds and the 2003 Series Bonds; and

WHEREAS, on September 4, 2008, the Corporation issued \$189,000,000 in aggregate principal amount of its Health System Bonds, 2008 Series B, C, D and E (the "2008 Series B, C, D and E Bonds", and, together with the 2008 Series A Bonds, the "2008 Series Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity

Indebtedness on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds, the 2003 Series Bonds and the 2008 Series A Bonds; and

WHEREAS, on October 26, 2010, the Corporation issued \$510,460,000 in aggregate principal amount of its Health System Bonds, 2010 Series A (the "2010 Series Bonds"), pursuant to the General Resolution, as Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds, the 2003 Series Bonds, the 2008 Series A Bonds and the 2008 Series B, C, D and E Bonds; and

WHEREAS, the General Resolution permits the issuance by the Corporation of Additional Bonds constituting Parity Indebtedness on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds, the 2003 Series Bonds, the 2008 Series A Bonds, the 2008 Series B, C, D and E Bonds, and the 2010 Series Bonds; and

WHEREAS, the Board of Directors of the Corporation has determined that it is necessary and desirable to authorize and issue, pursuant to the General Resolution, one or more series of bonds, from time to time, as Additional Bonds constituting Parity Indebtedness under the General Resolution, on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds, the 2003 Series Bonds, the 2008 Series A Bonds, the 2008 Series B, C, D and E Bonds, and the 2010 Series Bonds, to be designated Health System Bonds, 2013 Series (the "2013 Series Bonds"), to provide funds (i) to refund all or a portion of the 2003 Series Bonds and the 2008 Series Bonds, (ii) to finance, refinance and reimburse the Corporation for the costs of various capital projects and expenditures at the Corporation's facilities, and to carry out the purposes permitted in the General Resolution and set forth herein, (iii) to fund the Capital Reserve Fund, if necessary, and (iv) to pay costs of issuance of the 2013 Series Bonds; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NEW YORK CITY HEALTH AND HOSPITALS CORPORATION AS FOLLOWS:

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 101. Series Resolution. This Series Resolution is adopted in accordance with Sections 201, 202, 203, 901(1) and 903 of the General Resolution and pursuant to the authority contained in the Act (as defined in the General Resolution). This Series Resolution may be modified as determined by an Authorized Officer subsequent to the date of its adoption and prior to the date of issuance of the 2013 Series Bonds as may be necessary or appropriate to reflect the actual provisions hereof that shall apply to the 2013 Series Bonds; provided, however, that the maximum principal amount set forth in Section 201, the final maturity prescribed by Section 203, and the final sale date prescribed by Section 208 shall not be so modified.

Section 102. Definitions. All terms which are defined in Section 103 of the General Resolution shall have the same meanings, respectively, in this Series Resolution. In addition, for the purposes of this Series Resolution, the following terms shall have the meanings set forth below:

“Bond Counsel” shall mean Hawkins Delafield & Wood LLP or such other firm of attorneys retained by the Corporation and specializing in the field of municipal finance and nationally recognized as experts in the field.

“Bonds to be Refunded” shall mean all or portions of the 2003 Series Bonds and/or the 2008 Series Bonds as are designated as such in the 2013 Series Certificate of Determination.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, by and between the Corporation and the Trustee, relating to the 2013 Series Bonds.

“Contract of Purchase” shall mean the Bond Purchase Agreement(s) with respect to the 2013 Series Bonds, by and among the Corporation, Citigroup Global Markets, Inc., Morgan Stanley & Co. LLC, and J.P. Morgan Securities, Inc., as managing underwriters.

“Official Statement” shall mean the Corporation’s Official Statement with respect to the 2013 Series Bonds.

“Rating Agency” shall mean each and any of Fitch, Inc., Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Service, a Division of The McGraw-Hill Companies, that has a rating in effect for the 2013 Series Bonds.

“Record Date” shall mean with respect to the 2013 Series Bonds the first day of each February and August, or as otherwise provided in the 2013 Series Certificate of Determination.

“Tax Regulatory Agreement” shall mean the Tax Regulatory Agreement, dated the date of delivery of the 2013 Series Bonds, by and between the Corporation and the Trustee, as it may be amended or supplemented.

“2013 Series Bonds” shall mean the 2013 Series Bonds issued by the Corporation and authorized pursuant to the provisions of this Series Resolution.

