

**BOARD OF DIRECTORS MEETING**  
**THURSDAY, SEPTEMBER 18, 2014**  
A~G~E~N~D~A

<p><b>Call to Order - 4 pm</b></p>	<p><b>Dr. Boufford</b></p>
<p>1. Adoption of Minutes: July 24, 2014</p>	
<p><b><u>Acting Chair's Report</u></b></p>	<p><b>Dr. Boufford</b></p>
<p><b><u>President's Report</u></b></p>	<p><b>Dr. Raju</b></p>
<p>&gt;&gt;Action Items&lt;&lt;</p>	
<p><b><u>Corporate</u></b></p>	
<p>2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to enter into a contract with <b>Hyland Software, Inc.</b> for OnBase Enterprise <b>Electronic Content Management software</b> through a Federal General Services Administration agreement (GSA) contract in an amount not to exceed \$6,399,646 which includes a 10% contingency of 581,786, over a three year term, with two one-year options to renew. <i>(Med &amp; Professional Affairs/IT Committee – 09/11/2014)</i></p>	<p><b>Dr. Calamia</b></p>
<p>3. RESOLUTION <b>adopting</b> the Corporation's <b>Mission Statement and Performance Measures</b> as required by the Public Authorities Reform Act.</p>	<p><b>Dr. Boufford</b></p>
<p><b><u>North Bronx Healthcare Network</u></b></p>	
<p>4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a five-year <b>revocable license agreement</b> with the <b>New York City Police Department</b> for its continued use and occupancy of approximately 144 square feet of space in the 18th floor Mechanical Room and approximately 375 square feet of rooftop space for the operation of radio communication equipment at <b>North Central Bronx Hospital</b> with the occupancy fee waived. <i>(Capital Committee – 09/11/2014)</i></p>	<p><b>Ms. Youssouf</b></p>
<p><b><u>Queens Health Network</u></b></p>	
<p>5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute five (5) successive one year <b>revocable license agreements</b> with the <b>New York City Human Resources Administration (HRA)</b> for the use and occupancy of approximately 9,930 square feet space at 114-02 Guy Brewer Boulevard, Borough of Queens, known as the <b>South Jamaica Multi-Service Center</b> to operate various ambulatory health care services managed by <b>Queens Hospital Center</b> at a continued occupancy fee of \$24 per square foot, a \$2 per square foot utility surcharge, a \$1 per square foot seasonal cooling charge for a total of approximately \$260,663 per year which shall not exceed \$1,303,315 over the five year period authorized. <i>(Capital Committee – 09/11/2014)</i></p>	<p><b>Ms. Youssouf</b></p>
<p><b><u>South Manhattan Health Network</u></b></p>	
<p>6. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable five-year <b>license agreement</b> with <b>New York City Department of Education</b> for its exclusive use and occupancy of approximately 10,000 square feet of space and shared use of approximately 3,000 square feet of space and on the 21st floor of the H-Building to <b>operate Public School 35 at Bellevue Hospital Center</b> with the occupancy fee waived. <i>(Capital Committee – 09/11/2014)</i></p>	<p><b>Ms. Youssouf</b></p>
<p style="text-align: right;"><i>(over)</i></p>	



**BOARD OF DIRECTORS MEETING  
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<p><b><u>Committee Reports</u></b></p> <ul style="list-style-type: none"> <li>➤ Audit</li> <li>➤ Capital</li> <li>➤ Community Relations</li> <li>➤ Finance</li> <li>➤ Medical &amp; Professional Affairs / Information Technology</li> <li>➤ Strategic Planning</li> </ul> <p><b><u>Subsidiary Board Report</u></b></p> <ul style="list-style-type: none"> <li>➤ HHC Accountable Care Organization (ACO)</li> <li>➤ MetroPlus Health Plan, Inc.</li> </ul> <p><b><u>Facility Governing Body / Executive Session</u></b></p> <ul style="list-style-type: none"> <li>➤ Woodhull Medical &amp; Mental Health Center</li> </ul> <p><b>Diagnostic &amp; Treatment Center Annual Quality Assurance Plan / Evaluation 2013 (Written Submission Only)</b></p> <ul style="list-style-type: none"> <li>➤ Gouverneur Health Diagnostic &amp; Treatment Center</li> </ul> <p><b>Semi-Annual Report (Written Submission Only)</b></p> <ul style="list-style-type: none"> <li>➤ Lincoln Medical &amp; Mental Health Center</li> <li>➤ Gouverneur Health Skilled Nursing Facility</li> </ul> <p>&gt;&gt;Old Business&lt;&lt; &gt;&gt;New Business&lt;&lt;</p> <p><b>Adjournment</b></p>	<p><b>Ms. Youssouf Ms. Youssouf Mrs. Bolus Mr. Rosen Dr. Calamia Mrs. Bolus</b></p> <p><b>Dr. Raju Mr. Rosen</b></p> <p><b>Dr. Boufford</b></p>
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## NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 24th of July 2014 at 4:00 P.M. pursuant to a notice which was sent to all of the Directors of the Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

Dr. Ramanathan Raju  
Mr. Steven Banks  
Mrs. Josephine Bolus  
Dr. Vincent Calamia  
Dr. Herbert F. Gretz, III  
Ms. Ana Kril  
Dr. Hillary Kunins  
Mr. Mark Page  
Mr. Bernard Rosen

Patricia Yang was in attendance representing Deputy Mayor Lilliam Barrios-Paoli in a voting capacity. Dr. Raju chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

### **ADOPTION OF MINUTES**

The minutes of the meeting of the Board of Directors held on June 26, 2014 were presented to the Board. Then on motion made by Mrs. Bolus and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on June 26, 2014, copies of which have been presented to this meeting, be and hereby are adopted.

### CHAIRPERSON'S REPORT

Dr. Raju received the Board's approval to convene in Executive Session to discuss matters of quality assurance.

Dr. Raju updated the Board on approved and pending Vendex.

Dr. Raju stated that a public hearing will be held on September 10, 2014 regarding the proposed long-term lease between the Corporation and SKA Marin or an affiliate for the development of housing for low income elderly and disabled persons.

### PRESIDENT'S REPORT

Dr. Raju's remarks were in the Board package and made available on HHC's internet site. A copy is attached hereto and incorporated by reference.

### ACTION ITEMS

#### RESOLUTION

2. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with **Simpler North America, LLC** to provide "Lean" coaching, consultation and training services in support of the further implementation of **Breakthrough** throughout the Corporation, as well as for the acceleration of independence from outside expertise. This contract shall be for a total amount not to exceed \$10,494,000 for the period from November 1, 2014 through October 31, 2017, with two one-year options for renewal, solely exercisable by the Corporation, subject to additional funding approval by the Corporation's Board of Directors.

Joanna Omi, Senior Vice President, presented an overview of the achievements that have been made with Breakthrough with Simpler's help over the years and the importance of future

achievements with the Breakthrough system with the assistance of Simpler as HHC looks ahead towards the future.

Mrs. Bolus moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

#### RESOLUTION

3. Authorizing the **naming of Conference Room 1B35 at Metropolitan Hospital Center** the "**Dr. Richard K. Stone Conference Room**" in recognition of the substantial contributions that Dr. Richard K. Stone has made to Metropolitan Hospital over 48 years of distinguished, compassionate and dedicated service.

Dr. Raju moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

#### RESOLUTIONS

4. Authorizing the expenditure by the New York City Health and Hospitals Corporation of \$8,619,510 for the **construction and outfitting** of a **temporary primary medical clinic** in a pre-fabricated structure on Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn to be **licensed** from the **New York City Department of Housing Preservation and Development** ("HPD") for the Corporation's operation of the **Ida G. Israel Community Health Center** under the management of **Coney Island Hospital**.

- AND -

5. Authorizing the President of the New York City Health and Hospitals Corporation to execute a three-year revocable **license agreement** with the **New York City Department of Housing Preservation and Development** ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a **temporary primary medical clinic in a pre-fabricated structure** at an annual payment to HPD of \$130,000. This resolution amends and supersedes a similar resolution adopted by the Board of Directors July 25, 2013.

Mrs. Bolus moved the adoption of the resolutions which were

duly seconded and unanimously adopted by the Board.

Before convening in Executive Session, on behalf of the Corporation, Dr. Raju thanked Dr. Kunins, who will no longer serve on the Board, for her service to HHC.

#### **SUBSIDIARY AND BOARD COMMITTEE REPORTS**

Attached hereto is a compilation of reports of the HHC Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by the Acting Chair at the Board meeting.

#### **FACILITY GOVERNING BODY/EXECUTIVE SESSION**

The Board convened in Executive Session. When it reconvened in open session, Dr. Raju reported that the Board of Directors, as the governing body of Queens Hospital Center, 1) received an oral report and a written governing body submission from Queens Hospital Center and reviewed, discussed and adopted the facility reports presented; 2) the Board received and approved the East New York Diagnostic and Treatment Center's Annual Quality Assurance Plan and its 2013 Evaluation document and 3) as governing body of Kings County Hospital Center and Dr. Susan Smith McKinney Nursing and Rehabilitation Center, the Board received and approved their semi-annual written submissions.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 5:33 P.M.



Salvatore J. Russo  
Senior Vice President/General Counsel  
and Secretary to the Board of Directors

# COMMITTEE REPORTS

## Capital Committee – July 10, 2014

### As reported by Ms. Emily Youssouf

#### **Senior Assistant Vice President's Report**

Roslyn Weinstein, Senior Assistant Vice President, Office of the President, advised that the meeting agenda included two resolutions for Coney Island, relating to the Ida Israel clinic, and a resolution naming a conference room at Metropolitan Hospital Center after Doctor Richard Stone.

Ms. Weinstein explained that while she had hoped that the Corporation's new emergency preparedness specialist, Nick Caglioso, would be able to attend the meeting, he could not make it, but she looked forward to introducing him to the Committee in the coming months, as he would be an integral part of Emergency Preparedness planning for the Corporation.

That concluded Ms. Weinstein's report.

Ms. Youssouf requested that the first two action items be presented together.

#### **Action Items:**

*Authorizing the expenditure by the New York City Health and Hospitals Corporation (the "Corporation") of \$8,619,510 for the construction and outfitting of a temporary primary medical clinic in a pre-fabricated structure on Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn (the "Lots") to be licensed from the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's operation of the Ida G. Israel Community Health Center (the "Health Center") under the management of Coney Island Hospital ("CIH").*

*Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a three-year revocable license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure at an annual payment to HPD of \$130,000. This resolution amends and supersedes a similar resolution adopted by the Board of Directors July 25, 2013.*

Arthur Wagner, Senior Vice President, South Brooklyn/Staten Island Health Network read the resolution into the record. Mr. Wagner was joined by Daniel Collins, Director, Coney Island Hospital.

Ms. Youssouf asked for an update on the status of the project and an explanation of why a rental payment had been initiated. Mr. Collins said that all contracts had been bid-out, one had been awarded for \$7,250,000, for the trailer, and the plumbing and electrical bids for site work and vendex would be awarded in the near future. He said that work was anticipated to start on the lot in September, 2014, trailers were expected to be delivered in December, 2014, and assembled on site in January, 2015. The project was anticipated to be complete in late February, 2015.

Ms. Youssouf asked if the modular structures were coming from a facility at the Brooklyn Navy Yard. Mr. Collins said no, the hospital had reached out to them but they advised that the project was not in line with their type of work. Mr. Collins said that the units would come from a plant in Pennsylvania.

Ms. Youssouf asked why there was now a rental charge from the Department of Housing, Preservation and Development (HPD) when there was not one previously. Mr. Collins explained that when the facility approached the Federal Emergency Management Agency (FEMA) for obligations based on their Project Worksheet (PW) they were advised of a requirement to sign a three-year lease for the site instead of the one-year license originally signed. When HPD was approached regarding the three-year term they determined that under these changed circumstances HPD should collect the assessed value of \$130,000 annually.

Josephine Bolus, RN, asked what would happen to the rent when the three (3) year term expired. We said we would review.

Ms. Youssouf asked if a lease agreement had already been signed. Jeremy Bernan, Deputy Counsel, explained that the original license agreement was signed a year ago, for no rent, but the new resolution, with the \$130,000 annual rental payment, and a three year term, had not yet been signed. Ms. Youssouf asked if there were any language in the agreement about renewals. Mr. Berman said no. He noted that the City was customarily cautious about license agreements because if a disposition of the property were to take place then the transaction would have to go through the Uniform Land Use Review Process (ULURP), so they are typically careful only to commit to a single year at a time. He explained that the Corporation had a number of City licenses that were renewed annually, and there hadn't been any issues.

Ms. Youssouf said it was the rent that she was concerned about. Mr. Berman said the Corporation would speak to HPD about it. Ms. Youssouf said she was excited about the project. She was aware that it had been an enormous Corporate-wide effort, and she looked forward to seeing the outcome of this this less costly way of constructing space.

Mrs. Bolus asked why there was a jump in lot numbers between lots 16 and 39. Mr. Collins explained that was simply how the lots were laid out, but the ones being licensed are all aligned. He said there was only one occupied lot behind and all lots in front were unoccupied and owned by HPD.

There was brief discussion on whether there should be concern regarding development on those lots and the general consensus was no.

Ms. Youssouf asked when the project would be complete. Mr. Collins said the contractor's schedule showed completion in February, 2015. Ms. Youssouf asked that the Committee be invited out to visit the site, noting that this new construction style could be a model for future projects.

Mrs. Bolus asked if the project had been presented to the Community Board. Mr. Wagner said yes. Ms. Youssouf asked if they were happy with it. Mr. Wagner said yes, they want to know when it will be started and when it will be ready for use.

Mr. Wagner explained that the structure would be raised to accommodate the 500 year flood plans. Mrs. Bolus asked about disabled access. Mr. Wagner said there would be a ramp and a lift at the main entrance. Mrs. Bolus asked if there would be something on the other sides of the buildings. Mr. Collins said yes, there are other exits (not entrances) that will have ramps as well.

Ms. Youssouf said the Committee looked forward to the project being completed on time and within budget.

There being no further questions or comments, the Committee Chair offered the matters for a Committee vote.

On motion by the Chair, the Committee approved the resolutions for the full Board's consideration.

*Authorizing the naming of Conference Room 1B35 at Metropolitan Hospital Center ("Metropolitan Hospital") the "Dr. Richard K. Stone Conference Room" in recognition of the substantial contributions that Dr. Richard K. Stone has made to Metropolitan Hospital over 48 years of distinguished, compassionate and dedicated service.*

David Guzman, Deputy Chief Operating Officer, Metropolitan Hospital Center, read the resolution into the record on behalf of Meryl Weinberg, Executive Director, Metropolitan Hospital Center.

Ms. Youssouf said she Dr. Stone's reputation preceded him and she thought the renaming was a wonderful idea.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

### **Information Items:**

*Director of Real Estate's Report  
Real Estate Transaction Outlook: September – December, 2014*

Dion Wilson, Office of Legal Affairs, advised that package included a listing of items to be presented to the Capital Committee over the next six months. He explained that this was to give them additional notice of matters that would be coming before the Committee. He noted that for the last five (5) to six (6) years the plan had been to bring items to the committee two (2) to

three (3) months prior to expiration, but based on recent discussion, it was clear that the Committee would now prefer to act six months prior. He advised that it would take a little time to adjust to this new process. Mr. Wilson said that over the next few months the six (6) month lead time objective should be substantially complete, and he assured the Committee that there would be no arms-length commercial lease transactions similar to the Graham Avenue lease presented in June, 2014.

Mr. Wilson said that one exception would be a sublease for a site on Longwood Avenue in the Bronx, where a WIC site operates. For that site the rent was entirely funded by the State of New York, for sublease with Montefiore Medical Center, but HHC would likely be entering into a new agreement, directly with the Landlord, with an anticipated two percent (2%) increase. Mr. Wilson said that prior to moving forward with any new agreement the WIC program would need approval for the grant and they would likely not have that approval until late in 2014. He said it will be on the agenda at the earliest opportunity.

Mr. Wilson continued, explaining that as items would be presented six months prior to signature then the look-ahead would eventually be showing items expiring in the coming 12 months. He said that an updated look-ahead would be included in each Capital Committee package.

Mr. Wilson cautioned that there would always be unanticipated items and noted that the development of events does not always follow a schedule but action is still required, and information from the facilities is needed for proper planning, so at times there may still be surprises.

Ms. Youssouf said thank you but she was not sure that this new process addressed all the Committee's concerns, which are not just timeliness but excessive rent increases. Mr. Berman said the idea was that the Committee would be advised a year ahead of time so that the items would be presented six months ahead of needed action, thereby alleviating pressure to make decisions. He noted that commercial leases, which were few and far between, would get additional attention and the Committee would be notified a year in advance and they will have the resolution six months before action is required.

Ms. Youssouf asked if the rent numbers under negotiation would be available 12 months ahead of time. Mr. Berman explained that Fair Market Value (FMV) determinations could be made a year ahead of expiration, which would at least provide an idea of how rates might shift. He explained that with regards to Graham Avenue, the FMV showed that there would be an extensive increase, not exact but enough to know that a big increase was coming.

Mrs. Bolus said the issue with the Graham Avenue site was that work was not being completed and the landlord was not meeting his promises.

Mr. Berman advised Mrs. Bolus that she was referring to the Manhattan Avenue Clinic, also managed by Woodhull Medical Center, under construction, and for which litigation was being explored. Ms. Youssouf asked if alternate spaces were being identified. Mr. Berman said there was the possibility that clinic functions would be absorbed into the facility. Mr. Wilson added that another possibility was that a building under the jurisdiction of the Department of Health could possibly be transferred to HHC and that could house the clinic programs located at Manhattan Avenue.

Ms. Youssouf said the concern was that items like the Graham Avenue agreement not come before the Committee. Everything was wrong with that agreement she said, we should not have done that. The number of patients serviced, the annual rent numbers, and the square footage of the space were all questionable and the committee should not have felt forced to decide.

Ms. Youssouf asked that the appraisal function and the broker functions be separated and said that one entity should not provide both services. Mr. Berman advised that no commission was paid for the Graham Avenue transaction. Ms. Youssouf said that did not address the concern. Mr. Berman said only one service was provided with regards to the Real Estate consultant and the Graham Avenue lease. Mr. Wilson said he understood that she wanted the functions to be performed separately.

Ms. Youssouf said she appreciated all the effort and changes in methodology. She said that all factors needed to be reviewed to determine if the sites are correct and the agreements are good for the Corporation.

Mr. Berman said he wanted to make things easier and be sure to call out any items that may cause potential adversity or contention. There are few of those, he said, maybe 15 throughout the Corporation.