“2013 Series Certificate of Determination” shall mean the 2013 Series Certificate of Determination authorized pursuant to Section 210 hereof and in the appropriate form to establish, determine and reflect the terms and provisions of the 2013 Series Bonds, substantially in the form of Exhibit A hereto, with such changes, omissions and insertions as may be approved by the Authorized Officer executing such certificate.

“2013 Series Closing Certificate” shall mean the certificate of the Corporation delivered on the date of initial issuance of the 2013 Series Bonds, which shall set forth the specific application of proceeds of the 2013 Series Bonds as contemplated by Article III of this Series Resolution.

“2013 Series Project” shall mean the portion of the capital projects, improvements, renovations, acquisitions, construction, equipping and installation with respect to the Corporation’s Health Facilities financed or refinanced with the proceeds of the Bonds to be Refunded and to be refinanced with the proceeds of the 2013 Series Bonds.

Section 103. Incorporation of 2013 Series Certificate of Determination. All terms and conditions of the 2013 Series Certificate of Determination are hereby incorporated by reference into this Series Resolution.

ARTICLE II

AUTHORIZATION OF 2013 SERIES BONDS

Section 201. Principal Amount, Designation and Form. Pursuant to the provisions of the General Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of not exceeding \$175,000,000 for the purpose of refunding all or a portion of the Bonds to be Refunded as such aggregate principal amount is determined in the 2013 Series Certificate of Determination. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "New York City Health and Hospitals Corporation Health System Bonds, 2013 Series." The 2013 Series Bonds are issued in fully registered form without coupons, as provided in Section 401 hereof.

Section 202. Purposes. The purposes for which the 2013 Series Bonds are being issued are in accordance with the Act and are to provide proceeds of the sale thereof for credit, as provided in Section 401(2) of the General Resolution, to the Bond Proceeds Fund, for transfer (i) to the Construction Fund for transfer to the 2013 Series Cost of Issuance Account within the Construction Fund to pay Costs of Issuance of the 2013 Series Bonds, (ii) to the applicable Redemption Fund or Escrow Fund to refund all or a portion of the Bonds to be Refunded, and (iii) to the Capital Reserve Fund in an amount, if any, such that the amount on deposit therein on the date of issuance of the 2013 Series Bonds shall at least equal the Capital Reserve Fund Requirement, after giving effect to the issuance of the 2013 Series Bonds and the defeasance of the Bonds to be Refunded.

Section 203. Date, Maturities and Interest Rates. The 2013 Series Bonds shall be dated, shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum, all as is determined pursuant to this Article II and in the 2013 Series Certificate of Determination; provided, however, that the final maturity of the 2013 Series Bonds shall not extend beyond February 15, 2052. The General Resolution has previously been amended by deleting the third paragraph of Section 202 to clarify that Bonds of a Series of like maturity need not bear identical interest rates.

Section 204. Interest Payments. The 2013 Series Bonds shall bear interest from their date payable as determined pursuant to this Article II and in the 2013 Series Certificate of Determination, commencing on the first interest payment date therefor identified in the 2013 Series Certificate of Determination. The Record Dates for the 2013 Series Bonds shall be the first day of each February and August, or as otherwise provided in the 2013 Series Certificate of Determination.

Section 205. Denominations, Numbers and Letters. The 2013 Series Bonds shall be issued initially in the denomination of \$5,000 or any integral multiple thereof or as otherwise established in the 2013 Series Certificate of Determination. The 2013 Series Bonds shall be lettered R- and shall be numbered from one (1) consecutively upwards.

As provided in Section 206 of the General Resolution, CUSIP identification numbers shall be imprinted on the 2013 Series Bonds, but such numbers shall not constitute a

part of the contract evidenced by the 2013 Series Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2013 Series Bonds. In addition, failure on the part of the Corporation to use such CUSIP numbers in any notice to Owners of the 2013 Series Bonds shall not constitute an event of default or any similar violation of the Corporation's contract with such Owners.

As provided in Section 215 of the General Resolution, the 2013 Series Bonds shall be issued in "Book-Entry Only" form, and each maturity of the 2013 Series Bonds shall be evidenced by the issuance of one 2013 Series Bond registered in the name of Cede & Co., as nominee of The Depository Trust Company.

Section 206. Places of Payment. The principal and Redemption Price of and interest on the 2013 Series Bonds shall be payable at the corporate trust office of Manufacturers and Traders Trust Company, of Buffalo, New York, as Trustee and Paying Agent. The interest on the 2013 Series Bonds shall be payable to the Owner by check or draft mailed or sent by wire transfer to such Owner's address last appearing on the registration books of the Corporation. The place and medium of payment for the 2013 Series Bonds shall be as provided in Section 205 of the General Resolution.