Mrs. Bolus said there should be more expansive services throughout the City and therefore there may be more of these agreements in the future but we need a way to find good deals and produce good services.

Ramanathan Raju, President, agreed. He explained that access points were previously identified by the networks and facilities but in the future there would need to be a more community view of where access points are created. He said the Corporation cannot focus on what is convenient for the facility but must focus on what is beneficial to the community. HHC needs to look at a number of factors; is it the right location, is it accessible to public transportation, how effective had the site been. He said that the landlords cannot feel like they have a hold on HHC. We need to be open to move if it means better service, better deals, etc. We cannot keep doing things the way we used to. There are a number of social and community issues that come into play but these are all considerations and factors. He noted that leasing would reflect the direction of the Corporation and not simply the way things had been done in the past.

Ms. Youssouf agreed and asked that a very brief presentation be provided at the full Board meeting, and asked for specific mention of the separation of services by the real estate consultants.

Mr. Berman noted that the list of upcoming items included Draper Hall, for which a Public Meeting had been scheduled for early September, and that project would be on an accelerated schedule. He advised that it would likely go to the Capital Committee and full Board of Directors in September and then before the City Council as soon after that as possible. The Committee is the first reviewer of that transaction and they should be aware that it is coming. Ms. Youssouf said thank you.

## **Project Status Reports**

*South Brooklyn/Staten Island Health Network  
Coney Island Hospital – Boiler Plant Replacement (Delayed)*

Mr. Collins advised that the physical plant was complete, the Department of Environmental Protection (DEP) had approved start of the boilers, and the Department of Buildings (DOB) inspected and signed off on the plant. He said that startup was scheduled for Monday, July 14<sup>th</sup>, when National Grid would turn on the gas, and a two week startup and commissioning process would begin. After that the plant would fully operational for the facilities. Two weeks after that the temporary plant will be removed.

## **Finance Committee – July 8, 2014** **As reported by Mr. Bernard Rosen**

### **Senior Vice President's Report**

Ms. Marlene Zurack stated that her report would include two announcements and an update on HHC's cash status. HHC was informed that the State's award for the Interim Access Assurance Fund (IAAF) grant totals \$152 million of which \$35.5 million was received in FY 14 with an additional \$40 million of that allocation will be forthcoming in July 2014. These funds will help HHC's cash flow problem. HHC's IAAF application totaled \$213 million. The details of how the allocation was awarded by the State will be forthcoming and will be presented to the Committee. The second item relates to the collective bargaining contracts that were recently settled by the City's office of Labor Relations and HHC's office of labor relations. The three major contracts, the New York State Nurses Association (NYSNA) and 1199 reached an agreement for 18% over a nine year period and DC37's tentative agreement of 10% over a seven year period has yet to be ratified.

Mr. Salvatore Russo, Senior Vice President & General Counsel, added that it was particularly noteworthy that the final agreement settlements were achieved and brought to closure by the City's Labor Commissioner through very skillful and experienced negotiating tactics.

Ms. Zurack stated that HHC's financial plan does not include funding to cover these contractual settlements; however, there have been discussions with the City of New York and its Office of Management & Budget (OMB) regarding the funding for these contracts. The final outcome of these discussions will be presented to the Committee. Mr. Covino would share with the Committee the costs for those collective bargaining settlements.

Mr. Fred Covino stated that over the life of HHC's financial plan it is estimated that if these settlement trends are given to all of the unions an 18% and 10% the total cost will be approximately \$900 million through FY 18 including fringe benefits. The personal service costs would be approximately \$684 million.

Mr. Rosen asked if the \$900 million was all inclusive of fringes, health, etc. Mr. Covino replied in the affirmative. Mr. Page asked also if pensions cost were also included in that estimate. Mr. Covino stated that a 30% initial estimate was included.

Ms. Zurack stated that later on the agenda, Dr. Arnold Saperstein, Executive Director MetroPlus Health Plan, Inc. would present to the Committee information relative the plan's enrollment and the impact of the Accountable Care Act

[ACA]/Exchanges. Finally, in terms of HHC's cash flow, FY 15 cash on hand (COH) like FY 14 will be extremely tight. HHC ended FY 14 with 16 days of COH and is currently at 9.5 days of COH. The State has agreed to accelerate a DSH payment to July 23, 2014. However, the outstanding 2-year UPL issue for the inpatient UPL is still pending with Centers for Medicare and Medicaid Services (CMS). This issue has been escalated to all levels at the State and Federal. If this payment is received by 8/31/2014 and Year 1 that relates to 2012, the cash balance will be positive through May 2015 but during the middle of August 2014, the COH drops to 5 days. However, the recent award of the \$152 million has not been factored into the cash flow. The projected cash flow reflects a negative cash balance in June 2015; however, there are a number of circumstances that are subject to change during that time frame. DSRIP is not factored into the cash flow. In order for HHC to achieve the project flow, the State and CMS cannot continue to lag in processing UPL payments. HHC is assuming that there will be a catch-up at some point by the end of FY 14 that will require that the state and CMS makes this a priority for HHC.

Committee Member, Mark Page asked how much is HHC's payable to the City for deferred payments and whether that has been factored into the cash flow as of 6/30/14.

Ms. Zurack stated that HHC has delayed paying the City for EMS, medical malpractice cost, overhead costs, fringe benefits and debt service, etc. There were partial payments made for FY 13 but no payments for FY 14. As of the end of FY 14, there is a payable of \$299.8 million due to the City for FY 13 and \$468million for FY 14 totaling \$768 million in deferred payments to the City. For FY 15 \$40 million is due in payments throughout the life of the cash flow plan.

Mr. Page asked how the \$440 million for FY 15 was derived. Ms. Zurack stated that in total funding FY 15 if HHC catches up which is assumed in the cash flow and that catch-up totals \$1.2 billion realizing that those UPL payments that are delayed, half are City funds.

Mr. Page added that eventually the City's accounting will need to finalize this issue given that at some point the City's audit will refuse to recognize the value of the receivable from HHC.

Mr. Rosen stated that given that FY 15 has only begun there is enough time to resolve this issue given that there is an obligation in the City's statute that HHC should pay. Ms. Zurack interjected that there is no obligation that HHC should pay. It is at the discretion of HHC in conjunction with its Board.

Mr. Page stated that it would be in the best interest of HHC not to take that approach given that a write-off of the payable to the City would take all of the pressure off of the federally matched money and in the scheme of things there should be a commonality. The value of getting the appropriate participation from the state and federal government is enormous and vitally important than simply opting not to pay the receivable to the City.

Ms. Zurack agreed and moved on to concluding her reporting, stating that the City adopted its budget and for HHC there were no major issues relative to restorations as in previous years. HHC received \$250,000 for a number of initiatives and programs through the DOH with the largest being \$100,000 for the Guns Downs Life Up program; \$60,000 for Hepatitis program at Bellevue. On the capital side, HHC received \$13.1 million for new capital items, the largest being \$3 million for the emergency department at Elmhurst Hospital. The reporting was concluded.

### **Key Indicators/Cash Receipts & Disbursements Reports**

Ms. Krista Olson reported that utilization through May 2014 reflected a continuation of the downward trend as seen in prior months but slightly offset by the re-openings of Bellevue and Coney Island hospitals. Excluding those facilities, visits were down by 3.3%; acutes by 3.6% and D&TCs down by 1.3%. Excluding Coney Island and Bellevue, discharges were down by 6.7% or over 8,000 discharges; nursing home days were down by 13.4%. The ALOS has remained relatively constant in comparison to the previous year. There were two facilities above the corporate average, Coney Island and Kings County; however, Kings has shown significant improvement in comparison to being much higher earlier in the year. The CMI was up by 1.5% compared to last year.

Mr. Fred Covino continuing with the reporting stated that FTEs were down by 76 and that central office headcount was up by 55 FTEs due to the centralization of procurement and EEO. Enterprise IT was up by 20 FTEs due to the EMR and consultants conversions. Coney Island is up by 88 FTEs which reflects a slight reduction from the previous 119 FTE level. The facility has submitted a plan that reduces the FTE count to the budgeted level by the end of the first quarter of FY 15. Through May 2014, receipts were \$238 million worse than budget and expenses were \$48 million over budget for net negative variance of \$285 million. A comparison of the prior actual to the current year actual, receipts were \$383 million less than last year due to additional DSH payments received last year of \$524 million referred to as the "spend-up." Expenses were \$130 million more than last year primarily due to a \$213 million pension payment; FICA expenses were \$24 million worse due to the non-

recurring portion of the FICA recovery for residents received in FY 13; health and welfare benefits were up by \$18 million. Those increases were offset by a decline in payments to the City of \$122 million primarily for EMS, medical malpractice and debt service. A comparison of the current actual to budget for FY 14 through May 2014, receipts were down by \$134 million due to a decline in Medicaid fee-for-service down by \$167 million and utilization is significantly below the budgeted levels; paid Medicaid discharges are down by 8,500; psych days are down by 50,000 and skilled nursing facility (SNF) days are down by 85,000 compared to budget. Outpatient receipts are down by \$100 million against the budget and all other receipts are up by \$3.4 million. Expenses were \$13.4 million higher than budget due to an increased spending in allowances and overtime. Fringe benefits were up by \$5.1 million due to \$2.5 million for FICA refund and timing of health insurance payments. OTPS expenses were up by \$34 million due to a relief in the cash cap for increasing days in accounts payable, currently at 78 days compared to 84 days. Affiliation payments are up by \$7.4 million due to contractual increases for prior years. The reporting was concluded.

#### Information Item:

Dr. Arnold Saperstein, Executive Director, MetroPlus Health Plan, Inc., in providing the Committee with some background relative to MetroPlus mission, vision and values stated that the MetroPlus mission is to provide its members with access to the highest quality, cost-effective health care including comprehensive program of care management, health education and customer service. This is accomplished by partnering with the New York City Health and Hospitals Corporation (HHC) and its dedicated providers. The MetroPlus Vision is to provide access to the highest quality, cost-effective health care for its members, to achieve superior provider, member and employee satisfaction, and to be a fiscally responsible, ongoing financial asset to HHC. MetroPlus will strive to be the only managed health care partner that HHC will ever need. This will be accomplished by its fully engaged, highly motivated MetroPlus staff.

MetroPlus' values include: **Performance excellence** - hold ourselves and its providers to the highest standards to ensure that the members receive quality care; **Fiscal responsibility** - assure that the revenues received are used effectively; **Regulatory compliance** with all City, State and Federal laws, regulations and contracts; **Team work** - everyone at MetroPlus will work together internally and with our providers to deliver the highest quality care and service to the members; **Accountability** - to each other, the members and providers; **Respectfulness** - in the way that we treat everyone encountered.

The indicators included in the presentation are based on overall quality and a consumer satisfaction survey conducted by the State. One of the challenges cited in the survey is that one thing that MetroPlus does not do as well as it could do is in the members' perception of their access to care. The members have indicated that the care is provided as quickly as it should but MetroPlus has not done well in this area. The survey issue is that the State does their survey every other year and the numbers count for two years. Therefore, the results data will not change next year and if MetroPlus improves during that period it will take up to two years before those improvements are reflected. Another challenge is the Medicare population. There is a state incentive that if MetroPlus scores high on the overall State results it could result in as much as \$40 million in additional revenue. However, MetroPlus anticipates receiving approximately \$15-20 million less than in prior years due to the plan's standing. There were two years that MetroPlus received the maximum of \$40 million. Although MetroPlus Medicare population is relatively small, there is a need to meet the Star ratings that are based on clinical and quality results. There are 37 Part C indicators and 18 Part D measures that are the pharmaceutical portion. MetroPlus was a 3-Star plan for the last three years. MetroPlus in Part D went from 2.5 to 3.0 rating and in Part C from 3.0 to 3.5 rating. However due to the statistics, MetroPlus while being very close to getting a 3.5 rating remained at a 3.0. The goal is to reach a 4-Star certification by 2015 in order not to lose \$5 million of potential revenue in 2015 for the Medicare population.

In terms of the indicators, where MetroPlus has scored high, the access indicators are problematic due to the weighted value; clinical rate and access at level at 3 which is three times as much. All of the NYS plans are in the same place as MetroPlus in that MetroPlus is not doing worse than the other plans in that all of the plans are at a 3-Star. There is no plan at 4-Star. In terms of administrative cost comparison, MetroPlus is extremely conservative and is able to invest the majority of its revenue into the medical side. There is a full risk arrangement with HHC. A lot of the risk surplus that MetroPlus has generated has been the differential of having a low administrative cost that allows for the cash surplus to flow into the potential for risk arrangement. MetroPlus comparison in terms of cost for the various plans, CHP is at \$22.20 per member per month (PMPM); FHP at \$22.53 PMPM compared to \$38.84 for the other plans; Medicaid at \$22.59 PMPM compared to \$35.50 for the other plans. There is a \$13.00 to \$16.00 differential for MetroPlus for its 472,000 members that generates a significant amount of surplus funding. In terms of where MetroPlus' members go, as of June 1, 2014, membership was at 469,843 that are reflective of growth in the past sixteen months of 93,527 members. A significant portion of that growth is due to the new exchange population; approximately 46,000 members in the healthcare reform population. The primary care assignment for the total population, 54% get care at HHC and 46% get primary care in the community. A significant amount of the population does come into HHC from the community. However, there was a 2% decline in HHC from last year to this year. In terms of how MetroPlus did relative to the Exchange, in total 45,754 members were enrolled for the qualified health plan (QHP) as of June 1,

2014. The programs as defined by the plan include silver; platinum, gold and bronze of which silver is the core program for the advance premium tax credits subsidies. The actual level of the incomes are lower and the deductibles are low; the bronze is the least expensive program with very high deductibles; platinum is the most expensive program with no deductibles or co-pays and gold is between the platinum and silver. Nineteen percent of the members chose the standard program which is the regular healthcare reform essential health benefit package offered by MetroPlus. Last year MetroPlus offered the potential of dental and vision coverage for \$17.00 PMPM. Eighty one percent chose the no-standard buying the extra dental. People were very selective in their choices.

In terms of market share, MetroPlus was 15% of the State's QHP enrollment with Health Republic insurance of New at 19%; Fidelis care, a state-wide plan at 17%; and Empire Blue Cross at 14%. For MetroPlus that was exceptional given that it is only in four counties of NYC. In terms of market share by county, in the Bronx, MetroPlus received 44%; 29% in NYC; 38% in Kings County; and 35% of Queens. This in terms of the overall enrollment for the State was very significant. MetroPlus enrollment was comprised of a very young population; 50% of the population enrollment was under the age of 40; 70% under the age of 50. Dr. Saperstein stated that the reason MetroPlus increased its rates was due to an actuarial calculation; in that one of the things that is included in the ACA is that if a plan has a low risk population and other plans have a high risk population, a portion of the low risk plan revenue must be returned which for MetroPlus is estimated at 11% of the total revenue to other plans due to the healthy population. Therefore, MetroPlus increase its rates based on the actuarial estimates in order to compensate for that projected loss of \$10-12 million in revenue in 2014. If this were not dollars attached to the severity of illness, MetroPlus would have done very well this year.

Committee Member, Josephine Bolus, RN asked for clarification of why MetroPlus would be required to give-back a portion of its revenue due to its healthy population.

Dr. Saperstein explained that 70% of MetroPlus' population is under the age of 50 which is a very young population and statewide MetroPlus has a very healthy population and after a review by the actuaries based on the requirements of ACA, if a plan has a less sicker population compared to another plan, monies must be returned to support a plan with a sicker population. One of the challenges is that there were only a few months of data and all of the rates for next year are basically estimates. The rate will improve as the year's progress.

Mrs. Bolus asked if MetroPlus would be required to take some of the sicker patients. Dr. Saperstein stated that it is not patients but rather monies due to the younger population being healthier.

Mr. Page asked who would make that determination. Dr. Saperstein stated that it is a federal calculation as part of the ACA. HHS not the State exchanges but it is within the State that the funds must be shifted.

Mr. Page asked if it was known why the decision to even out within the state as opposed to the country, etc. and how the geographic decisions were made.

Dr. Saperstein stated that those requirements were not clear at this time given that the review was conducted by the actuaries in determining the impact on MetroPlus.

Mrs. Bolus asked who would make the decision on where the funds would go. Dr. Saperstein stated that the monies will be pooled and based on the HHS guidelines the State will determine which plan monies will be redistributed based on a full risk adjustment fund.

Mr. Rosen asked if at some point the increase in the rates would be given back to some of the plans. Dr. Saperstein stated that the forecast provided by the actuaries was for next year based on what the trend would be and if MetroPlus keeps the same population and included dollars in the revenue to allow for funds to be transferred and if MetroPlus maintains a low severity population were all of the factors taken into consideration as part of the rate adjustment. At this time it is difficult to predict what might happen next year.

Ms. Zurack added that it is too soon to know what the actual outcome will be.

Mr. Page asked what is included in the definition of low severity and whether it only relates to age.

Dr. Saperstein stated that it is not based on age it is based on coding analysis similar to the clinical risk groups (CRG) that will raise the severity of the population, the actual utilization base coding determination of the severity.

Ms. Zurack stated that if there is a possibility that it will be implemented prospectively as opposed retrospectively.

Dr. Saperstein stated that the issue is that it is hard to predict what the population would be; therefore, it is a way to protect the plan like an insurance coverage so that if a plan gets sicker patients it would adjust. Returning to the presentation, on average, MetroPlus sends out 46,000 bills per month. The members must pay or be dropped after 30-90 days. MetroPlus has lost between 300 and 800 member per month.

Mrs. Bolus asked if during the probationary period the services are being utilized by the members. Dr. Saperstein stated that the members would be allowed to use the services within that period. The policy is that the plan must inform the provider that the member is on a grace period but are required to treat the patients.

Mrs. Bolus asked whether the provider could refuse to treat the patient. Dr. Saperstein stated that MetroPlus has not had this to happen and if it did the provider would be terminated by the plan for failure to adhere to the policy. There are steps taken by MetroPlus to remind its members to pay the premium before the grace period ends and before being terminated from the plan. Fifty six percent of MetroPlus QHP members are assigned to HHC and when assigning members 100% are assigned to HHC and 44% of the members have requested a switch to a community provider; given that it is a new population and some had community providers and did not desire to go to a hospital for their care. Based on quarterly reports revenues were \$18.3 million with \$18.7 million in expenses. However, it takes up to 120 days to complete the data; therefore there is a lag in the actual payments.

Mr. Page asked if it was due to a lag in getting the claim information from the providers or does it take that long to calculate the claim information.

Dr. Saperstein stated that MetroPlus pays within 7 to 9 days; however, it takes the providers time to get MetroPlus all of the claims. It is important to allow the providers sufficient time so that MetroPlus gets 100% of the claims so that the severity of the illnesses is captured.