Section 207. Redemption Prices and Terms. The 2013 Series Bonds shall be subject to redemption at the Redemption Prices and at the times as provided in the 2013 Series Certificate of Determination.

Section 208. Sale of 2013 Series Bonds. The 2013 Series Bonds shall be sold at such time and at such price as shall be determined in the 2013 Series Certificate of Determination. Citigroup Global Markets, Inc., Morgan Stanley & Co. LLC, and J.P. Morgan Securities, Inc. are hereby appointed as managing underwriters for the 2013 Series Bonds (the "Managers"). The preparation, publication and distribution of the Official Statement (in substantially the form previously utilized by the Corporation, with such changes, omissions, insertions and revisions as the Chief Financial Officer of the Corporation shall have deemed necessary or advisable) is hereby approved. The 2013 Series Bonds shall be sold by the Corporation to a group of underwriters designated in the Contract of Purchase and represented by the Managers, who are acting on behalf of such underwriters including themselves, pursuant to the Contract of Purchase, to be executed by the Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation, if at all, on or prior to September 30, 2013, at the purchase price set forth in the 2013 Series Certificate of Determination and on the terms and conditions set forth in the Contract of Purchase and upon the basis of the representations set forth therein. The Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation is hereby authorized and directed to deliver the 2013 Series Bonds to the Trustee for authentication and to instruct the Trustee to deliver the 2013 Series Bonds to said underwriters upon receipt of the aforesaid purchase price, and to execute and deliver all documents and instruments required in connection therewith.

The Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation each is hereby authorized on behalf of the Corporation to execute a Contract of Purchase substantially in the form previously utilized by the Corporation, with the Managers, as representatives of the underwriters, providing for the sale to said group of underwriters of the

2013 Series Bonds and said Authorized Officers of the Corporation are hereby authorized and directed to carry out or cause to be carried out all obligations of the Corporation under said Contract of Purchase, when executed. The execution by the Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation of the Official Statement relating to the 2013 Series Bonds substantially in the form previously utilized by the Corporation, with such changes, insertions, or deletions therein as the Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation may approve, and the delivery of said Official Statement to said underwriters, are hereby authorized and the Corporation hereby authorizes said Official Statement and the information contained therein to be used in connection with the sale of the 2013 Series Bonds. The delivery of a Preliminary Official Statement with respect to the 2013 Series Bonds is hereby authorized.

The private sale of the 2013 Series Bonds shall be subject to the prior written approval of the City Comptroller as to the terms and conditions of the 2013 Series Bonds.

The proceeds of any good faith deposit received by the Corporation from the Managers under the terms of the Contract of Purchase for the 2013 Series Bonds shall be deposited by the Corporation with a bank or trust company in a special account established by the President or any other Authorized Officer of the Corporation. Pending the application of the monies so deposited in said special account, such monies, or so much thereof as may be practicable, may be invested in Investment Obligations. The income or interest earned by, or increment to, such special account due to the investment thereof shall be transferred to and deposited in the Revenue Fund.

Section 209. Authorization of Related Documents. The form, terms and provisions of the Contract of Purchase, between the Corporation and the underwriters, substantially in the form previously utilized by the Corporation, providing for the sale of the 2013 Series Bonds by the Corporation to the underwriters, are in all respects approved. The form, terms and provisions of the Escrow Deposit Agreement, between the Corporation and the Trustee, substantially in the form previously utilized by the Corporation, providing for the refunding of all or a portion of the Bonds to be Refunded, are in all respects approved. The form, terms and provisions of the Continuing Disclosure Agreement, between the Corporation and the Trustee, substantially in the form previously utilized by the Corporation, providing for the undertaking by the Corporation to provide ongoing continuing secondary market disclosure, are in all respects approved. The form, terms and provisions of the Tax Regulatory Agreement, between the Corporation and the Trustee, substantially in the form previously utilized by the Corporation, providing for compliance with the Code, are in all respects approved. The Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation is authorized and empowered for and on behalf of the Corporation to execute, acknowledge and deliver the Contract of Purchase, the Escrow Deposit Agreement, the Continuing Disclosure Agreement and the Tax Regulatory Agreement, and the Secretary or any other Authorized Officer of the Corporation is hereby authorized and empowered to affix the seal of the Corporation and to attest to the same for and on behalf of the Corporation in substantially the forms presented to this meeting, with such changes therein as such Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation executing the same may deem necessary or desirable, his or her execution of the Contract of Purchase, the Escrow Deposit

Agreement, the Continuing Disclosure Agreement and the Tax Regulatory Agreement to be conclusive evidence of his or her approval of such changes.

The Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation are each hereby authorized to take any action, execute any document, or give any consent which may from time to time be required by the Corporation under this Series Resolution, the General Resolution, the Contract of Purchase, the Escrow Deposit Agreement, the Continuing Disclosure Agreement or the Tax Regulatory Agreement. Any such action taken or document executed or consent given by such officer in his or her capacity of an officer of the Corporation shall be deemed to be an act by the Corporation.

Section 210. Certificate of Determination. The Chairman, Vice Chairman or President or any other Authorized Officer of the Corporation shall have the power and authority to execute and deliver the 2013 Series Certificate of Determination, which may include, without limitation, provisions (i) fixing the aggregate principal amount of 2013 Series Bonds to be issued, not to exceed \$175,000,000 for the purpose of refunding all or a portion of the Bonds to be Refunded as authorized above, (ii) fixing the maturity schedule for the 2013 Series Bonds, including amounts of serial bonds and term bonds, with a final maturity not beyond February 15, 2052, (iii) fixing the interest rate or interest rates for the 2013 Series Bonds, or the manner of determining such interest rates, (iv) fixing the amounts and times of sinking fund installments on the 2013 Series Bonds, (v) fixing other redemption provisions for the 2013 Series Bonds, including times and Redemption Prices, (vi) fixing the purchase price for the 2013 Series Bonds, which may include an underwriting discount and an original issue discount or premium, and (vii) modifying or otherwise completing and finalizing the provisions of the Series Resolution or implementing the terms of the Contract of Purchase.

In addition to any specific authorizations set forth in this Series Resolution, and notwithstanding any other provision of this Series Resolution, pursuant to and as established in the 2013 Series Certificate of Determination, the Corporation may provide a surety bond, insurance policy or other reserve fund credit facility for credit to the Capital Reserve Fund in satisfaction of the Capital Reserve Fund Requirement, and in connection therewith the Corporation is hereby authorized to execute, deliver and perform any necessary, appropriate or convenient agreements, instruments or contracts.

ARTICLE III

DISPOSITION OF 2013 SERIES BOND PROCEEDS

Section 301. Bond Proceeds Fund. Pursuant to paragraph (2) of Section 401 of the General Resolution, the Corporation, upon delivery of the 2013 Series Bonds, shall pay over and transfer to the Trustee for deposit into the Bond Proceeds Fund or have credited by the Trustee to the Bond Proceeds Fund, the net proceeds of the 2013 Series Bonds. Monies so deposited or credited to such Bond Proceeds Fund shall be applied as provided in Section 202 hereof, and in accordance with Article IV of the General Resolution, as described in this Article III.

Section 302. Construction Account. There is hereby established, pursuant to Section 401(3) of the General Resolution, the 2013 Series Construction Account within the Construction Fund. Upon receipt of the proceeds of sale of the 2013 Series Bonds, the Corporation shall cause the payment therefrom, through the Bond Proceeds Fund as provided in Section 401(2) of the General Resolution, to the Trustee for deposit into the 2013 Series Construction Account, or have credited by the Trustee to the 2013 Series Construction Account, the sum, if any, indicated therefor in the Corporation's 2013 Series Closing Certificate.

Section 303. Capitalized Interest Account. There is hereby established, pursuant to Section 401(4) of the General Resolution, the 2013 Series Capitalized Interest Account within the Construction Fund. Upon receipt of the proceeds of sale of the 2013 Series Bonds, the Corporation shall cause the payment therefrom, through the Bond Proceeds Fund as provided in Section 401(2) of the General Resolution, to the Trustee for deposit into the 2013 Series Capitalized Interest Account, or have credited by the Trustee to the 2013 Series Capitalized Interest Account, the sum, if any, indicated therefor, if any, in the Corporation's 2013 Series Closing Certificate.

Section 304. Working Capital Account. There is hereby established, pursuant to Sections 813(1)(v) and 814 of the General Resolution, the 2013 Series Working Capital Account within the Construction Fund. Upon receipt of the proceeds of sale of the 2013 Series Bonds, the Corporation shall cause the payment therefrom, through the Bond Proceeds Fund as provided in Section 401(2) of the General Resolution, to the Trustee for deposit into the 2013 Series Working Capital Account, or have credited by the Trustee to the 2013 Series Working Capital Account, the sum, if any, indicated therefor in the Corporation's 2013 Series Closing Certificate.