Mr. Page added that in essence there is lag in terms of knowing what is and has happened. Dr. Saperstein stated that due to the lag, the 2015 rate proposal was based on a fraction of MetroPlus' payments. Moving back to the presentation, the total revenue of \$51.1 million was received in the last couple of months. The actual claims that were paid the total cost of healthcare increased in May 2014 of \$5 million for the month compared to \$10 million in revenue. After 180 days everything evens out. However, the quarterly reports were based on estimates. What MetroPlus did for its rate proposal between 2014 and 2015, included in the silver plan MetroPlus changed the standard from 359 to 421 a 70% increase and 374 to 439 in the no standard. This was based on estimates. In terms of how this compares to the other health plans, rate request not approved and it is likely that the rates will be challenged and may result in a reduction. The larger plans like MetroPlus, Health Republic increased by 17 to 18 percent. Plans with no members dropped their rates dramatically. HealthFirst and Affinity with very few members are now below MetroPlus.

Ms. Zurack stated that the ACA requirement for risk adverse selection pool over time the rates are expected to become more aligned for all of the plans.

Dr. Saperstein stated that the rates should get narrower. As an example, the platinum plan, the lowest cost is \$525.00 and the highest \$861.00, a \$340.000 difference. The good news is that 80% of the population gets advance premium tax credits and reductions in their rates which could be as low as a \$5 to \$7.00 increase based on their tax credit. There were a couple of other factors taken into account in adjusting the rates; the risk stratification pharmacy costs are higher than expected due to the hepatitis C drugs which at a cost of therapy ranges from \$86,000 to \$140,000 per patient. Another factor is the DSH rate adjustment that occurred in October 2013 whereby the DSH funding was incorporated into the Medicare rate as oppose to a separate funding and the hospitals costs are increasing significantly. Those were the three major factors that were taken into account in adjusting the rates. The question has been asked several times regarding how many of MetroPlus members leave the plan. One thousand to two thousand members leave the plan per month. Last year the network grew from 17,800 to 19,000 providers that included the addition of Montefiore as a hospital and Jamaica and Flushing hospitals in addition to an increase of HHC's PCPs by nine. In terms of leakage data the percentage of time members come to HHC for their admissions based on the data, in all of the discharges, 77% of their admissions are at HHC and at the community, 54% of the time. The members are coming to HHC. Surgery is a problem; however, in maternity and newborn, 88% of the times the members are coming to HHC and in the community 78% of the time. The CRG relative to the Medicaid index score combined, MetroPlus does well given that the highest will determine the rate for 2015 to 2016. MetroPlus' FHP index score declined by .51% from 2010 to 2011 while the Medicaid index score declined only by .03%.

Dr. Saperstein stated that in terms of the managed long term care (MLTC), MetroPlus was granted a license for operating an MLTC plan in the Fall of 2013 and began offering full services for enrolled members as of January 2013 and received its first auto-assigned members in February 2013. Managed long-term care (MLTC) offers assistance to people who are chronically ill or have disabilities and who need health and long-term care services, such as home care or adult day care. The goal of the MLTC plan is to allow these individuals to stay in their homes and communities as long as possible. The MetroPlus MLTC plan arranges and pays for a large selection of health and social services, and provides choice and flexibility in obtaining needed services from one place. Effective October 1, 2014, the Demonstration program between CMS and NYSDOH and MetroPlus were allowed to manage long term care for the dual eligible population. In summary, MetroPlus is a strong financial asset to HHC and is challenged by the lack of access in the HHC facilities. MetroPlus and HHC have many opportunities to strengthen their existing partnerships to ensure continued success in Medicare enrollment; access improvement; care management linkages; MLTC referrals and FIDA referrals and the coordination of behavioral health care. The presentation was concluded.

**Medical & Professional Affairs / Information Technology Committee**  
**July 10, 2014 – As reported by Dr. Vincent Calamia**

**Chief Medical Officer Report**

Ross Wilson MD, Senior Vice President/Corporate Chief Medical Officer, reported on the following initiative.

*HHC ACO*

Each HHC facility is now receiving an ACO Attributed Patient Dashboard, which brings together demographic, financial, clinical, provider and Medicaid patient data in a simple resource for each facility ACO team to use in understanding and managing their population.

Facility-level ACO pilot collaborations with HHC Home Health and Health Home are underway at multiple facilities, leveraging the intensive support services of these partner programs for the ACO's highest-risk patients.

In order to drive ACO performance and accountability, facility and patient-level ER/Inpatient utilization reports are now being provided on a monthly basis.

AS required by CMS ACO patient notification process implementation is underway across the Corporation, as patients arrive for registration.

*Emergency Management*

In preparation for the upcoming coastal storm season, which officially commences on August 1, Central Office Emergency Management, in partnership with our facilities, the Deputy Mayor's Office for Health and Human Services, NYC OEM and other key stakeholders are meeting weekly to ensure progress on key findings and recommendations following Superstorm Sandy. We are convening the Corporation's Emergency Management Council to review and comment on the initiatives and to ensure the highest levels of resiliency across our sites. In addition, training for the NY state E-Finds system is being undertaken for our ER staff to track evacuees. Expansion of training for "send word now" alert system, and "e-team" request system is being undertaken. External assessment of our emergency readiness will be undertaken by Incident Management Solutions (IMS) over the next 10-12 weeks

**DSRIP**

On June 26th, HHC submitted its initial planning applications for the Delivery System Reform Incentive Program (DSRIP), a \$6.42B Medicaid Waiver program intended to both transform care delivery in NYS and significantly reduce costs, with overall program goal of 25% statewide reduction in preventable admissions over 5-year timeframe.

Seven of our acute care hospitals have submitted an initial, non-binding application to lead seven (7) Performing Provider Systems (PPS), each of which will undertake 7-10 clinical projects intended to improve the health of Medicaid and uninsured patients in its local geographic area. NYS DOH is in process of reviewing all NYS applications, and we expect to receive their input/guidance by late July or early August. We will incorporate their advice into our future efforts leading to a binding, final application in mid-December.

The work of strategic alignment, partnership formation, community needs assessment, and project selection is conducted under guidance of a Corporate Steering Committee and with support from a consultant vendor, and aims to have a completed application by December 2014 which will assist with the strategic transformation of our healthcare delivery system over the next 5 years.

### Research

It is planned to bring the newly revised Research Operating Procedure to the next meeting of this committee. At that time we will brief the committee on the research approval and monitoring processes that are currently being implemented to further strengthen this important work.

### MetroPlus Health Plan, Inc.

Arnold Saperstein, MD Executive Director, MetroPlus Health Plan Inc. Presented to the Committee. Dr. Saperstein informed the Committee that the total plan enrollment as of June 1, 2014 was 469,843. Breakdown of plan enrollment by line of business is as follows:

Medicaid	374,326
Child Health Plus	11,855
Family Health Plus	20,127
MetroPlus Gold	3,382
Partnership in Care (HIV/SNP)	5,214
Medicare	7,944
MLTC	577
QHP	45,754
SHOP	664

Attached are reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans.

One of the challenges we are currently facing is that the NYSOH website does not allow applicants to choose a Primary Care Provider (PCP). MetroPlus must auto-assign the PCPs. This has generated some member dissatisfaction and excessive call volume for members to choose or change their PCPs. The State is aware of this issue and claims that addressing it is a priority.

We are beginning to see a minor decrease in the number of members due to non-payment. Members are billed monthly and are given either a 30- or 90-day grace period to pay based on their income and APTC status. Only when the grace period is exhausted are the members disenrolled. As of May 1, 2014, the number of members who were disenrolled due to nonpayment is 2,202.

The Finance Department has been working on a variety of projects in the month of June. The Medicare Bid for 2015 was due the beginning of the month. This was successfully submitted and will now undergo Desk Review.

On June 13th, 2014, MetroPlus successfully submitted the Exchange bid that included a rate increase (to meet costs based on actuarial predictions). Our Silver rates were increased by 17% (from \$359.26 to \$421.52). This submission includes all actuarial data and exhibits as well as all Contract Language. The rate increase was due to a significant increase in pharmacy costs and network inpatient costs.

The FIDA 2015 Plan submission was also completed. On February 21, 2013, MetroPlus completed our application of supporting documents for the New York State Demonstration to Integrate Care for Full Dual Eligible Individuals (FIDA). The FIDA program will be available starting October 2014, marketing for FIDA begins September 2014. Under the program, care will be coordinated for Medicare, Medicaid and Managed Long Term Care eligible individuals who require 120 days or more of long term support services. Medical Management completed the Model of Care component of the application in February 2014. MetroPlus received a three year approval for our FIDA demonstration plan, scoring a 91.67% on the MOC, the highest MOC submission MetroPlus has received for one of our Medicare programs.

Metroplus underwent virtual systems testing in April 2014, where we had to demonstrate our internal system's preparedness for FIDA. Our system's testing demonstrated overall we were on target in preparation for this product launch. We received feedback that our home grown Case Management program met the needs of the requirements of FIDA and the IDT team expectations. Reviewers were very impressed with our DCMS system and the Care Plan developed within the software for FIDA.

During the month of June, CMS/DOH made revisions to the requirements of the FIDA IDT policy. These changes required modifications to some of our policies and procedures in Medical Management and MIS Core, from a systems perspective to meet the requirements of the revised policy. On June 24, 2014, MetroPlus will undergo another Remote Systems Testing to demonstrate our "system readiness" to support the final IDT policy. We (internal departments and external vendors), have

been meeting over the past weeks to prepare for this initiative and are confident we will do well. We have completed “test cases” and our interactive sessions have been very positive in preparation for this initiative.

New York State Department of Health released the 2013 Consumer Guide to Medicaid Managed Care in New York City, based on preventive and well-care for adults and children, quality of care provided to members with illnesses, and patient satisfaction with access and service. MetroPlus came in second place, tied with EmblemHealth and Health Plus (Amerigroup).

In order to meet the comprehensive requirements of the Health and Recovery Plan (HARP) for the severely mentally ill population, as well as the requirements to assume behavioral health coverage for the plan’s SSI population, MetroPlus has published an RFP for a Behavioral Health Organization to assist us in meeting these requirements. The project was awarded to Beacon. The contract was approved by the MetroPlus Finance Committee on June 10, 2014.

## **INFORMATION ITEMS:**

### EMR Implementation Update

Dr. Louis Capponi presented on EMR Implementation Update, EPIC Update, program Update, and a brief demonstration of the development system

Governance process is in place it includes a monthly presentation to the monthly EITS Executive meetings which is serving as the steering committee in the overall implementation. There is a high level review performance to budget and to also make the committee aware of any current items that have any concerns or that is being monitored closely. The process allows the Escalation Monitoring to the Executive Triage Process which is the last step if it can’t be resolved; only one item had to go to that level. There are 4 major watch monitor areas that are continued to monitored, (staffing and build progress, Soarian, Lab, procurement). Staffing was lost to a significant competitor in the city, they were analysis who was training to become certified to build in the EPIC environment, however, there had been some update to Humane Resource policy and better retention programs are being developed to help keep the staff on board. The Soarian implementation and revenue cycle is very important the existing plans to have Soarian staple for six months before implementing the EPIC clinical system, discussion are taking place on how to make that process work giving that we are further billed on Soarian and EPIC. The Committee will be updated at a later date. The laboratory restructure of an electronic health record is being implemented. We are implementing the Cerner lab system with our joint partnership with NorthShore-LIJ. There was a demo that took place on the anatomic pathology system. Next week there will be a formal kickoff of the technology and the installation and will take up to twelve months; for procurement, there are a lot of systems that need to be updated as far as the implementation of EPIC. All topics are a watch level and there are strategies in place for them. In EPIC there is good progress in the build, a lot of participation from doctors, nurses and other staff. To date there has been over 342 meetings with clinical staff to improve work flow. There are two major milestones on the build side; one is the workflow which is at 81% completion and the content which is 55 % complete on the total content. The first activation go live site is Queens and Elmhurst and following on the schedule is Jacobi and North Central Bronx (NCB). The activation team has been meeting with Queens and Elmhurst to prepare them for the infrastructure Biomedical Integration and planning for training.

Dr. Capponi provided a Demo on the training environment that has been worked on to date. There is a Dashboard review, which is what the physicians see when they log in. Dr. Capponi demonstrated the steps which were, Send his self a Reminder, review patient information, manage Orders, Update the Problem List and Write a Progress Note. A patient scenario was provided. Dr. Capponi elaborated on the Dashboard.

### Health Information Exchange (HIE)

Paul Contino, Chief Technology Officer, Enterprise IT Service presented the Health Information Exchange HHC Update, which covered the background on HIE, Regional Health Information Organization (RHIO) landscape in NY (esp. NYC), the collaboration of HHC and Interboro RHIO, New York eHealth Collaborative (NYeC) as a Public Utility and RHIO Consideration.

Brief Background on HIE in New York -- Since 2006, New York has led the nation in its investments in Health Information Technology and executing on the vision to build a statewide, interoperable health information network.

Over \$960 million dollars has been invested:

\$440 million in State HEAL grants

\$120 million in other State and Federal funding

\$400 million from hospitals, insurers and other stakeholders

The Health Care Efficiency and Affordability Law for New Yorkers Capital Grant Program (HEAL-NY):

Heal 1: \$52.9 million (HIE infrastructure)

Heal 5: \$105.7 million (Interoperable EHRs)

Heal 10: \$140 million (PCMH and care coordination)

Heal 17: \$140 million (Expanding care coordination)

*HIE Ecosystem: New York and National Milestones*

Heal I was established in 2006, 2008 The Office of the National Coordinator for Health Information Technology (ONC) started their National Health infrastructure Network trails. In 2009 HiTech was signed. The Statewide Health Information Network for New York (SHIN-NY) was put in place. SHIN-NY comprised of 10 RHIOs across New York State. Six RHIOs are in large areas upstate and four primarily take care of the New York City area. In the upstate RHIO there are not a lot of crossovers -- the RHIOs can support their patients. In the downstate area, there is a significant amount of patient crossover; therefore they came up with the consolidation of RHIO. There four RHIOs-- the BronxRHIO, Healthix, Interboro, and on Long Island e-health. Interboro and NYCHHC have agreed to join the SHIN-NY and utilize their consolidated technical architecture. There has been Re-Platform of Technical Architecture. Interboro will fully convert over from Axolotyl to Intersystem. The HealthShare (NYeC HIE platform) Edge Servers to house HHC data have been setup, Health Level 7 (HL7) Interfaces are in progress for all HHC facilities, migration of data for early RHIO participants (HEAL 5/17), and HHC has agreed to comply with the state wide policy guidance and consent process.

NYeC's HealthShare infrastructure supports not only the Brooklyn Health Information Exchange (BHIX) and Healthix RHIOs, but also Southern Tier HealthLink (STHL), and the Tahonic Health Information Network and Community (THINC). The New HIE Architecture for HHC was presented to show the steps. The 2014 RHIO Project Timeline indicated each phase for each facility. Interboro RHIO participants + Over 200 Physician Practices. SHIN-NY as a public utility - a universally accessible, reliable, public utility. NYeC has \$75 Million in State and Federal funding over 3 years. "Dial Tone" Services to be provided by March 2015.

Below is the breakdown of services:

Statewide Patient Record Lookup  
 Statewide Secure Messaging (DIRECT)  
 Notifications (Alerts / Subscribe and Notify)  
 Provider & Public Health Clinical Viewers  
 Consent Management

Identity Management and Security  
 Public Health Reporting Integration  
 Lab Results Delivery  
 No charge for these services beyond initial setup

**RHIO Considerations**

SAMHSA – Substance Abuse and Mental Health Services Administration  
 Official position on HIO as trusted custodians of PHI  
 No need for consent to upload for HIE

**Edge-Server Model - Encryption of Data at Rest and in Motion**

**Consent**

Transition from two step consent to single consent for access  
 Consider multi-provider consent (Health Home model)  
 HHC Wide Consent (Epic – one longitudinal patient record)

**Strategic Planning Committee – July 8, 2014**  
**As reported by Josephine Bolus, RN**

**Senior Vice President Remarks**

**Federal Update**

*World Trade Center Health Program Legislation*

Ms. Brown reported that, after more than three years of administering the James Zadroga 9/11 Health and Compensation Act of 2010, HHC was assessing whether any changes would be needed in the law as a reauthorization bill may be introduced in Congress in the fall. She reminded the Committee that HHC administers the World Trade Center Health Program's Clinical Center of Excellence (CCE) for Survivors. Ms. Brown reported that currently more than 7,000 individuals were enrolled in the HHC-administered Survivor program and were eligible to receive services at its CCE sites, which are located at Bellevue and Elmhurst Hospitals and Gouverneur Diagnostic and Treatment Center. Ms. Brown added that responders were treated at FDNY and Mount Sinai Hospital and that there was also a nationwide network program. She noted that all of these programs provided services for individuals who had been harmed by the 9/11 terrorist attack. Ms. Brown informed the Committee that a reauthorization bill may be introduced in Congress on September 11, 2014 by members of the New York State Congressional Delegation.

Ms. Brown stated that the existing bill needed to be modified in two areas. The first modification would be to repeal the requirement to check the names of enrollees of both the Survivor and Responder programs against the Terrorist Watch List. Ms. Brown explained that the current bill states that the names of individuals who are enrolled in both the Survivor and Responder programs would be checked against the Terrorist Watch List, which is maintained by the Department of Homeland Security. HHC recommends that this language be excluded from a reauthorization bill because it is not only intimidating to individuals but may pose a barrier/obstacle for individuals seeking and obtaining health care services for which they are entitled. HHC's second recommendation for modification of the bill would be the addition of a provision to provide coverage and/or support for transportation services for patients served by the Clinical Centers for Excellence. Ms. Brown clarified that the existing bill included language concerning transportation for the nationwide program, which states that transportation would be covered by the program if individuals who are seeking care lived within a specific geography or within a specified distance from their care provider. This benefit does not exist for individuals who are receiving care at any of the New York City-based Responder or Survivor programs. HHC has prepared proposed language for Congressional Delegation's consideration. The proposed language has been forwarded to Dr. Raju, HHC's President and to Mayor's Office staff for their consideration and to inform their conversations with Legislators who are working on the bill. Ms. Brown reported that, while HHC had not yet seen the bill, reauthorization is expected to take place on September 11, 2014.