Section 305. Cost of Issuance Account. There is hereby established, pursuant to Section 401(5) of the General Resolution, the 2013 Series Cost of Issuance Account within the Construction Fund. Upon receipt of the proceeds of sale of the 2013 Series Bonds, the Corporation shall cause the payment therefrom, through the Bond Proceeds Fund as provided in Section 401(2) of the General Resolution, to the Trustee for deposit into the 2013 Series Cost of Issuance Account, or have credited by the Trustee to the 2013 Series Cost of Issuance Account, the sum, if any, indicated therefor in the Corporation's 2013 Series Closing Certificate.

Section 306. Capital Reserve Fund. Upon receipt of the proceeds of sale of the 2013 Series Bonds, the Corporation shall cause the payment therefrom, through the Bond Proceeds Fund as provided in Section 401(2) of the General Resolution, to the Trustee for deposit into the Capital Reserve Fund, or have credited by the Trustee to the Capital Reserve Fund, the sum, if any, indicated therefor in the Corporation's 2013 Series Closing Certificate, which sum shall be an amount such that the amount on deposit in the Capital Reserve Fund on the date of issuance of the 2013 Series Bonds shall at least equal the Capital Reserve Fund Requirement, after giving effect to the issuance of the 2013 Series Bonds and the defeasance of the Bonds to be Refunded.

Section 307. Interest Income. Income or interest earned by, or increment to, each 2013 Series Account within the Construction Fund shall be retained in said Account, until the Trustee is otherwise directed in writing by the Corporation, at which time such income or interest earnings shall be transferred by the Trustee to the Revenue Fund.

Section 308. Refunding. Upon receipt of the proceeds of sale of any portion of the 2013 Series Bonds issued to refund all or any portion of the Bonds to be Refunded, the Corporation shall apply the proceeds thereof to such refunding of any such Bonds to be Refunded as may be directed in the Corporation's 2013 Series Closing Certificate.

ARTICLE IV

FORM OF 2013 SERIES BONDS

Section 401. Form of 2013 Series Bonds. Subject to the provisions of the General Resolution, this Series Resolution, and the 2013 Series Certificate of Determination, the 2013 Series Bonds in registered form shall be of substantially the following form and tenor:

[Form of 2013 Series Bonds]

NO. R-

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
HEALTH SYSTEM BONDS, 2013 SERIES

Registered Owner: Cede & Co.
Dated Date: _____
Maturity Date: February 15, ____
Principal Sum: \$ _____
Interest Rate: _____ %
CUSIP No.: _____

KNOW ALL MEN BY THESE PRESENTS that the NEW YORK CITY HEALTH AND HOSPITALS CORPORATION (the "Corporation"), a body corporate and politic, constituting a public benefit corporation organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above), or registered assigns, the Principal Sum (stated above) on the Maturity Date (stated above), unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York, as Trustee under the General Resolution, duly adopted on November 19, 1992, by the Corporation, as amended (the "General Resolution"), or its successors as Trustee (the "Trustee"), and to pay to the Registered Owner hereof interest on the unpaid principal balance hereof from the Dated Date (stated above) to the Maturity Date or earlier redemption of this Bond at the Interest Rate stated above per annum, payable on February 15 and August 15, commencing on August 15, 2013. The interest on this Bond, when due and payable, shall be paid to the Registered Owner hereof by check or draft, mailed or sent by wire transfer to such person at his address last appearing on the registration books of the Corporation held by the Trustee. Both principal and interest and redemption premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is a general obligation of the Corporation and is one of a duly authorized issue of bonds of the Corporation designated "New York City Health and Hospitals Corporation Health System Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the New York City Health and Hospitals Corporation Act, McKinney's Unconsolidated Laws, Sections 7381 to 7406, inclusive, as amended (the "Act"), and under and pursuant to the General Resolution, and a series resolution authorizing each such series. This Bond is one of a Series of Bonds designated New York City Health and Hospitals Corporation Health System Bonds, 2013 Series (the "2013 Series Bonds"), issued in the aggregate principal amount of \$_____ under the General Resolution and a Series Resolution of the Corporation adopted January 31, 2013, and entitled "NEW YORK CITY HEALTH AND HOSPITALS CORPORATION HEALTH SYSTEM BONDS SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW YORK CITY HEALTH AND HOSPITALS CORPORATION HEALTH SYSTEM BONDS, 2013 SERIES" (the "Series Resolution"; the General Resolution and the Series Resolution being herein collectively referred to as the "Resolutions"). The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided in the General Resolution and all Bonds issued under the General Resolution are equally secured by the pledges and covenants made therein. Capitalized terms used in this Bond but not defined herein shall have the meanings ascribed to them in the General Resolution.

Copies of the Resolutions are on file at the office of the Corporation and at the corporate trust office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the 2013 Series Bonds, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the Owners of the 2013 Series Bonds with respect thereto and the terms and conditions upon which the 2013 Series Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Corporation kept for that purpose at the corporate trust office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new registered 2013 Series Bond or Bonds, without coupons, and in the same aggregate principal amount, and of the same maturity, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon the payment of the charges, if any, therein prescribed.

The 2013 Series Bonds are issuable in the form of registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. In the manner, subject to the conditions and upon the payment of the charges, if any, provided in the Resolutions, the 2013 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his attorney duly authorized in writing, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of 2013 Series Bonds, without coupons, of any other authorized denominations of the same maturity.

The 2013 Series Bonds are subject to redemption prior to maturity as provided in the Series Resolution.

Notice of such redemption when required to be given pursuant to the Resolutions shall be mailed, postage prepaid, within the time requirements of the Resolutions, to the Owners of any 2013 Series Bonds or portions thereof to be redeemed, provided, however, that the failure of any Owner to receive notice shall not affect the validity of the proceedings for the redemption of the 2013 Series Bonds or portions of the 2013 Series Bonds owned by any Owners to whom notice has been given in accordance with the provisions of the Resolutions. Notice of redemption having been given, as aforesaid, the 2013 Series Bonds or portions thereof so called for redemption shall become due and payable at the applicable redemption price provided in the Resolutions, and interest on the 2013 Series Bonds or portions thereof so called for redemption shall cease to accrue and become payable from and after the date so fixed for redemption; provided sufficient monies or Government Obligations (as defined in the General Resolution) have been deposited with the Bond Trustee to pay the redemption price of and interest on such 2013 Series Bonds.

The principal of the 2013 Series Bonds may be declared due and payable before the maturity thereof as provided in the Resolutions and the Act.

THE 2013 SERIES BONDS SHALL NOT BE A DEBT OF THE STATE OR OF THE CITY, AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON NOR SHALL THEY BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE CORPORATION OR HHC CAPITAL CORPORATION. NEITHER THE CORPORATION NOR HHC CAPITAL CORPORATION HAS ANY TAXING POWER.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the City and by the Act, the bylaws, rules and regulations of the Corporation to happen, to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond, and the adoption of the Resolutions, have happened, exist and have been performed in due time, form and manner as so required.

IN WITNESS WHEREOF, the New York City Health and Hospitals Corporation has caused this Bond to be executed in its name by the manual or facsimile signature of its President or another Authorized Officer and its corporate seal (or facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of the Secretary or another Authorized Officer to the Corporation; and this Bond shall be authenticated by the manual or facsimile signature of an authorized officer of the Trustee, without which authentication this Bond shall not be valid nor entitled to the benefits of the Resolutions, all as of the Dated Date stated above.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

(SEAL)

Attest:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

The undersigned hereby certifies that this is one of the Bonds described in the within-mentioned Resolutions.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____, 2013

ASSIGNMENT

For value received the undersigned sells, assigns and transfers this bond to

(Name, Address and Social Security Number or other Identifying Number of Assignee)

and irrevocably appoints _____ attorney-in-fact to transfer it on the books kept for registration of the bond, with full power of substitution.

NOTE: The signature to this assignment must correspond with the name written on the face of the bond without alteration, enlargement or other change.

Dated:

Signature Guaranteed:

Participant in a Recognized Signature
Guarantee Medallion Program

By: _____
Authorized Signature

(End of Form of 2013 Series Bond)

Section 402. Attestation of 2013 Series Bonds. Any Authorized Officer of the Corporation, other than the Authorized Officer executing the 2013 Series Bonds, is hereby authorized and directed to attest manually or by facsimile the execution of the 2013 Series Bonds in accordance with the provisions of Section 207 of the General Resolution.

ARTICLE V

MISCELLANEOUS

Section 501. Arbitrage Covenant. The Corporation hereby covenants that it shall comply with each requirement of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to maintain the exclusion of interest on the 2013 Series Bonds from gross income for purposes of federal income taxation. The Corporation further covenants that it shall make any and all payments required to be made to the Treasury Department of the United States of America in connection with the 2013 Series Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Funds and Accounts established under the General Resolution or from other monies available to the Corporation. In addition, the Corporation hereby agrees not to take any action or fail to take any action which would cause the 2013 Series Bonds to be "arbitrage" bonds within the meaning of Section 148 of the Code.