**City Update**

*FY 15 City Budget Adopted*

Ms. Brown reported that the City Council had formally passed the New York City Fiscal Year 2015 Budget at the end of June following a previous announcement that an early budget agreement had been reached. Ms. Brown noted that the \$75 billion spending plan maintained the level of financial support for HHC that was proposed in the Executive Budget. In addition, funding for City Council initiatives that was baselined last year was also maintained, which includes support for HHC's Child Health Clinics, Expanded HIV Testing Initiative, Behavioral Health programs and HHC's unrestricted subsidy. Ms. Brown reported that the Council had provided new expense funding, which included \$100,000 for Lincoln Medical Center's Guns Down Life Up program and \$60,000 for HHC's Hepatitis B and Hepatitis C Education and Awareness initiative. Ms. Brown informed the Committee that, of the \$31 million new capital needs funding request that HHC had presented to the Council, HHC received \$13 million. These funds will support the purchase of new equipment and needed renovations at several HHC facilities. Ms. Brown commented that HHC was very appreciative of the support that the Council and the Mayor had provided to HHC in this year's budget.

Ms. Brown shared with the Committee some specific examples of funding allocations made by the City Council. HHC's North Central Bronx Hospital received capital funding in the amount of \$600,000 for necessary improvements for its Labor and Delivery Service that will enable NCB to resume these services in the fall. Ms. Brown commented that Mr. Nolan, Committee Member, was in attendance at a press conference that was convened by Council Members Torres and Kings to announce the provision of funds to support NCB's Labor and Delivery Services.

Elmhurst Hospital Center received \$3 million for the expansion and renovation of its Adult Emergency Department. Kings County Hospital Center received \$1 million for the purchase of radiology equipment.

Metropolitan Hospital Center received \$2.1 million to renovate and outfit space on the first floor of the hospital's outpatient building for a state-of-the-art full service LGBT Comprehensive Family Health Center. Ms. Brown reminded the Committee that Metropolitan Hospital had opened a small LGBT clinic last month in a shared space. Ms. Brown noted that these funds would enable the clinic to have separate and expansive space that would allow the clinic capacity to expand as the demand for services grows. Additionally, Metropolitan Hospital received \$800,000 to purchase a 64 slice CT scanner to ensure greater imaging capacity. Ms. Brown informed the Committee that the Segundo Ruiz Belvis Diagnostic and Treatment Center received \$600,000 to modernize its pediatric suite. These funds will be used to upgrade nurses' and physicians' work stations, to enhance the pediatric waiting area and will also be used to renovate the public restrooms to meet the needs of the disabled patient population.

Ms. Brown explained that, because Sea View Hospital Rehabilitation Center and Home had such an expansive campus, the facility had asked for support for maintaining and repairing their significant roadways. Ms. Brown explained that HHC would usually depend on the Department of Transportation to repair roadways on its campus. This allocation of funds is not only important for the operation of the facility but also because of the variety of other uses of the roadways on the Sea View campus. Ms. Brown reminded the Committee that there are many community/public events and other services that are provided on the Sea View campus (i.e., housing and community board meetings etc.). She added that there was a public bus that runs through the campus. Ms. Brown noted that road repair had been problematic. Fortunately, the facility's request has been supported by the City Council.

Ms. Brown reported that HHC had applied for \$213 million in Interim Access Assurance Funding (IAAF) made available through the MRT Waiver but received \$152 million. Ms. Brown informed the Committee that, while HHC was grateful for the 61% of the total available IAAF of \$250 million, HHC shared with the State that it would have liked for the funding award to have been more proportional to the role that HHC plays in the State. Nevertheless, \$152 million is needed and appreciated.

## Information Item

*2014 New York State Legislative Session Update Presentation*  
*Wendy Saunders, Assistant Vice President Office of Intergovernmental Relations*

Ms. Brown introduced Wendy Saunders, Assistant Vice President and invited her to present an update on legislative activities that were of importance to HHC at the close of the 2014 New York State Legislative Session.

Ms. Saunders greeted Committee members and invited guests. She began her presentation by announcing that the Legislative Session had adjourned on June 20, 2014. She added that it was the second year of a two-year legislative session. She noted that because it was an election year for all legislators, more bills were passed. Listed below are the 2014 statistics:

- 15,911 bills introduced
- 802 bills passed Senate only
- 458 bills passed Assembly only
- 658 bills passed both Houses
- HHC actively tracking 1,083 bills

### **Safe Patient Handling Bill: A.2180C (Gunther)/S.1123C (Maziarz)**

- Requires hospitals, nursing homes and clinics to implement policies
- Requires process to allow staff to refuse to handle patients if they believe new policy is not followed

Ms. Saunders reported that the Safe Patient Handling Legislation would require every hospital, nursing home and clinic to establish an internal committee charged with developing a specific program for their facility. The internal committee must include nurses and other direct care workers. Additionally, it must be comprised of half front-line and non-managerial employees. The committee must review best practices and sample policies that will be developed by a new State Health Department Safe Patient Handling Work Group. Moreover, facilities must conduct annual assessments of policy and provide training for employees. Ms. Saunders noted that the facility would have to implement the program by January 1, 2017.

### **Staffing Ratios: A.6571 (Gottfried)/S.3691A (Hannon)**

This bill imposed mandatory nurse staffing ratios for hospitals and nursing homes. It would require HHC to hire 3,200 new nurses costing more than \$388 million just for hospitals. Ms. Saunders reported that this legislation was the top priority for the NYS Nurses Association and that they would continue to push hard for it next year. Ms. Saunders noted that the legislation

would be the most costly health care mandate in memory with a statewide cost for hospitals at more than \$3 billion. Ms. Saunders reminded the Committee that it would have required HHC to hire 3,200 new nurses at a cost of more than \$388 million just for the acute care hospitals. Ms. Saunders added that the legislation did not pass either house.

#### **Medical Malpractice: A.1056A (Weinstein)/S.7130 (Libous)**

Ms. Saunders reported that although the Trial Bar had pushed a number of measures, this bill was their focus this year. The Medical Malpractice bill extends New York's statute of limitations from thirty months from the date of the alleged malpractice, to thirty months from whenever the alleged malpractice is discovered. Ms. Saunders clarified that discovery includes both the injury and the knowledge that it was caused by a negligent act. As a result, this could have the effect of extending the deadline for filing claims almost indefinitely. Ms. Saunders noted that this legislation was amended to clearly apply to HHC and other public facilities. She added that the Hospital Associations had estimated that this would increase malpractice costs by 15-25%. Ms. Saunders informed the Committee that this legislation did not pass either House.

Mrs. Bolus asked for the names of the Legislators who had amended this bill. Ms. Saunders answered that the sponsors were New York City's Assemblyman Weinstein and Senator Libous from the Binghamton area. She added that many other legislative sponsors were from the City. A list of their names could be provided if needed. Ms. Saunders cautioned HHC to continue to be vigilant on this and other bills related to malpractice.

#### **Job Order Contracts: A.8757A (Abbate)/S.6618A (Savino)**

This bill would limit use of Job Order Contracts, which is an important procurement tool for HHC. It allows for exceptions for work needed due to Hurricane Sandy or future State Disaster Emergencies. Ms. Saunders reminded the Committee that there was a similar Job Order Contracts (JOCs) bill that had passed both Houses last year, but was vetoed by the Governor. This legislation would limit the use of JOCs which HHC uses for renovation, repair and maintenance projects where traditional contracting is impractical. Ms. Saunders explained that because it is a streamlined process, the projects using JOCs can be completed more quickly and with fewer administrative costs than using traditional contracting processes. In addition, projects using JOCs are estimated to save 8-15% compared to traditional contracting methods. Moreover, like traditional procurement process, projects using JOCs are still required to be competitively bid, pay prevailing wages and comply with Wick's Law requirements. Ms. Saunders noted that because of the streamlined process of designing, engineering and contracting multiple projects at once, JOCs allow for greater efficiency. Ms. Saunders informed the Committee that the bill had passed the Assembly, was very close to pass the Senate, but died at the last minute. She added that HHC is working closely with the Mayor's Office and the opponents of the legislation to determine if there are changes to the bill that would make it less problematic for HHC. This bill was passed only in the Assembly.

#### **HHC Specific Legislation**

Ms. Saunders reported on two notable bills that were specific to HHC. There were both sponsored by Assemblyman Cusick and Senator Lanza.

#### **A.130 (Cusick)/S.2474 (Lanza)**

The bill would require HHC to spend 10% of operating budget or \$670 million on Staten Island. This bill was passed only in the Senate.

#### **A.135 (Cusick)/S.2481 (Lanza)**

This bill would require HHC to finance the operation of at least two Emergency Departments on Staten Island. This bill did not pass either House.

Ms. Saunders commented that these bills get introduced every year. The first requires HHC to spend 10% of its Operating Budget in every borough, including Staten Island. In the last year, that bill had passed the Senate only. The second, which requires HHC to finance the operation of at least two Emergency Departments on Staten Island, was moved by the Assembly to the Ways and Means Committee, where it died. Ms. Saunders noted that this has been the outcome of these two bills for the last two years. Nonetheless, HHC will remain attentive to the possibility that either house could do something unexpected.

#### **Hospital Legislation**

Ms. Saunders reported on hospital focused bills that had passed both Houses.

- *Information for Visually Impaired Patients (A.746A (Rosenthal)/S.328A (Avella)*
- *Maternal Depression (A.9610B, Gottfried)/S.7234B, Krueger*
- *Quality Assurance for Trauma and Emergency Care (A.9611, Gottfried/S.7272, Hannon)*

She reported that the first bill would require hospitals to offer visually impaired patients large print or audio recordings of preadmission and discharge information. This bill would take effect 90 days after it is signed. Ms. Saunders reported that the second bill, the Maternal Depression bill, was similar to the bill that was vetoed by the Governor last year. She stated that the bill would require the State Department of Health SDOH to develop education and screening materials on post-partum depression. Hospitals would have to screen new mothers and provide them with education and materials that SDOH would develop. Ms. Saunders informed the Committee that the legislation would take effect six months after it is signed into law.

Ms. Saunders reported that the last bill would make it easier for hospitals to conduct quality assurance for care provided to trauma patients and in the Emergency Department (ED) by requiring coroners and medical examiners to make autopsy reports available to hospitals for that purpose. Ms. Saunders noted that this legislation would take effect immediately.

Ms. Saunders informed the Committee that these bills have not yet been delivered to the Governor.

Mr. Robert Nolan, Board Member, asked which one of these bills had the best chance of being signed by the Governor. Ms. Saunders answered that all of them were likely to be signed by the Governor. However, she added that the Maternal Depression bill was most questionable. She added that, while a couple of tweaks had been made to the legislation, it was not clear if the bill had been modified enough to satisfy the Governor's concerns.

### **Professional Issues**

Ms. Saunders reported on the following professional issues legislation as outlined below:

- *Mental Health Whistleblower Protections: (A.7909 (Gunther)/S.6183 (Carlucci)*
- *Standing orders for Hepatitis C Testing: (A.9124A (Zebrowski)/S.6871 (Hannon)*
- *Adult Immunizations: (A.9561A (Paulin)/S.7253 (Hannon)*

Ms. Saunders reported that the Mental Health Whistleblower Protections Legislation would protect employees of the State Office of Mental Health (SOMH) or the State Office of Alcohol and Substance Abuse Services (SOASAS) licensed-facilities from retaliation for reporting abuse, neglect or maltreatment. Ms. Saunders noted that, should it be signed into law, this legislation would take effect immediately.

Ms. Saunders reported that the second bill (A9124A/S6871) would require physicians and nurse practitioners to issue non-patient specific prescriptions, known as standing orders, to allow nurses to perform the screening test for hepatitis C. Ms. Saunders noted that this practice is important as it will facilitate the new law requiring all baby-boomers receiving primary care to be offered the screening test. Ms. Saunders noted that the legislation would take effect 90 days after it becomes law.

Ms. Saunders reported that the last bill requires registered nurses and pharmacists to record with the patients' oral consent all immunizations they give to adults (19+), into the immunization registry (currently used for children). Ms. Saunders pointed out that this requirement will be optional for all other providers. Ms. Saunders noted that the bill will take effect upon enactment.

Ms. Saunders reported that all bills had passed both Houses.

### *Health Insurance*

Ms. Saunders reported on the following health insurance bills that have passed both houses:

- *Coverage for Telehealth: A.9129A (Russell)/S.7852 (Young)*
- *Coverage for Ostomies: A.8137A (Magnarelli)/S.5937A (Valesky)*
- *Alcohol and Substance Abuse Parity: A.10164 (Cusick)/S.7912 (Seward)*

Ms. Saunders reported that the first bill would require insurers including Medicaid plans to provide coverage for telemedicine and Telehealth. The second bill requires insurers to provide coverage for equipment and supplies related to the treatment of ostomies. Ms. Saunders highlighted that there was also a related bill by the same sponsors (A.10140/S.7893), which applied the same requirements to policies sold through the Health Insurance Exchange.

Ms. Saunders noted that the legislation requiring health insurance parity for alcohol and substance abuse treatment is similar to recent laws requiring parity for mental health services. In addition to requiring coverage for treatment services, it also requires expedited reviews of requests for treatment. Ms. Saunders explained that this last bill was part of a package of 11 bills designed to combat the growing problem of opioid abuse, most notably heroin. Other bills in the package would allow new

demonstration programs for outpatient treatment models and wrap-around services for those in treatment. It would allow family members, homeless shelters and police to carry the “antidote” for a heroin overdose, and create public awareness and education campaigns. Ms. Saunders noted that this package of bills had already been signed into law.

Ms. Saunders informed the Committee that all of these new insurance coverage bills would apply to policies issues or renewed after January.

### **Other Issues**

Ms. Saunders reported on other legislation that had passed both Houses including:

- *Medical Marijuana: A.6357E (Gottfried)/S.7923 (Savino)*
- *Surveys of Outpatient Mental Health Services: A.9768A (Gunther)/S.7481A (Hannon)*
- *Prescription Refills: A.8162A (McDonald)/S.6449A (Hannon)*

Ms. Saunders reported that the Medical Marijuana legislation created a certification process for patients with a limited number of serious medical conditions. Physicians who register with the SDOH can prescribe a specific dosage of medical marijuana for those patients, after checking the I-STOP system to ensure sure that their patients are not abusing marijuana. Health insurers are not required to cover medical marijuana.

Ms. Saunders added that medical marijuana would be provided by up to five organizations that can grow, distribute and dispense it from up to four dispensaries each (for a total of 20). They must comply with strict security and quality requirements. Ms. Saunders noted that this bill had been signed into law.

Ms. Saunders reported on the bill that would eliminate duplicative outpatient mental health and substance abuse services conducted by SOMH and SOASAS, when the service is provided by a hospital that is surveyed as part of National Accreditation. Ms. Saunders noted that HHC would welcome this bill as this was currently the case for inpatient services.

Ms. Saunders reported that, in order to reduce waste and improve medication adherence, the Prescription Refill bill prohibits pharmacies from automatically mailing refills to patients. The legislation requires pharmacies to contact the patients at least every six months to ensure that they want to continue to receive that medication rather than automatically sending it.

Mr. Rosen asked about the issue of prescription refills in the absence of this legislation. Ms. Saunders responded that the mail order pharmacies were just simply sending out prescriptions month after month without hearing from the patients. Ms. Saunders clarified that this legislation was for mail-order or any other home delivery services only, not for in-person.

Mrs. Bolus thanked Ms. Saunders for her presentation.

### **Action Item**

Joanna Omi, Chief Innovation Officer, Senior Vice President, Organizational Innovation and Effectiveness

Ms. Omi read the resolution:

*Authorizing the President of the New York City Health and Hospitals Corporation (The “Corporation”) to negotiate and execute a contract with Simpler North America, LLC (“Simpler”) to provide “Lean” coaching, consultation and training services in support of the further implementation of Breakthrough throughout the Corporation, as well as for the acceleration of independence from outside expertise. This contract shall be for a total amount not to exceed \$10,494,000 for the period from November 1, 2014 through October 31, 2017, with two one-year options for renewal, solely exercisable by the Corporation, subject to additional funding approval by the Corporation’s Board of Directors.*

Ms. Omi informed the Committee that EEO approval had been received and Vendex approval was pending.

Ms. Omi began her presentation by stating that her presentation included a background on the Breakthrough initiative which covered achievements and details of the proposed contract. Ms. Omi informed the Committee that her presentation would focus more on the proposed contract with Simpler North America, LLC because the Committee was already familiar with HHC’s Breakthrough initiative.

Ms. Omi defined Breakthrough as a **principled operating system** with powerful tools for improvement and change founded in a philosophy of **continuous improvement** and **respect for people**. HHC strives to effectively provide **high quality services to customers without waste**. Breakthrough is transforming the way business is conducted at HHC. HHC staff is becoming a community of **empowered problem solvers** who embrace innovation in the pursuit of **zero defects**.

Ms. Omi described HHC's transformation journey. Ms. Omi stated that it was originally anticipated that it would take HHC about 10 years to reach this large organization with culture change. Ms. Omi informed the Committee that HHC was on target with its transformation journey. She reminded the Committee that Breakthrough had been deployed across the facilities at different points in time over the last seven years. She noted that some facilities have only been utilizing Breakthrough for two years while others began in late 2007, early 2008.

Ms. Omi explained that the Breakthrough cycle included planning from vision and strategy, which starts with Dr. Raju then cascade throughout the organization so that the system architecture can be built for the Breakthrough operating system. Ms. Omi added that this Breakthrough operating system included A3 thinking to identify and understand the root causes of problems and go through a cycle of rapid improvements (RIEs) to make specific changes for stair stepping improvements throughout the organization. Ms. Omi noted that in the last couple of years, HHC had been using a daily management system for more incremental improvements which allowed for more people throughout the organization to become engaged. In addition, the system includes many different types of support for the infrastructure including Gemba walk, which is defined as an opportunity to see the work in action, an extensive training program, a committee and accountability structure to enable sustainment. Ultimately results are achieved after completing all these steps.

Ms. Omi explained that Breakthrough was about eliminating waste. She reported that this process starts with value stream (VS) mapping or the series of processes to reach patient flow. Ms. Omi explained that the goal of a rapid improvement event (RIE), which is a weeklong event, is to identify the root cause of a specific problem, to eliminate waste and put new changes and solutions in place. Ms. Omi emphasized that RIEs chart the stair steps improvements. However, Ms. Omi warned that, in the absence of a daily management system degradation may happen between those stair step improvements, which would produce the need to rebuild each time. With the addition of the daily management system, much more stabilization and continuous improvement are achieved.

Ms. Omi reported on the financial benefits that have been generated through Breakthrough. To date, Breakthrough has generated new revenues and cost savings totaling \$465 million. Ms. Omi noted that, for every contract dollar authorized, HHC has identified an average of \$18.67 in financial benefit.