In furtherance of the covenants contained above, the Corporation hereby agrees to comply with the provisions of the Tax Regulatory Agreement to be executed by the Corporation on the date of the initial issuance and delivery of the 2013 Series Bonds as such Tax Regulatory Agreement may be amended from time to time, as a source of guidance for achieving compliance with the Code.

Section 502. Notice to Rating Agencies. In the event that (i) the Trustee resigns or is removed, (ii) any 2013 Series Bonds are defeased, (iii) there is an optional redemption of any of the 2013 Series Bonds, (iv) any of the 2013 Series Bonds are accelerated, or (v) there is any material change in the General Resolution or this Series Resolution, then, in each and every such event, the Trustee, upon receiving notice of such event or events, shall give notice of such event or events by mail, postage prepaid, to the Rating Agencies; provided, however, that failure to give such notice shall not affect the validity of the occurrence of any such events. The Corporation shall promptly deliver to the Rating Agencies providing a rating on the 2013 Series Bonds (i) duplicate copies of all correspondence, notices, certificates, audits, reports or other communications required to be prepared by the Corporation and sent to the Trustee in accordance with the General Resolution and this Series Resolution; and (ii) such additional reports or information as is necessary for maintenance of the ratings on the 2013 Series Bonds. The Corporation acknowledges that such Rating Agencies' periodic review may involve discussions or meetings or both with representatives of the Corporation at mutually acceptable times.

Section 503. Continuing Disclosure. The Corporation covenants that in accordance with the continuing disclosure requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") the Corporation shall, to the extent permitted by law, undertake to provide such information with respect to the Corporation as is required by the Rule. The Corporation covenants with the holders from time to time of the 2013 Series Bonds that it will, and hereby authorizes the appropriate officers and employees of the Corporation to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing Disclosure Agreement as amended from time to time. Notwithstanding any other provision of the General Resolution, failure of the Corporation or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute

a default or an Event of Default under the General Resolution, and the rights and remedies provided by the General Resolution upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

Section 504. Effective Date. This Series Resolution shall take effect immediately.

FORM OF 2013 SERIES A CERTIFICATE OF DETERMINATION

Pursuant to the provisions of Section 210 of the Series Resolution adopted by the Board of Directors of the New York City Health and Hospitals Corporation on January 31, 2013 (the "Series Resolution"), I, Marlene Zurack, Senior Vice President, Finance and Chief Financial Officer of such Corporation, hereby certify and determine, using terms as defined in said Series Resolution and as defined herein, as follows:

1. The aggregate principal amount of the Corporation's Health System Bonds, 2013 Series A (the "Bonds") to be issued and delivered shall be \$_____. The dated date of the Bonds shall be their date of issuance. The first Interest Payment Date for the Bonds shall be August 15, 2013. The Bonds shall mature on February 15 of the years and in the principal amounts and bear interest, as set forth below.

\$_____ Serial Bonds

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
_____	\$_____	____%	_____	\$_____	____%
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

\$_____ % Term Bonds due February 15, _____

2. The Bonds shall be subject to redemption as follows: (a) Optional Redemption. The Bonds maturing after February 15, _____ will be subject to redemption at the option of the Corporation, beginning on February 15, _____, in whole or in part, by lot within each maturity, on any date upon 30 days' written notice to Bondholders at a redemption price of 100%, plus accrued interest to the date of redemption. The Corporation may select amounts and maturities of such Bonds for redemption in its sole discretion. Any notice of optional redemption may be conditional, revocable and rescinded, at the direction of the Corporation.

(b) Mandatory Redemption. The Bonds maturing in _____ are subject to mandatory redemption prior to maturity, through Sinking Fund Payments on February 15 of the years and in the respective principal amounts as set forth below (the particular Bonds or portions thereof to be selected by the Trustee as provided in the General Resolution), in each case at a Redemption Price equal to the principal amount of said Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

In accordance with the Series Resolution, Sinking Fund Payments for the Bonds maturing in _____ are hereby established as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
_____	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____*	_____

* Final Maturity

(c) Redemption at Direction of the City. Upon the furnishing by the City of sufficient funds therefor, the Bonds are subject to redemption prior to maturity by the Corporation at the direction of the City, as a whole on any interest payment date not less than twenty years after the original issuance date of the Bonds, at the then applicable optional Redemption Price for the Bonds, plus accrued interest to the date of redemption.

Any redemption of less than all of a maturity of the Bonds shall be effected by the Bond Trustee by lot, using such method of selection as the Bond Trustee shall deem proper in its discretion.

3. The Bonds to be Refunded shall consist of the Corporation's Health System Bonds, 2003 Series A [and the Corporation's Health System Bonds, ____ Series ____].

4. The purchase price for the Bonds shall be \$ _____ (being the principal amount thereof of \$ _____, [plus/less] \$ _____ [net] original issue [premium/discount], and less \$ _____ underwriters' discount).

5. All proceeds of the sale of the Bonds shall be paid to the Trustee as provided in the Series Resolution and in the 2013 Series A Closing Certificate, against receipt therefor. Such proceeds and moneys shall be deposited by the Trustee as provided in the Series Resolution and in the 2013 Series A Closing Certificate.

6. All words and phrases defined in the General Resolution or in the Series Resolution shall have the same meaning herein, unless the context otherwise requires.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 2013.

**NEW YORK CITY HEALTH AND
HOSPITALS CORPORATION**

By _____
Name: Marlene Zurack
Title: Senior Vice President, Finance
and Chief Financial Officer

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

(A Component Unit of the City of New York)

Statement of Revenue and Expenses

Periods ended September 30, 2012 and 2011

(in thousands)

	<u>HHC</u>		<u>MetroPlus</u>		<u>Inter-Company Elimination Entries</u>		<u>Totals</u>		<u>Variance</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Operating revenues:									
Net patient service revenue	\$ 1,457,364	1,399,416	-	-	(209,238) ⁽¹⁾	(164,514) ⁽¹⁾	1,248,126	1,234,902	13,224
Appropriations from (remittances to) the City, net	(5,649)	(1,023)	-	-	-	-	(5,649)	(1,023)	(4,626)
Premium revenue	-	-	547,166	346,136	(5,120) ⁽²⁾	(4,177) ⁽²⁾	542,046	341,959	200,087
Grants revenue	49,485	44,872	-	-	-	-	49,485	44,872	4,613
Other revenue	11,778	9,221	1	28	-	-	11,779	9,249	2,530
Total operating revenues	<u>1,512,978</u>	<u>1,452,486</u>	<u>547,167</u>	<u>346,164</u>	<u>(214,358)</u>	<u>(168,691)</u>	<u>1,845,787</u>	<u>1,629,959</u>	<u>215,828</u>
Operating expenses:									
Personal services	595,934	622,891	12,516	11,631	-	-	608,450	634,522	(26,072)
Other than personal services	349,604	326,069	500,218	305,630	(209,238) ⁽¹⁾	(164,514) ⁽¹⁾	640,584	467,185	173,399
Fringe benefits and employer payroll taxes	295,698	272,824	4,829	5,338	(5,120) ⁽²⁾	(4,177) ⁽²⁾	295,407	273,985	21,422
Postemployment benefits, other than pension	97,111	155,484	3,206	2,240	-	-	100,317	157,724	(57,407)
Affiliation contracted services	227,241	219,964	-	-	-	-	227,241	219,964	7,277
Depreciation	65,122	64,255	499	432	-	-	65,621	64,687	934
Total operating expenses	<u>1,630,710</u>	<u>1,661,487</u>	<u>521,268</u>	<u>325,271</u>	<u>(214,358)</u>	<u>(168,691)</u>	<u>1,937,620</u>	<u>1,818,067</u>	<u>119,553</u>
Operating income (loss)	<u>(117,732)</u>	<u>(209,001)</u>	<u>25,899</u>	<u>20,893</u>	<u>-</u>	<u>-</u>	<u>(91,833)</u>	<u>(188,108)</u>	<u>96,275</u>
Nonoperating revenues (expenses):									
Investment income	1,171	5,982	336	489	-	-	1,507	6,471	(4,964)
Interest expense	(24,416)	(25,586)	-	-	-	-	(24,416)	(25,586)	1,170
Noncapital contributions	921	280	-	-	-	-	921	280	641
Total nonoperating revenues (expenses)	<u>(22,324)</u>	<u>(19,324)</u>	<u>336</u>	<u>489</u>	<u>-</u>	<u>-</u>	<u>(21,988)</u>	<u>(18,835)</u>	<u>(3,153)</u>
Income (Loss)	<u>\$ (140,056)</u>	<u>(228,325)</u>	<u>26,235</u>	<u>21,382</u>	<u>-</u>	<u>-</u>	<u>(113,821)</u>	<u>(206,943)</u>	<u>93,122</u>

(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.