Ms. Omi reported on HHC's staff engagement in Breakthrough. To date, almost 12,000 employees have participated in different types of training and events. Nearly 23,000 employees have had encounters with the Breakthrough initiative through multiple levels of trainings including Breakthrough awareness, Green, Bronze, Silver, Gold and Platinum. Ms. Omi noted that there was a duplicate count of employees because people progress through this training. It is to be noted that HHC assumed complete responsibility for the Breakthrough Training Program in FY 14.

Ms. Omi reported on some of the results of the different types of work Simpler, North America had been engaged in throughout the Corporation:

*Harlem Hospital Center* achieved a 100% decrease in trays with missing or defective instruments for Perioperative Service. Ms. Omi shared with the Committee that Harlem's Breakthrough activities only started two and a half years ago. She noted that Harlem Hospital's Breakthrough work has been sustained through the creation of standard work and better communication between the Operating Room (OR) and Central Sterile. Other facilities have learned from Harlem's experience.

*Kings County Hospital Center* achieved a 37.5% decrease in cycle time from request to patient transport from the ED to patient rooms and an 88% decrease in patients not ready to be transported. Patient readiness has improved significantly.

*Bellevue Hospital Center* achieved an 86% reduction in wait time for pharmacy services. The stellar improvements were due to the following:

- Creation of two flow cells
- 6S conducted to improve flow
- New standard work for labeling/bagging
- Patient alert system installed
- Reduced time from 4 hours to 34 minutes

*Jacobi Medical Center* achieved a 38.6% increase in first case on-time start for perioperative services. Delays in the start of the first cases in the OR produce patient waiting and inefficient utilization of room, instrument, physician, nursing and staff times.

Ms. Omi reported Daily Management System (DMS) results for six sites. Between 2013 and 2014, DMS was implemented in 55 of a total of 250 areas. Ms. Omi explained that an area can be anything like a pod in a patient clinic or a complete small clinic, an inpatient unit or an emergency room. It is expected that DMS would be implemented in the remaining areas over the next couple of years. Ms. Omi noted that the benefits of DMS are detected as early as the first month or two. HHC facilities have been able to independently sustain and implement DMS in additional areas over a three month period. Described below are results achieved for six sites:

- Patients seen by their Primary Care Provider in the Adult Practice increased from 75% to 95%-Kings County Hospital
- Patients leaving within 15 minutes of being identified for discharge increased from 86% to 93%-Bellevue Hospital
- Urgent care patients seen by provider within 30 minutes increased from 30% to 52%-Metropolitan Hospital
- Patient cycle time in Adult Medicine Clinic reduced an average of 25 min-Lincoln Medical Center
- Percent of self-pay patients who were in contact with a Financial Counselor increased by 260% -from 27% to 97%-Queens Hospital
- Percent of patients seen within one business day of admission increased 58% -from 36% to 57%-Elmhurst Hospital

Ms. Omi described HHC's contract history with Simplr, North America's as the following:

- Breakthrough initiated November 2007
- Simplr procured via competitive RFP
  - Scope: Lean consultation and support services
  - Term: 3 years (2007—2010 with 2 one-year optional renewals)
  - Original budget: \$5million
  - First amendment: Increase total to \$7 million; no change in term (January 2010)
  - First option renewal and amendment: (October 2010)
    - Exercise first one-year renewal option (Year 4)
    - Add \$3.1 million for Year 4
    - Add a third optional renewal year to the contract (for a total potential of 6 years)
  - Second option renewal and amendment: (October 2011)
    - Exercise second one-year renewal option (Year 5)
    - Added \$4.9 million for year 5
  - Third option renewal and amendment: (October 2012)
    - Exercise third and final one-year renewal option (Year 6)
    - Added \$5.5 million for year 6
    - Contract total: \$20.5 million for 6 years
  - Sole source contract (October 2013)
    - One year term (through October 2014)
    - Value: \$4.4 million (20% reduction from the prior year contract amount of \$5.5million)

Ms. Omi reported that HHC went through a competitive bid process because there are now more vendors who are doing LEAN consultation in healthcare compared to eight years ago when HHC first launched Breakthrough with Simplr. The field is much larger now. Therefore, the decision to initiate an RFP process was not a negative reflection on Simplr in any way as HHC had a very good relationship with Simplr and a strong product from them, but HHC wanted to ensure that it was using the best of the best. Ms. Omi reported that six out of the 43 companies that had received the RFP submitted formal proposals and all of them were deemed to be worth reviewing. Staff from a Selection Committee comprised of many disciplines corporate wide from senior vice presidents and executive directors to chief operating officers, chief medical officer and chiefs of service participated in interviews. After the Committee completed its final written evaluation and scoring, Simplr North America's proposal ranked highest compared to all of the other proposals.

Ms. Omi described HHC's proposed new contract with Simplr as the following:

- Period: November 1, 2014 through October 31, 2017 (3 years)
- Contract amount: \$10,494,000
  - CY 2015= \$4,404,000
  - CY 2016=\$3,323,500
  - CY 2017=\$2,766,500
 (CY 2017 amount is 37% less than CY 2014 contract amount)
- Projected Financial Return: For every \$1 spent on this contract, HHC will collect and report \$ 20.49 in new revenues and cost savings

Ms. Omi described the contract deliverables as summarized below:

DELIVERABLE SUMMARY	Year One		Year Two		Year Three		TOTAL	
	Delivery Weeks	Annual Cost	Delivery Weeks	Annual Cost	Delivery Weeks	Annual Cost	Delivery Weeks	3 Year Cost
Enterprise Strategy Support - 'Setting Direction'	44	\$748,000	34	\$578,000	28	\$476,000	106	\$1,802,000
Infrastructure Support - 'Building Capability'	10	\$256,000	6	\$188,000	6	\$188,000	22	\$632,000
Network / Site Support - 'Creating Flow'	96	\$1,800,000	70	\$1,312,500	62	\$1,162,500	228	\$4,275,000
Staff Level Support - 'Developing Discipline'	94	\$1,500,000	76	\$1,185,000	60	\$900,000	230	\$3,585,000
Enterprise Opportunities - 'Lean Innovation'	5	\$100,000	3	\$60,000	2	\$40,000	10	\$200,000
<b>Total Weeks and \$ Investment</b>	<b>249</b>	<b>\$ 4,404,000</b>	<b>183</b>	<b>\$ 3,323,500</b>	<b>152</b>	<b>\$ 2,766,500</b>	<b>584</b>	<b>\$10,494,000</b>

Ms. Omi described HHC's partnership with Simpler as the following:

Simpler		Purpose	HHC
VISION AND STRATEGY	Teach/coach leadership on hoshin kanri	Set and align organizational strategy and business goals; establish approach for collaborative achievement	Adopt multi-year goals and plans for annual achievement
ARCHITECTURE AND INFRASTRUCTURE	Teach/coach Simpler Business System (SBS)	Establish a comprehensive system for setting vision, planning, managing, improving and sustaining gains in which all employees contribute to the mission and goals of the organization. Embrace development of people as a fundamental priority.	Modify SBS to create Breakthrough—the HHC Operating System; Create training and development programs.
VALUE STREAMS	Teach A3 thinking and tools --VSA, VVSM, RIE, 2P	Establish the approach and component parts of the operating system -- tools and processes.	Develop internal capacity for continuous and sustained improvement.
DAILY IMPROVEMENT	Teach and coach managing for daily improvement	Enable managers throughout HHC to operate through a standardized program of behaviors, tasks and administrative actions.	Develop and implement the Daily Management System with just in time modular expansions.

Ms. Omi described Future Simpler Role (Contract Scope) as the following:

Utilizing the full bench strength of Simpler and Truven, deploy expertise to sites and the corporate office:

- Visioning and Strategy:
  - Deploy lean Leadership Institute for senior leaders
  - Coach leadership in Hoshin Kanri application
  - Create innovation model
- Architecture and Infrastructure:

- Create a Human Development strategy
- Create model value streams in areas of strategic priority
- Value Stream Activity
  - Ensure facility Breakthrough office staff and leaders have a deep understanding of Breakthrough, are expert on tools and techniques and can move easily between different applications
  - Establish model value streams in areas of strategic priority
  - Establish flow cells in all value streams
  - Strengthen enterprise and site level analytic and evaluative capacity, including ROI
- Daily Management System
  - Accelerate spread of DMS with the goal of implementing in 250 areas
  - Add audit boards, leader standard work, “idea generation”

Ms. Omi outlined HHC’s FY15 goals as listed below:

- Improve alignment of Breakthrough resources to strategic business goals
  - Deepen application of Hoshin Kanri
  - Identify enterprise-level strategic value streams
  - Establish enterprise-wide measures and targets
  - Prioritize resource allocation
- Improve spread of best practices and sustainment of improvements
  - Establish and spread standard work (what good looks like)
  - Create process and repository for use of tested and validated solutions (“Yokoten” repository)
- Embed Breakthrough expertise more broadly across the organization to grow independence from external expertise
  - Accelerate spread of DMS and model value streams
  - Spread capacity for Bronze and Silver training to facilities
  - Conduct leader and manager training
  - At least 4 (now 2) sites will rely only on the Enterprise Breakthrough Office for coaching and consultation

Ms. Omi concluded her presentation with the following quote from Dr. John Toussaint, Founder and CEO of Thedacare Center for Healthcare Value:

“The core work of the transformation is changing the culture---changing how we respond to problems, how we think about patients, how we interact with each other...When lean thinking goes only skin deep and management does not change, improvements cannot be sustained.”

Ms. Omi introduced Mr. Keith Sieverding, Simpler’s Senior Vice President of Operations.

Mr. Rosen, Board Member, asked Ms. Omi about the expected rate of return on investment for the new contract. He asked if HHC was confident about the 20 to 1 rate of return or would HHC run the risk of that rate being diminished over time. Ms. Omi responded that the rate of return would continue to grow over a period of time because not all the achievements and successes that had been achieved through Breakthrough have been either monetized or advertised. Ms. Omi noted that HHC had reached the point where its internal capacity for improvement has escalated significantly. It is hopeful that HHC will get better at monetizing and advertising.

Mr. Rosen recalled a phrase from the Office of Management and Budget (OMB) which states: “It is very easy to count inputs; but it is very hard to quantify outputs.” While the recurring revenues are easily identified, the hardest part remains to quantify the cost savings. Mr. Rosen commented that the expected rate of return was a big number. Ms. Omi added that the number could have been far smaller but still be considered as huge benefit.

Mrs. Bolus, Committee Chairperson, commented that HHC’s current challenge is access to healthcare. To date, there have not been enough improvements made in that area. She asked Ms. Omi how the new contract with Simpler would address that issue. Ms. Omi’s response was twofold. She explained that at individual facilities, there had been significant decreases in wait times and in non-value added activities that HHC require patients to go through in order to be seen by a provider. As a result of Breakthrough, there have been significant reductions in those types of activities and in wait times, particularly in ambulatory care, ED, admissions and in various areas like surgery. She stated that it was hard to quantify because of the way things are being measured. However, things will change in the future. Because wait times are being measured differently at each facility, she is not able to report to the Board that wait times had been reduced by x number through Breakthrough. It is hopeful that she would be able to provide that information in future because the volume of activities will be greater and the metrics focused on

wait times will be standardized. Significant work is being done to improve access. Ms. Omi informed the Committee that Denver Health, which was a few years ahead of HHC on its Lean journey, had done tremendous work but started to see significant financial benefits only when they were five years into their Lean journey. Denver Health realized that for any service such as a patient coming in for an ambulatory care visit either with an appointment or walk-in, the patient had to go through the same cycle. The patient had to be registered, assessed, treated and eventually discharged. Ms. Omi explained that this flow, which has many steps, may also include dozens more steps for the patient. Until an impact is made in every single one of those steps, there will always be a challenge. Even with an improved registration process there will be some wasted activities in assessment and treatment, which will not improve health care access. Ms. Omi emphasized that improvements must be made in the entire value stream for the patient before significant changes can be realized.

Mr. Rosen commented that if patients have a good rapport with their primary care physicians, they would not get so quickly upset about the wait. He gave an example about his own internist who had a busy practice and was always apologizing to his patients about the wait. He also recalled a presentation made to the Board of Directors about ophthalmology visits and that he had to wait even longer to see his own ophthalmologist. Mr. Rosen concluded that once the patient had confidence in the provider and had built a rapport with that provider, the patient would be more willing to wait.

In addition to making improvements in the different processes, Ms. Omi informed the Committee that one of the DMS observations was that patients felt that they were much more attended to in areas where the DMS had been implemented because staff appeared to be much more engaged. Improvements are made based on the data that was being collected every day. Ultimately, that sense of being part of the solution is empowering and makes happier employees and happier employees make happier patients.

Mr. Nolan referred to the Employee Engagement Chart that was displayed on presentation slide# 18. He stated that for several fiscal years the number of employees that had participated in training had more than doubled from FY 13 to FY 14. He asked why the modest increase over the years had suddenly doubled. Ms. Omi responded that one of the reasons was that the definition of employee engagement was changed. She explained that the number for engaged staff was generated from a small number of taught courses and the number of RIEs that had been conducted. As Breakthrough becomes more embedded, the staff begins to use Breakthrough every day but those activities had never included in the count of staff engagement. Staff daily activities including DMS, workshops and other activities that are still making significant changes are now counted. Ms. Omi informed the Committee that HHC offered an online Breakthrough Awareness course which had prompted staff to complete the Green training, which is a daylong basic training. In addition, Ms. Omi noted that, originally all Green trainings had been conducted at Central Office. Over a year and a half ago, each facility became certified to offer the Green training course which made it more accessible to staff. Ms. Omi stated that the increase in the number of staff engagement was due to an increase in the number of training opportunities and the spread of DMS.

Mrs. Bolus asked if HHC was using less outside personnel than HHC personnel for those training courses and RIEs. Ms. Omi responded that most of the training courses were adopted from Simpler's materials. To date, HHC provides all of the eight formal courses represented, except for the platinum courses. She added that, in addition to the Breakthrough Awareness course that is available online and the Green course offered at the facilities, the Office of Organizational Innovation and Effectiveness provided all the other courses. HHC is not dependent on any outside Breakthrough training except for the highest level courses.

Mrs. Bolus thanked Ms. Omi for her presentation.

# SUBSIDIARY BOARD REPORT

## MetroPlus Health Plan, Inc. – July 8, 2014

### As reported by Mr. Bernard Rosen

#### **EXECUTIVE DIRECTOR'S REPORT**

Dr. Saperstein reported that total Plan enrollment as of June 1, 2014 was 469,843. Breakdown of plan enrollment by line of business was as follows:

Medicaid	374,326
Child Health Plus	11,855
Family Health Plus	20,127
MetroPlus Gold	3,382
Partnership in Care (HIV/SNP)	5,214
Medicare	7,944
MLTC	577
QHP	45,754
SHOP	664

Dr. Saperstein gave the Board of Directors a copy of the presentation that he gave to the HHC Finance Committee earlier that day which included a great deal of information about the Exchange. In the presentation it stated that, out of the Plan's almost 46,000 Exchange members about 56% are assigned to HHC facilities. Dr. Saperstein advised how MetroPlus is doing with the Exchange compared to other health plans. Even though MetroPlus is only in 4 counties it still has 15% of the entire state population. Dr. Saperstein explained the reasons behind the Plan's requested rate increases. MetroPlus does its best to keep its rate as reasonable as possible but rising health care and prescription drug costs are requiring the Plan to change its rates.

Dr. Saperstein stated that one of the challenges MetroPlus is currently facing is that the New York State of Health website does not allow applicants to choose a Primary Care Provider (PCP). MetroPlus must auto-assign the PCPs. This has generated some member dissatisfaction and excessive call volume for members to choose or change their PCPs. The State is aware of this issue and claims that addressing it is a priority.

The Plan is beginning to see a minor decrease in the number of members due to non-payment. Members are billed monthly and are given either a 30 or 90 day grace period to pay based on their income and Advanced Premium Tax Credit status. Only when the grace period is exhausted are the members disenrolled. As of May 1, 2014, the number of members who were disenrolled due to non-payment was 2,202.

Dr. Saperstein reported that the Finance Department has been working on a variety of projects in the month of June. The Medicare bid for 2015 was due the beginning of the month. This was successfully submitted and will now undergo Desk Review. On June 13<sup>th</sup>, 2014, MetroPlus successfully submitted the Exchange bid that included a rate increase (to meet costs based on actuarial predictions). The Plan's Silver rates were increased by 17% (from \$359.26 to \$421.52). This submission includes all actuarial data and exhibits as well as all contract language. The rate increase was due to a significant increase in pharmacy costs and network inpatient costs.

The Fully Integrated Duals Advantage (FIDA) 2015 Plan submission was also completed. On February 21, 2013, MetroPlus completed its application of supporting documents for the New York State Demonstration to Integrate Care for FIDA. The FIDA program will be available starting October 2014, marketing for FIDA begins September 2014. Under the program, care will be coordinated for Medicare, Medicaid and Managed Long Term Care eligible individuals who require 120 days or more of long term support services. Medical Management completed the Model of Care (MOC) component of the application in February 2014. MetroPlus received a three year approval for its FIDA demonstration plan, scoring a 91.67% on the MOC, the highest MOC submission MetroPlus has received for one of its Medicare programs.

Dr. Saperstein stated that MetroPlus underwent virtual systems testing in April 2014, where the Plan had to demonstrate its internal system's preparedness for FIDA. The Plan's systems testing demonstrated, overall, that it was on target in preparation for this product launch and received feedback that its home grown Case Management program met the needs of the

requirements of FIDA and the Interdisciplinary Team (IDT) expectations. Reviewers were very impressed with MetroPlus' DCMS system and the Care Plan developed within the software for FIDA.

During the month of June, CMS and the New York State Department of Health (SDOH) made revisions to the requirements of the FIDA IDT policy. These changes required modifications to some of MetroPlus' policies and procedures in Medical Management and MIS Core, from a systems perspective to meet the requirements of the revised policy. On June 24, 2014, MetroPlus began another Remote Systems Testing to demonstrate its "system readiness" to support the final IDT policy. The Plan (internal departments and external vendors), has been meeting over the past weeks to prepare for this initiative and are confident it will do well. The Plan has completed "test cases" and its interactive sessions have been very positive in preparation for this initiative.

Dr. Saperstein stated that SDOH released the 2013 Consumer Guide to Medicaid Managed Care in New York City, based on preventive and well-care for adults and children, quality of care provided to members with illnesses, and patient satisfaction with access and service. MetroPlus came in second place, tied with Emblem Health and Health Plus (Amerigroup).

In order to meet the comprehensive requirements of the Health and Recovery Plan (HARP) for the severely mentally ill population, as well as the requirements to assume behavioral health coverage for the plan's SSI population, MetroPlus has published a request for proposal for a Behavioral Health Organization to assist the Plan in meeting these requirements. The project was awarded to Beacon Health Strategies. The contract was approved by the MetroPlus Finance Committee on June 10, 2014, and by the HHC Board of Directors on June 26th.

Dr. Saperstein stated that he had three announcements to make. The first was to introduce Ms. Joyce Weinstein, MetroPlus' new Director of Corporate Affairs. Ms. Weinstein was the former Deputy Commissioner for the New York City Department of Health and at MetroPlus she will be responsible for Regulatory Affairs, Compliance and Internal Audits. The second announcement was that the Plan recently hired Mr. Seth Diamond as its new Chief Operating Officer and he will start on July 21, 2014. The last announcement was to introduce Ms. Andreea Mera, Special Assistant to the President of MetroPlus who comes to MetroPlus from Central Office.

### **Medical Director's Report**

Dr. Dunn stated that as part of MetroPlus' continuing effort to provide health education and valuable information to its members, the Plan completed several mailings. A mailing was sent to mental health providers reminding them of the importance of seeing MetroPlus members post discharge from an inpatient admission. Dr. Dunn stated that section 4108 of the Affordable Care Act - Medicaid Incentives for Prevention of Chronic Diseases presents a new opportunity for Medicaid agencies to encourage beneficiaries to use preventive services and adopt healthy behaviors that can potentially improve outcomes and reduce utilization of acute health care services and subsequent in the case of a diabetic, improving the management of the condition. A mailing was sent to all providers that may have members that were admitted for diabetes that may need a follow up appointment.

Dr. Dunn reported that a list of prospective members was sent out to MetroPlus' PCPs advising them to see members for an annual prevention health visit to ensure members received mammograms, cervical cancer screening, adult immunizations, well child visits, colorectal cancer screening, etc.

Dr. Dunn advised the Board that hospital admissions for ambulatory care sensitive conditions are increasingly viewed as a way to improve the coordination of services between the inpatient and outpatient settings and to promote higher quality of care of outpatient care. Potentially preventable readmissions are hospital admissions that could potentially have been prevented with the appropriate care during the initial admission, or adequate discharge planning and follow-up and coordination of care between the inpatient and outpatient settings. Prevention quality indicators (PQI) identify ambulatory care sensitive conditions for which hospital admissions might have been avoided if the patient had received timely and adequate care in the community. The Pediatric Quality Indicators (PQI) is a set of measures that can be used with hospital inpatient discharge data to provide a perspective on the quality of pediatric healthcare. PQIs focus on potentially preventable complications and iatrogenic events for pediatric patients treated in hospitals, and on preventable hospitalizations among pediatric patients.

The Quality Management (QM) Department completed and submitted all HEDIS files for 2013 season as of June 16, 2014. After passing the HEDIS audit on all measures and reviewing over 14,000 medical records, QM will begin scheduling visits with the facilities along with Network Relations to inform them of how their facility did during the 2013 HEDIS season. Chronic Hepatitis C is a common infection that is a major cause of chronic liver disease, liver failure, and hepatocellular carcinoma, and it is the leading indication for liver transplantation in the Western world. Prior to 2011, the combination of pegylated interferon and

ribavirin (PR) was the gold standard of therapy for the treatment of chronic Hepatitis C. The 2011 introduction of first generation direct-acting antiviral (DAA) protease inhibitors boceprevir (Victrelis®, Merck & Co.) and telaprevir (Incivek®, Vertex Pharmaceuticals, Inc.) resulted in substantially improved sustained virologic response (SVR) rates in many patients when used with PR regimens. This improvement has come with new challenges, however, including significant additional side effects and drug-drug interactions as well as stringent dosing requirements and high pill burdens for patients. The latest DAA agents have been developed with the potential for simplified dosing, fewer side effects and drug-drug interactions. These new agents include the recently-approved second generation protease inhibitor simeprevir (Olysio) and polymerase inhibitor sofosbuvir (Sovaldi) as well as several other agents that are currently in late-stage clinical trials. The costs of treatment are likely to increase substantially, with the two new agents expected to cost approximately \$70,000 and \$170,000 per course of therapy, depending on the duration of therapy. In fiscal year 2013, MetroPlus pharmacy costs for Hepatitis C treatment was \$900,000. For the first four months of 2014, MetroPlus' pharmacy cost for Hepatitis C drugs is \$2.6 million.

Two weeks ago, the Health Plan Alliance convened a meeting with the pharmacy and medical directors and SDOH in Albany to discuss setting a standard set of clinical criteria for the provision of Sovaldi. Dr. Alao attended the meeting and participated in shaping the Sovaldi prior authorization criteria. The Plan anticipates further changes and refinement will be necessary before the criteria for usage will be finalized. There was a brief discussion regarding how an individual contracts Hepatitis C.

Dr. Dunn reported that SDOH released the Consumer's Guide to Medicaid Managed Care in New York City and the Consumer's Guide to Child Health Plus Managed Care in New York City. For Medicaid Managed Care, the Health Plans were rated on preventive and well-care for adults and children, quality of care provided to members with chronic illnesses and satisfaction with access and service. MetroPlus' overall rating was 70% which placed it in second place. The Plan identified two areas that will require improvement: post-partum care and follow-up after mental health admission. For Child Health Plus managed care, the health plans were rated on preventive and well care for children and quality of care provided to members with illnesses. The Plan's overall rating was 83% which placed it in second place. MetroPlus did well in all the measures except for dental care.

## **ACTION ITEMS**

The first resolution was introduced by Mrs. Gail Smith, MetroPlus' Chief Customer Officer.

*Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to execute a lease between MetroPlus and MCO General Partners, LLC for approximately 1,750 square feet of space, plus basement, located at 92-14 Roosevelt Avenue, Borough of Queens, to house sales and customer service facilities of MetroPlus for a term of ten years at a base rent of \$43 per square foot, per year, which shall increase at 3% every year over the lease term and which shall include the cost of building out the space to the building standard.*

Dr. Saperstein reminded the Board that previously this year the Plan brought a resolution to the Board for space in Queens but by the time MetroPlus received approval to lease the space it was rented to someone else at a higher rate. Mr. Rosen asked if it was far from Elmhurst Hospital. Mrs. Smith replied no, it is in a very good location in a high traffic area. Mr. Martin asked how the square footage dollar amount compares to other properties in the area. Dr. Saperstein said that it is a very competitive price for this space.

Mr. Rosen moved the adoption of the resolution which was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

The second resolution was introduced by Ms. Kathyrn Soman, MetroPlus' Director of Communications.

*Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Culver Associates, LTD d/b/a Hospital Media Network ("HMN") to produce and display framed posters in HHC facilities using creative material supplied by MetroPlus for a period of one year with three one-year options to renew, solely exercisable by MetroPlus, with an annual amount not to exceed \$662,200.*

Mr. Rosen asked if the \$662,200 is an annual amount and Ms. Soman replied yes, it is per year. Dr. Saperstein gave the Board some background on the contract and the services that HMN provides to the Plan.

Mr. Rosen moved the adoption of the resolution which was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

**\*\*\*\*\* End of Reports \*\*\*\*\***

**RAMANATHAN RAJU, MD**  
**HHC PRESIDENT AND CHIEF EXECUTIVE**  
**REPORT TO THE BOARD OF DIRECTORS**  
**JULY 24, 2014**

**STATE MEDICAID WAIVER FUNDING UPDATE**

On June 26th, HHC submitted its initial planning applications for the Delivery System Reform Incentive Program (DSRIP), a \$6.42 billion component of the 1115 Medicaid Waiver program. This program is intended to both transform care delivery in NYS and significantly reduce Medicaid costs, with an overall program goal of 25% statewide reduction in preventable hospitalizations over 5-year timeframe. HHC was recently awarded approximately \$150 million from the IAAF (Interim Access Assurance Fund), another component of the 1115 waiver to assist safety net hospitals in severe financial distress and major public hospital systems to sustain key health care services while developing DSRIP proposals.

Our non-binding planning application was to explore up to seven Performing Provider Systems (PPS), each of which will undertake 7-10 clinical projects intended to improve the health of Medicaid and uninsured patients in its local geographic area. NYS DOH is in process of reviewing all NYS applications, and we expect to receive their input/guidance by late July or early August. We will incorporate their advice into our future efforts leading to a binding, final application in mid-December.

The work of strategic alignment, partnership formation, community needs assessment, and project selection is being conducted under guidance of a Corporate Steering Committee and with support from a consultant vendor, and aims to have a completed application by December 2014 which will assist with the strategic transformation of our healthcare delivery system over the next 5 years.

**SUPPORT FOR EXPANDING ACCESS TO LONG-ACTING REVERSIBLE  
CONTRACEPTION**

On July 17, I joined State DOH Commission Dr. Howard Zucker, City DOH Commissioner Dr. Mary Basset, and HHC Deputy Chief Medical Officer Dr. Mabelle Allen at Bellevue Hospital Center to mark a change in New York State Medicaid policy that will help increase birth control options for women.

The State Department of Health in April changed its Medicaid policy to cover long-acting reversible contraception when given to women immediately after childbirth. Reimbursement for these types of contraceptives had only been available in an outpatient setting. That meant that Medicaid patients usually had to wait six weeks after childbirth to receive these types of contraceptives at their first postpartum well

visit.

At HHC, we have been offering these options to women after childbirth for some years now, regardless of their ability to pay or insurance status.

We believe that the option for a woman to choose a birth control method that suits her needs should be restricted only by medical evidence. And the latest medical evidence – much of which was pioneered through research at HHC and our Jacobi Medical Center in the Bronx – has shown that IUDs are safe and effective when used immediately following birth.

The decision to reimburse for IUDs and contraceptive implants immediately postpartum is visionary, and an example of a progressive agenda that fights for women and not against them. This new policy to cover our costs for providing this effective and proven method of birth control removes an important barrier and supports HHC's commitment to expand timely access to safe and effective birth control to even more women across New York City.

### **U.S. COURTS SPLIT ON SUBSIDIES ON FEDERAL HEALTH INSURANCE EXCHANGE**

Earlier this week, two federal appeals courts issued conflicting opinions on the question of whether the federal government could provide subsidies when people purchase health insurance through the federal exchange. That exchange operates the insurance marketplace created by the Affordable Care Act in the 36 states that declined to create a state exchange. However, the law is clear that State-run exchanges can provide such subsidies, so the New York State exchange is not affected by the rulings. The split decisions bring more conflict and confusion around this important health care reform effort, which now may end up before the Supreme Court. In the meantime, the Obama administration said it would continue enforcing the law's requirement that subsidies -- Advanced Premium Tax Credits -- be paid in all exchanges. About three-quarters of New Yorkers who enrolled in private health insurance through the state exchange were eligible for these subsidies.

### **CITY COUNCIL ALLOCATES \$600k TO HELP REOPEN NCBH LABOR & DELIVERY**

I want to thank Bronx New York City Council Member Ritchie Torres and the other members of the New York City Council Bronx delegation for securing a capital fund allocation of \$600,000 to assist the renovation and reopening of North Central Bronx Hospital's comprehensive labor and delivery services. The funds will be used to upgrade patient-care areas in the maternity unit as we prepare to restore the services in the fall.

### **CHANGES SUGGESTED FOR FEDERAL FUNDING OF**

## **WORLD TRADE CENTER TREATMENT PROGRAM**

After more than three years of administering the James Zadroga 9/11 Health and Compensation Act of 2010, HHC is assessing whether any changes are needed in the law as several elected officials are considering re-authorization of the law. HHC administers the World Trade Center Environmental Health Center located at Bellevue, Elmhurst and Gouveneur. Currently over 7,000 individuals are enrolled in the HHC-administered survivor program and are eligible to receive services at these Centers of Excellence. These programs provide services for those who were harmed by the terrorist attack of September 11. A reauthorization bill may be introduced in Congress on September 11 this year by Members of the New York Congressional delegation.

The two changes that HHC is suggesting to the Mayor's staff to be included in their reauthorization request are a repeal of the requirement that all applicants be checked against the Terrorist Watch List, and to amend the law to allow payment of transportation expenses within the New York City area when necessary for medical treatment.

## **CITY REACHES LABOR AGREEMENT WITH DC37**

The City recently reached a negotiated agreement with DC37. You will remember that last month I announced that the city had also reached agreements with NYSNA, which was overwhelmingly ratified by the membership, and with Local 1199, whose contract is currently pending ratification by the membership. The agreement with DC37, which is subject to union ratification, covers the period March 2010 to July 2017. Like the NYSNA and 1199 contracts, this agreement conforms to the pattern established by the teacher's union earlier this year. It includes wage increases of 10% over the term of the contract as well as the \$1,000 lump sum cash bonus payable upon ratification. It also contains the healthcare savings that were agreed to by the Municipal Labor Committee as well as a union funded Additional Compensation Fund that could be used to purchase mutually agreed upon recurring benefits. The parties also agreed to establish a Joint Recruitment and Promotion Study Committee to look at ways to increase the recruitment, retention and promotional opportunities for minorities and women in DC37 titles. Lastly, the parties agreed to make good faith efforts to ensure due process protections for Provisional Employees in HHC.

## **PATIENT AND EMPLOYEE SAFETY AND WELLNESS FORUM**

On June 30, the Corporate Office of Patient Safety and Employee Safety convened a forum at Jacobi Conference Center entitled "Patient Safety Begins with a Compassionate Healthcare Provider." The keynote presenter Richard Cheu is a neurophysiologist, EMT, ordained deacon, hospital chaplain, and stress management

consultant.

The goals of the forum were to demonstrate how compassionate healthcare teams improve patient outcomes; learn how to stay compassionate even in a stressful work environment; develop positive self-care strategies and healthy rituals to help us to better care for ourselves and our patients; and, differentiate how compassionate care may be manifested in acute, palliative, and hospice care settings.

More than 170 HHC staff attended this important learning session and all received a copy of Dr. Cheu's book, "Living with Chronic Illness: A Practical and Spiritual Guide."

### **EMPLOYEE WELLNESS**

Supporting employee wellness is an important part of our efforts to engage our workforce and improve employee satisfaction. I'm happy to report that the summer edition of the popular HHC Employee Wellness Focus newsletter was recently released. The summer issue provides employees with valuable information on ways to protect from sun damage and cancer, boost heart health, and to practice healthy eating habits. A copy of this edition is included in your Board materials.

### **EMPLOYEE PATIENT SAFETY CULTURE SURVEY**

In June we conducted the 2014 all employee patient safety culture survey, an effective way for our workforce to anonymously share their opinions and suggestions about the safety of our workplaces. Almost 25,000 surveys were submitted, giving us a statistically significant response rate of 63% across the enterprise. Early data show that more than 70% of respondents believe that HHC is committed to organizational learning, and 65% acknowledge the management's support for patient safety.

While the final results will tell us where we still have much work to do, the preliminary data reveal that patient safety improvement is recognized by our workforce as a focus and priority for our organization and within our culture.

### **HHC EXECUTIVES RECOGNIZED FOR OUTSTANDING LEADERSHIP**

Three HHC senior executives have received outstanding recognitions this month for the quality of their leadership in healthcare.

LaRay Brown, Senior Vice President for Corporate Planning, Community Health, and Intergovernmental Relations has been invited to co-chair one of the targeted workgroups as part of the state of New York's Medicaid Redesign Team: Social Determinants of Health Group. This important endeavor, as you know, has been a major policy undertaking in seeking to deliver better value and better care in New York

State's Medicaid program.

Caroline M. Jacobs, Senior Vice President for Safety and Human Development, last month assumed the role of Chairperson of the Board of Directors of the Essential Hospitals Institute. The Institute supports America's Essential Hospitals -- formerly the National Association of Public Hospitals and Health Systems -- through research and puts research into practice through transformation and innovative change. Key strategic objectives of the Institute are aligned with several of HHC's priorities including: improving quality and preventing patient harm, reducing healthcare disparities, healthcare delivery system reform, patient centered care and expanding community based-services.

And third, but not least, the work of another HHC executive was applauded this month at the centenary celebration of the *Medical Journal of Australia*. Topping the list of the most cited papers in the 100 year history of that journal was a study led by our own Dr. Ross Wilson, HHC's Chief Medical Officer and Senior Vice President of Medical and Professional Affairs. Dr. Wilson's paper, "The Quality in Australian Health Care Study," published in 1995, was the first national study in the world on the prevalence of unsafe healthcare in hospitals. Dr. Wilson's publications in patient safety continue to be amongst the most frequently cited internationally, including his most recent paper from March, 2012 in *BMJ* addressing patient safety in developing countries of Africa and the Middle East, with the World Health Organization.

I know the Board joins me in offering our congratulations to Ms. Brown, Ms. Jacobs and Dr. Wilson for their continued leadership and contributions.

### **HHC LEADER TO JOIN THE NYC DEPARTMENT OF HEALTH AS A DEPUTY COMMISSIONER**

Gary S. Belkin, MD, Ph.D., HHC's Senior Director for Psychiatric Services, has been appointed to serve as the Executive Deputy Commissioner of Mental Hygiene at the NYC Department of Health and Mental Hygiene effective August 25. Prior to his role at Central Office, Belkin served as the Deputy Chief and then the Interim Chief of Psychiatry at Bellevue Hospital Center. He has been with HHC for 10 years.

Dr. Belkin will be missed at HHC, but New York City's mental health services and programming will be well-served by his commitment to improving patient care as well as his leadership skills. In his new position, Belkin will still have the opportunity to regularly interact with his HHC colleagues – as a Deputy Commissioner, he will represent DOHMH on HHC's Board of Directors.

### **FEATURED COMMUNITY HEALTH PROGRAMS: "MUSIC & MEMORY" AND LINCOLN HOSPITAL'S TAXI AND LIMOUSINE**

## **HEALTH SCREENING INITIATIVE**

I wish to highlight for you today two quite special community health programs:

### **Music & Memory**

The first program that I wish to highlight for you this afternoon is the Music & Memory program. The Music & Memory program is a music therapy initiative that brings iPods loaded with personalized music selections to patients with Alzheimer's disease, dementia, or other cognitive loss to enhance their memories and enrich their lives.

HHC has been an early adopter of this program at Coler, Carter, and Sea View. With the help of The Fund for HHC, we plan to soon expand the program to Gouverneur, McKinney, Elmhurst Hospital Center, and Bellevue Hospital Center. And we ultimately hope to have Music & Memory programs in all our major facilities.

HHC and its Fund for HHC has collaborated with and supported the producers of a moving, award-winning documentary film entitled "Alive Inside" that powerfully documents the ability of this intervention to positively alter lives. I wish to share with you the two minute trailer for this film in which HHC briefly appears.

### **Lincoln Hospital's Taxi and Limousine Health Screening Initiative**

The second program I wish to highlight for you centers upon that unique group of New Yorkers who drive New York City cabs, liveries, and limousines, providing a vital service in across our city. These men and women drivers are mostly immigrants, typically with no medical home and too often unconnected to healthcare for many years. They are frequently the primary bread winners in their families, here, and in their homelands. Their health status should be a concern to all of us.

In 2005, our community-minded staff at HHC Lincoln Medical Center in the Bronx found a way to reach these individuals and provide the healthcare they needed by doing what we know works -- they went to where the cab drivers work -- where they gather to begin and end their days.

HHC staff brought the health care to the people instead of doing what we typically do in health care: wait for the people to come to us.

For nearly ten years, the Community Health Education and Outreach team at Lincoln has been visiting taxi bases across the South Bronx and Northern Manhattan, bringing life-saving education messages, screening exams and an invitation to make Lincoln their medical home.

Taxi and limo drivers have been learning about how to manage their diabetes, how to keep blood pressure under control, how to recognize the signs of stroke, the dangers of smoking and the importance of HIV testing and cancer screening.

Our outreach team at Lincoln has provided more than 6,500 blood pressure and glucose screening tests, enrolled more than 470 drivers in health plans and 233 in the HHC Options program. They have facilitated more than 850 medical appointments.

This is such an effective model, that in 2008, the program received national recognition for improving local health conditions from the Robert Wood Johnson Foundation.

There's no doubt that this patient-centered model of care has helped to improve the health of the drivers. But we've also seen another very important outcome of this effort.

Some of the very same taxi drivers we helped connect to care have now become active participants in our Community Advisory Boards. They have become an extension of this outreach effort and a direct link to a community of New Yorkers who would have easily been left out of the healthcare they deserve if it were not for HHC and our caring staff at Lincoln Hospital.

Here today is one of those taxi drivers, sole owner of Llama Car Service and a member of our Community Advisory Board at HHC's Morrisania Diagnostic and Treatment Center, Mr. Carlos Llama. He has a cab and is now on our CAB! HHC's own Maria Ramos and Marcelo Villagran, members of the outreach staff at Lincoln, were the co-creators of this program back in 2005.

Thank you Carlos and Marcelo, for your service to HHC and our patients. Let's give them a round of applause.

### **EMPLOYEE RECOGNITION: BEHAVIORAL HEALTH PEER COUNSELORS AT KINGS COUNTY HOSPITAL CENTER**

Now I want to tell you the story of Melissa Edwards, a story that Melissa has courageously permitted me to share with you.

Melissa was diagnosed with depression at a very early age. She was born in Jamaica, and she remembers those feelings as far back as when she was five years-old. Her father's death and her grandmother's illness contributed to her condition.

At age 11, she attempted suicide. At age 12, she moved to the U.S. and she remembers things getting better. But a year later, she was the victim of a sexual assault. Her depression returned. More hospitalizations followed and she was officially

diagnosed with an anxiety disorder.

At 18, her mother kicked her out of the house. She lived on the streets for a while, then in a homeless shelter and spent a lot of time living with friends. She lost her job and struggled with her weight, which she says reached over 400 pounds, which further contributed to her depression and anxiety.

Fortunately, Melissa found her road to recovery at Kings County Hospital Center.

Her counselors in the Behavioral Health Day Treatment program recognized her potential. They encouraged her to get involved. She became one of our patient representatives on the Consumer and Family Advisory Board, one of the many transformation initiatives that today mark the behavioral health program at Kings County as one of the most successful patient-centered models of care in our city and nationwide.

But Melissa's story does not end there, as a patient success story.

Melissa is now a member of the HHC staff and the HHC family. In September of last year, Melissa finally accepted our offer of employment. She had turned us down before, still doubting her ability to manage a full time job. She was afraid of taking on too much stress and possibly undoing the great progress she had made to get control of her life.

What Melissa did not know was that this job at HHC was going to be part of her recovery, part of her life's story of will, hope and inspiration.

Today, Melissa is one of our Behavioral Health Peer Counselors -- proud HHC employees who are sharing their unique personal experience to help us help others.

Peer Counselors personify our philosophy and orientation toward wellness and recovery from mental illness, and have become a vital part of the fabric of our clinical teams.

As Peer Counselors, Melissa and her colleagues, David Genna and Leo McKinnis, offer emotional support, share knowledge, teach skills, provide practical assistance, and connect people with resources, opportunities, and extended communities of support.

These three individuals, like many others like them across our system, are uniquely skilled and effective in forming important, positive personal relationships with our behavioral health patients. They have the unique capacity to appreciate the challenges that our patients face and the persistence, passion, empathy and respect to successfully engage hard-to-engage individuals.

Melissa, David and Leo can share wisdom like no other medical provider can. They

share their recovery in authentic ways that help inspire hope and trust. They represent the best of HHC.

I'm proud to have our HHC employees, Melissa Edwards, David Genna and Leo McKinnis, here with us. Let's show them our appreciation.

## **HHC IN THE NEWS HIGHLIGHTS**

### **Broadcast**

Summer Sports Clinic, Dr. David Rhee, Pediatrician, Elmhurst, NY1, 7/20/14

State DOH Awards Hundreds of Millions to Hospitals around City, HHC, NY1, 7/9/14

NY's Medicaid covering post-birth contraceptives, Dr. Ram Raju, President, NY1, WABC, 7/17/14

SNUG program looks to hire former gang members, prisoners as mentors, Jacobi, News 12 Bronx, 7/14/14

City Researchers Work to Edit Genes to Resist HIV, Dr. David Stein, Director of Adult HIV Research, Jacobi, NY1, 7/14/14

Best of the Bronx: Jacobi Medical Center Worker Janice Halloran Wins Sloan Public Service Award, Jacobi, NCBH, Janice Halloran, Sr. Assoc. Dir., North Bronx Healthcare Network, News 12, 7/10/14

City Councilman launching campaign to get guns off the streets, Erik Cliette, Director of Injury Prevention, Harlem Hospital, Osakwe Beale, Group facilitator, Harlem Hospital Injury Prevention Program, Guns Down Life Up, WPIX, 6/30/14

### **Print**

Dr. Raju's Plan for HHC Future, Crain's Health Pulse, 7/21/14

NYs Medicaid covering post-birth contraceptives, Dr. Ram Raju, President, Associated Press, 7/17/14

If you're sick, city is the place to be as New York's hospitals offer array of elite medical options, according to 2014-15 rankings released by U.S. News & World Report, Bellevue, Harlem, Jacobi, New York Daily News, 7/15/14

Best Hospitals in New York, Bellevue, Harlem, Jacobi, US News & World Report, 7/15/14

Bronx hospital receives \$600,000 gift from City Council before due date for revamped maternity ward, North Central Bronx, New York Daily News, 7/2/14

Council secures funds for NCBH, North Central Bronx, Bronx Times, 7/16/14  
HHC awarded \$152M in first round of waiver funding, Marlene Zurack, Chief Financial Officer, HHC, Capital New York, 7/8/14

Innovation Grants , HHC, Crain's Health Pulse, 7/10/14

Transforming Healthcare Delivery, Marlene Zurack, Chief Financial Officer, HHC, City & State, 7/25/14

Thought I Needed a Gay Doctor, But What I Needed Was Respect, HHC, Metropolitan Hospital Comprehensive LGBT Health Center, Dr. Nadia Duvilaire, Christopher Leo Daniels, LGBT Health Center patient, Gaycitynews.com, 6/26/14 (Also covered in Gay City News Pride Issue, Washington Blade and Welcometoharlem.com )

Recruitment Factors to Consider When Employing a Culture of Excellence, Kings County, Nurse.com, 7/14/14

Queens Hospital Center Designated "Baby-Friendly", Queens Hospital Center, Diana Vientos, MS,CLC, QHC, El Diario, 6/27/14

Coney Island Hospital Wins Maternity Care Award for Third Consecutive Year, Arthur Wagner, Executive Director, Coney Island, Sheepsheadbites.com, 7/9/14

Excellence In Stroke Care Award To Elmhurst Hospital, Chris Constantino, SVP Queens Health Network, Executive Director, Elmhurst, Gordon Cantor, MD, Associate Attending Director of Neurology, Elmhurst, Queens Gazette, 7/16/14

A Spoonful of Medicine May Put Children at Risk, Bellevue, Woodhull, The New York Times, 7/15/14

Prostate Cancer: What Every Man Should Know, Dr. David Schwalb, Lincoln, Bronx Free Press, 6/25/14

Under Her Skin: The Breast Cancer Survival Divide Across Racial Lines, Dr. Kathie-Ann Joseph, Bellevue, The Take Away, 7/7/14

Health: Building Healthy Lives And finding Care, Dr. Marlon Brewer, Elmhurst, Queens Tribune, 6/26/14

Officials Launch Network to Stem Gun Violence, Erik Cliette, Director of Injury

Prevention, Harlem Hospital, Osakwe Beale, Group facilitator, Harlem Hospital Injury Prevention Program, Guns Down Life Up, The Epoch Times, 7/1/14

Doctors Council's new activist agenda, HHC, Crain's Health Pulse, 7/11/14

A breakdown of New York's Obamacare numbers, MetroPlus, Capital New York, 6/25/14

Health insurers look for big rate increases in 2015 from state regulators, HHC, MetroPlus, New York Daily News, 7/3/14

Using M.C.s as well as MDs to Promote Healthy Eating for Youths, Harlem, The New York Times, 7/8/14

De Blasio strikes deal with 1199, HHC, Capital New York, 6/25/14 (Also covered in New York Observer and Crain's Health Pulse)

**RESOLUTION**

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Simpler North America, LLC ("Simpler") to provide "Lean" coaching, consultation and training services in support of the further implementation of Breakthrough throughout the Corporation, as well as for the acceleration of independence from outside expertise. This contract shall be for a total amount not to exceed \$10,494,000 for the period from November 1, 2014 through October 31, 2017, with two one-year options for renewal, solely exercisable by the Corporation, subject to additional funding approval by the Corporation's Board of Directors.

**WHEREAS**, a selection committee comprised of Corporation Central Office and HHC facility officials has considered applications received pursuant to a competitive bid process from six companies and has recommended that the Corporation enter into a contract for "Lean" coaching, consultation and training with Simpler; and

**WHEREAS**, the current contract with Simpler will expire on October 31, 2014; and

**WHEREAS**, the Breakthrough Improvement System has effectively and satisfactorily been implemented at nineteen Corporation sites, and the Corporation desires to strengthen its Breakthrough infrastructure to operate without outside assistance, align Breakthrough with strategic goals and fully implement the Daily Management System; and

**WHEREAS**, the Corporation has realized \$429.71 million in new revenue and \$35.36 million in cost savings through 1,600 Breakthrough improvement events, reaching 11,225 employees; and

**WHEREAS**, given the significant operational, clinical, financial and staff development benefits generated through Breakthrough activities with support from Simpler, and given the widespread support among leadership across the Corporation for a deeper and broader application of Breakthrough, the Corporation seeks to more fully imbed Breakthrough with expert guidance from Simpler; and

**WHEREAS**, the overall management of this contract will be under the direction of the Senior Vice President for Organizational Innovation and Effectiveness.

**NOW THEREFORE, BE IT**

**RESOLVED**, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute a contract with Simpler North America, LLC to provide "Lean" coaching, consultation and training services in support of the further implementation of Breakthrough throughout the Corporation, as well as for the acceleration of independence from outside expertise. This contract shall be for a total amount not to exceed \$10,494,000 for the period from November 1, 2014 through October 31, 2017, plus two one-year options for renewal, solely exercisable by the Corporation, subject to additional funding approval by the Corporation's Board of Directors.

## RESOLUTION

Authorizing the naming of Conference Room 1B35 at Metropolitan Hospital Center ("Metropolitan Hospital") the "Dr. Richard K. Stone Conference Room" in recognition of the substantial contributions that Dr. Richard K. Stone has made to Metropolitan Hospital over 48 years of distinguished, compassionate and dedicated service.

**WHEREAS**, Operating Procedure 100-8 permits facilities of the New York City Health and Hospitals Corporation (the "Corporation") to be named for individuals to recognize the significant contribution of the individual to be so honored; and

**WHEREAS**, Dr. Richard K. Stone first came to Metropolitan Hospital in 1966 as a third year New York Medical College medical student; and

**WHEREAS**, since 1966 Dr. Stone has been a pediatric resident, Chief Resident in Pediatrics, Pediatric Residency Director, Director of Ambulatory Pediatric Services, Chief of Pediatrics, President of the Metropolitan Hospital Medical Staff and Medical Director of Metropolitan Hospital; and

**WHEREAS**, in addition to his positions at Metropolitan Hospital, Dr. Stone has also served at the U.S. Naval Hospital, as a Professor of Clinical Pediatrics in the School of Medicine, as a Professor of Health Sciences and Practice at New York Medical College and as Senior Associate Dean at that school; and

**WHEREAS**, in all of his roles, Dr. Stone has been respected and admired as for his leadership, commitment and knowledge; and

**WHEREAS**, Metropolitan Hospital's administration, its Medical Board and its Community Advisory Board have each petitioned for Dr. Stone to be recognized for his service and contributions.

**NOW THEREFORE, be it**

**RESOLVED**, that Conference Room 1B35 at Metropolitan Hospital Center be named the "Dr. Richard K. Stone Conference Room" in recognition of the substantial contributions that Dr. Richard K. Stone has made to Metropolitan Hospital over 48 years of distinguished, compassionate and dedicated service.

## RESOLUTION

Authorizing the expenditure by the New York City Health and Hospitals Corporation (the "Corporation") of \$8,619,510 for the construction and outfitting of a temporary primary medical clinic in a pre-fabricated structure on Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn (the "Lots") to be licensed from the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's operation of the Ida G. Israel Community Health Center (the "Health Center") under the management of Coney Island Hospital ("CIH").

**WHEREAS**, CIH had operated the Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn until the Health Center was destroyed by Hurricane Sandy; and

**WHEREAS**, the Coney Island neighborhood's need for primary health services is not being adequately met without the Health Center; and

**WHEREAS**, by resolution adopted in July 2013, the Corporation's Board of Directors authorized its license of the Lots from HPD on which to locate the Health Center; and

**WHEREAS**, in conjunction with the presentation of this Resolution, the Corporation's Board of Directors is being asked for authority to modify the prior resolution authorizing the license of the Lots to permit payment of an occupancy fee to HRA and to establish a five-year term for the license; and

**WHEREAS**, the Executive Summary accompanying the prior resolution authorizing the license of the Lots had indicated that a further resolution would be presented to authorize the expenditure of the funds necessary to construct the Health Center; and

**WHEREAS**, bids for the construction of the Health Center have been received and a budget for the costs for construction and outfitting has been developed; and

**WHEREAS**, it appears that the Federal Emergency Management Agency will reimburse substantially all of the costs of the Health Center's construction and outfitting.

**NOW THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation shall be authorized to spend \$8,619,510 the construction and outfitting of a temporary primary medical clinic in a pre-fabricated structure on Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn to be licensed from the New York City Department of Housing Preservation and Development for the Corporation's operation of the Ida G. Israel Community Health Center under the management of Coney Island Hospital.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a three-year revocable license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure at an annual payment to HPD of \$130,000. This resolution amends and supersedes a similar resolution adopted by the Board of Directors July 25, 2013.

**WHEREAS**, Coney Island Hospital ("CIH") had operated the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the "Center") until such clinic was destroyed by Hurricane Sandy; and

**WHEREAS**, the Coney Island neighborhood's need for primary health services is not being adequately met without the Center; and

**WHEREAS**, CIH will require more than a year to complete the selection of a new site for the Center and to complete the necessary construction once a site is selected; and

**WHEREAS**, HPD controls a number of vacant lots in the area and is willing to license them to the Corporation for the Corporation's use to site a pre-fabricated modular structure from which to operate a temporary version of the Center; and

**WHEREAS**, the Corporation is able to quickly erect a pre-fabricated modular structure from which to operate a temporary version of the Center; and

**WHEREAS**, on July 25, 2013 the Corporation's Board of Directors adopted a resolution that had authorized the execution of similar license for a shorter term and no occupancy fee; and

**WHEREAS**, HPD determined that in view of the longer term of the proposed license and other considerations, an occupancy fee should be assessed.

### **NOW THEREFORE, be it**

**RESOLVED**, that the President of the New York City Health and Hospitals Corporation (the "Corporation") is authorized to execute a three-year revocable license agreement with New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated, modular structure at an annual payment to HPD of \$130,000. This resolution amends and supersedes a similar resolution adopted by the Board of Directors July 25, 2013.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“the Corporation”) to enter into a contract with Hyland Software, Inc. (the “Contractor”) for OnBase Enterprise Electronic Content Management (“ECM”) software through a Federal General Services Administration agreement (“GSA”) contract in an amount not to exceed \$6,399,646 which includes a 10% contingency of \$581,786, over a three year term, with two one-year options to renew.

**WHEREAS**, the Corporation is undertaking an initiative to implement a single enterprise ECM system; and

**WHEREAS**, Enterprise IT Services has recommended that the Corporation use ECM software to support the new EMR as well as support integration to existing Enterprise Resource Planning systems; and

**WHEREAS**, the Corporation solicited proposals from ECM vendors who offer their software and services via New York State Office of General Services contracts and GSA contracts; and

**WHEREAS**, the Contractor offered the lowest price for the requested software, maintenance, and services and the prices for such services and maintenance are discounted from market price; and

**WHEREAS**, under the proposed agreement with the Contractor, the Corporation will execute an enterprise license agreement with the Contractor to secure the Corporation’s right to use the software; and

**WHEREAS**, the overall responsibility for managing and monitoring the agreement shall be under the Senior Vice President/Corporate Chief Information Officer.

**NOW THEREFORE**, be it:

RESOLVED, THAT the President of the New York City Health and Hospitals Corporation be and hereby is authorized to enter into a contract with Hyland Software, Inc. for OnBase ECM software, maintenance and services, through a Federal General Services Administration agreement in an amount not to exceed \$6,399,646 which includes a 10% contingency of \$581,786 over a three year term, with two one-year options to renew.

## EXECUTIVE SUMMARY

The accompanying resolution requests approval to enter into a contract with Hyland Software, Inc. (the "Contractor") for Enterprise Electronic Content Management ("ECM") software through a Federal General Services Administration ("GSA") contract in an amount not to exceed **\$6,399,646** which includes a 10% contingency of \$581,786 over a three year term, with two one-year options to renew. The funding for this purchase will be provided from the EMR budget previously presented to the Board of Directors.

Under the proposed agreement with the Contractor, the Corporation will execute an Enterprise License Agreement to secure the Corporation's right to use the software.

Through this Enterprise License Agreement ("ELA"), HHC is undertaking an important initiative to implement an ECM software system to support the Electronic Medical Record (EMR) System. The software will enable HHC to integrate with the Epic EMR, providing a complete view of a patient's medical record. Additionally, the system will provide the capability to support and integrate with HHC "Non-clinical" Enterprise Resource Planning (ERP) systems such as those used by Finance or Human Resources.

EITS has recommended the use of Enterprise ECM software to support the new EMR/EPIC application as a technical requirement to store and manage all unstructured patient information in a standardized electronic patient medical record that can be retrieved and viewed from within the Epic system. Maintaining a single ECM system rather than multiple systems builds efficiencies within the infrastructure environment to allow EITS to redirect resources to other high level activities.

An Enterprise ECM has many benefits. This ECM system can provide immediate access to all patient data from within the EPIC system. This ECM system minimizes risk by enforcing security policies, reporting and auditing on information stored, and automating retention and records management requirements. This ECM system integrates to Enterprise Resource Planning (ERP) Systems to unite data and documents without users having to leave their ERP system.

The new ELA has the potential to avoid costs by enabling integration to ERP systems without having to purchase additional software, giving HHC the ability to manage all their clinical and non-clinical unstructured corporate content in a single system. The proposed ELA (not including contingency) is **\$5,817,860** versus the non-bundled cost to purchase the software, maintenance and services which would total over \$8.1 million, over the five year term. The Corporation conducted a solicitation via NYS OGS and Federal GSA contracts for the requested software, maintenance and services for a five year term. Hyland Software, Inc. offered the lowest proposed price for the requested software, maintenance and services, totaling **\$5,817,860** over the five year term.

# CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

**Contract Title:** Enterprise Content Management System  
**Project Title & Number:** Enterprise Content Management System to Support Epic Implementation  
**Project Location:** HHC Corporate and Facilities  
**Requesting Dept.:** Enterprise IT Services

**Successful Respondent:** Hyland Software, Inc.  
**Contract Amount:** \$5,817,860 plus a 10% contingency fee of \$581,786  
**Total Not to Exceed:** \$6,399,646  
**Contract Term:** Three years with two (2) one (1) year options to renew, exercisable solely at the discretion of HHC.

**Number of Respondents:** 4  
(If Sole Source, explain in Background section)

**Range of Proposals:** \$5,817,860 to \$8,232,682

**Minority Business Enterprise Invited:** Yes If no, please explain: \_\_\_\_\_

**Funding Source:**  General Care  Capital  
 Grant: explain \_\_\_\_\_  
 Other: explain OTPS

**Method of Payment:** Lump Sum  Per Diem  Time and Rate  
 Other: Initial payment for Software, monthly payments for professional services, and scheduled payments for annual maintenance

**EEO Analysis:** N/A

**Compliance with HHC's McBride Principles?**  Yes  No  Pending

**Vendex Clearance**  Yes  No  N/A (Caution Check Only)

(Required for contracts in the amount of \$100,000 or more awarded pursuant to an RFP, NA or as a Sole Source, or \$100,000 or more if awarded pursuant to an RFB.)

## CONTRACT FACT SHEET (continued)

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

The purpose of this Contract is to purchase a new enterprise Electronic Content Management (ECM) system to support the enterprise-wide program to implement a new Electronic Medical Record (EMR) system. As part of this EMR program, HHC is procuring an enterprise-wide Enterprise Content Management System (ECM) that meets its needs now and in the future. The New York City Health and Hospitals Corporation (HHC) requires an Enterprise Content Management system to manage unstructured data content (such as scanned documents, email, reports, medical images and office documents). The ECM system that HHC selected will integrate to the new Epic (EMR) system to provide a single view of a patient's medical record for clinical staff from the Epic system. Additionally, the ECM must provide long term, value added capabilities that can support administrative areas such as Revenue Cycle, Finance, HR and supply chain.

The selected vendor, Hyland Software, Inc., has more than 11,500 installations of their OnBase ECM worldwide. Hyland Software has customers that have deployed the OnBase solution in unique, mission critical, enterprise environments. They have numerous enterprise installations that are of comparable size and complexity of the proposed New York City Health & Hospitals Corporation document management system. 125 Epic customers have implemented Hyland's OnBase as their ECM in support of their Epic EMR system.

Additionally, OnBase was designed to be an ECM that has the ability to expand and grow within an organization. The OnBase system can be configured to integrate with HHC's "non-clinical" Enterprise Resource Planning systems such as Human Resources, Legal and Finance.. The core modules being purchased are enterprise licenses and may be utilized in other departments to expand the solution across the HHC organization.

## CONTRACT FACT SHEET (continued)

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### **Contract Review Committee**

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

The Contract was presented to the CRC for approval on July 16, 2014.

The funding for this purchase will be provided from the EMR budget previously presented to the Board of Directors.

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

N/A.

## CONTRACT FACT SHEET (continued)

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**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:

1. Enrick Ramlakhan, EITS, Business Applications, Assistant Vice President
2. Dr. Glenn Martin, Queens Health Network, CMIO
3. Dr. Peter Peacock, King's County Hospital Network, CMIO
4. JoAnn Liburd, Patient Safety/Accreditation & Regulatory Services, Senior Director
5. Julio Santos, EITS Clinical Information Systems, Sr. Director
6. Erin Moss, Metropolitan Hospital, Senior Associate Director, HIM
7. Leby Delgado, Generations Plus, Associate Executive Director
8. Media Oliver, Queens Hospital, Director, HIM
9. Richard Minott, Finance, Revenue Cycle
10. Tony Williams, EITS Network Services, Director Storage/Virtualization

Additional Input from: (Recommendations Only)

1. Nicholas Aprigliano, ICIS -PMO
2. Joseph Hood, EITS Clinical IS
3. Nelly Valentin, Harlem Hospital, HIM
4. Erin Moss, Metropolitan Hospital, HIM
5. Vijay Saradhi, EITS Master Data Management
6. Andrey Yatsko-EITS Network Services, SQL
7. Sunil Rao-EITS Network Services, Network
8. Chakradhar Narayana-EITS Network Services, Storage
9. Priya Prabhakaran-EITS Network Services, Backups
10. Ghanshyam Daga-EITS Network Services, VMWARE
11. Damal Raval- Daga-EITS Network Services, Security
12. EPIC – Ed Wundlin, HIM Implementation Services
13. EPIC – Clarke Vierheller, HIM Implementation Services

List of firms responding to solicitation:

1. IBM, Inc.
2. EMC, Inc.
3. Hyland Software, Inc.
4. Perceptive Systems, Inc.

List of Firms Considered

1. Hyland Software, Inc.
2. Perceptive Systems, Inc.

## CONTRACT FACT SHEET- Selection Process (continued)

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On August 28, 2013 HHC issued a solicitation for an Enterprise Content Management System. On September, 27, 2013, the four (4) firms listed above responded to this solicitation. The criteria used to select the vendors included:

### **Vendors:**

1. Vendors must be established in the Enterprise Content Management space. Listed as leaders in Gartner's Magic Quadrant for ECM.
2. Vendors must have extensive experience with healthcare organizations of similar size to HHC.
3. Vendor software must be available via Federal (GSA), NY State (OGS), or GPO Contracts.
4. Vendors must have installed their proposed software solution in five (5) Epic clients within the last three (3) calendar years and it must be in full production
5. Total Cost of proposal.

### **Technology:**

1. Seamless integration with Epic for both structured and unstructured data
2. Seamless integration with QuadraMed and Soarian.
3. Supports and integrates with "non-clinical" Administrative departments of HHC (Finance, HR, etc.).
4. Technical Requirements – Image Capture, Document Management, Document Storage, User Friendly, and intuitive technology.

Two (2) of the four (4) firms responses were considered; Hyland and Perceptive. EMC did not meet the requirement for having their proposed software solution in five (5) Epic clients within the last three (3) years. IBM sent an 'Intent to No-Bid.'

Presentations were made to the Evaluation Committee by Perspective on 12/16/2013 and Hyland on 12/18/2013. Each vendor participated in Vendor Infrastructure conference calls on 12/24/2013. Reference calls and site visits for the references provided by each vendor were completed during the period of 3/5/2014 and 3/20/2014. The Evaluation Committee completed their Scorecard voting on 3/24/2014. Both firms were scored using an evaluation with weights assigned to each selection criteria in the areas noted above. The firms were ranked in descending order based on this scoring. As the firm with the highest score, Hyland Software was selected as the vendor of choice to provide HHC with their new ECM. Hyland Software has a GSA Contract (GS-35F-4127D). A Vendex caution check was performed for this vendor on August 28, 2014 which found no cautions.

## CONTRACT FACT SHEET (continued)

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### *Scope of work and timetable:*

The proposed solution has been scaled to meet HHC's implementation approach. The hardware being proposed accounts for a 5 year growth based on the trends provided in the solicitation. The proposed software would allow for all hospitals and clinics to go live with Epic over the next 5-6 years. The implementation of the OnBase ECM will follow the rollout schedule of the Epic EMR implementation

The scope of work includes procuring a comprehensive Electronic Content Management system and integrating it with the Epic EMR system to store and manage the 25 – 35% of patient data that will not be managed by the Epic system. Currently, this data is scanned into the QuadraMed system by the HIM organizations.

The following services will be provided through this contract:

#### Software Licenses

- Perpetual Enterprise Licenses for all ECM modules

#### Software Maintenance

- Annual maintenance as modules are used

#### Professional Services

- Implementation support for each Epic rollout to the Network

- Conversion of data and images from the QuadraMed Systems into the ECM

- Technical Support during the implementation and Epic rollouts

- Training

The high level rollout timeframe for the first Epic implementation is noted below separated into Phases:

- 1) Initiation and Planning – Estimated Duration 3-6 Weeks
- 2) Discovery - Estimated Duration 2-5 Weeks
- 3) OnBase Implementation – Estimated Duration 3-7 Weeks
- 4) Customer Testing/Training – Estimated Duration 4-6 Weeks
- 5) Production Readiness – Estimated Duration 1-2 Weeks.
- 6) Initial - Go Live Estimated Duration 2-3 Weeks

Each subsequent Network rollout for Epic will follow the same timeline.

## CONTRACT FACT SHEET (continued)

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

Purchasing each of the items in the ELA individually at list price would have cost the Corporation over \$8.1 Million over the next 5 years. The selected proposal is for \$5.8 Million for the same products and services.

The new ECM will extend the value of existing IT investments by integrating with HHC's Epic, ERP and other HHC business systems. HHC requires an ECM to integrate to the new Epic Electronic Health Records to support the non-structured patient data that will continue to exist outside of the Epic system after Epic implementation. HHC needs an ECM solution to integrate and support "Non-clinical" administrative areas such as Revenue Cycle, Finance, Human Resources or any other are within the organization that may need ECM functionality.

The efficiencies gained by implementing a new ECM system address the short comings of storing and accessing paper medical and non-medical records. A new ECM system that can integrate with all existing applications reduces the learning curve and training costs of adopting a new information management system. In most cases, the users will work in their current system. This can result in a in a more satisfied work force, less turnover and reduced personnel costs.

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

N/A

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

The Corporation is purchasing a new ECM system that will require some customization/coding to integrate with the Epic EMR by Hyland staff. HHC employees will be trained by Hyland and work with Hyland staff. After knowledge transfer is complete, the Corporation staff will take over the system administration and configuration activities for roll-out to support "Non-clinical" Enterprise Resource Planning (ERP) systems supporting administrative areas such as Revenue Cycle, Finance, Human Resources or any other area within the organization that may need ECM functionality.

CONTRACT FACT SHEET (continued)

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

Not applicable.

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

This contract will be administered by Bert Robles, Senior VP / Corporate CIO.

***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):

Not Applicable – Procured via Federal GSA contract

Received By E.E.O. \_\_\_\_\_  
Date

Analysis Completed By E.E.O. \_\_\_\_\_  
Date

\_\_\_\_\_  
Name



# ***Enterprise Content Management***

***Enrick Ramlakhan, AVP Business Applications***

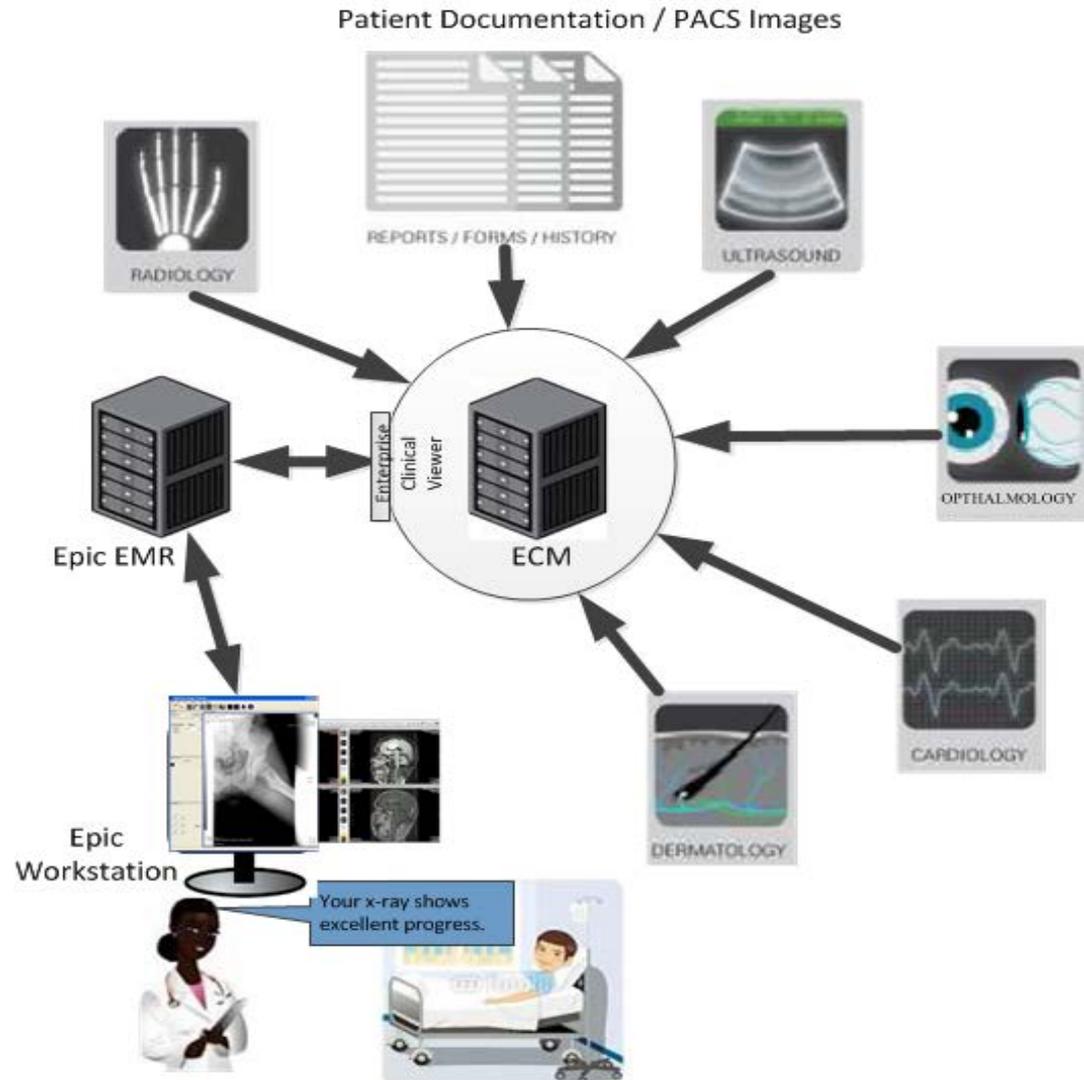
***Peter Peacock, MD, Kings County Hospital Center***

***Stephanie Jordan, Director Business Applications***



# What is Enterprise Content Management

- ECM pulls information from separate clinical / diagnostic systems, such as Cardiology, Radiology, Ophthalmology, etc.
- Physicians and other clinicians on the care team will have access to patient data from within the Epic EMR system. They would not have to 'leave' Epic and access another application where patient information resides.
- The ECM enables physicians and other clinicians on the care team to work more efficiently which increases the clinical time available to spend at the bedside.
- Current literature and research indicates that content outside of the EMR can make up to 25% of a patient record. To achieve a true and meaningful patient record, an EMR must transcend hardware and software systems and unite patient information no matter where and how it originates.
- **One Patient, One System of Record**



# EMR Budget Presented to Board of Directors in September 2012



## Funding for Enterprise Content Management

Component	Description	15-year Cost Presented in September 2012 Capital & Operating (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
2. QMED	Continuation of current contract through the transition	\$80
3. Third Party & Other Software	To be installed over the next 5 years and to be funded through 2027. Includes transition of other existing applications.	\$144
4. Hardware	To be purchased over the next 3 years and replacements to be funded through 2027	\$191
5. Interfaces	To be purchased over the next 3 years and replacements to be funded through 2027	\$157
6. Implementation Support	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage. <i>(Includes costs associated with backfilling non IT staff with temps.)</i>	\$203
7. Application Support Team	New and Existing HHC Staff to be used through the implementation and maintenance period. <i>(Includes existing and net new FTEs including fringe benefit costs)</i>	\$ 357
		<b>Total: \$1,435</b>

### Funding source for ECM for Software, Maintenance, and Services

- Approximately \$6.4M funding from EMR budget



## The ECM Solution Completes The EPIC EMR

- Patient's information exists outside of an EMR system – paper, forms, faxes, clinical images, and more that need to be stored in the ECM.
- The Epic EMR without an ECM in place would require HIM (Medical Records) to pull charts; clinicians would not have immediate access to a single view which incorporates a patient's history of care that occurred outside of the EMR.
- The ECM is needed to capture, index, manage, store and quickly access the large volumes of images and unstructured electronic data across the HHC enterprise that provides a 360° view of a patient within Epic for a more efficient and effective healthcare effort. The goal of the ECM is to achieve “One patient, One system of record”.
- Clinicians simply click a link in Epic and the relevant patient content from the ECM is displayed to them. Users do not need to learn a separate system or switch between applications.
- Gain efficiencies without changing established healthcare business processes, which in turn, reduces the learning curve and training costs of adopting a new information management system.
- Empower more informed care for improved outcomes and patient satisfaction.
- The ECM is a critical component of the HHC enterprise imaging strategy and architecture and is capable of seamlessly integrating with all industry leading Vendor Neutral Archiving (VNA) systems.



# ECM Solicitation Requirements

## Essential Requirements

- Vendors must be established in the Enterprise Content Management space. Listed as leaders in Gartner's Magic Quadrant for ECM.
- Vendors must have extensive experience with healthcare organizations of similar size to HHC.
- Vendor software must be available via Federal (GSA), NY State (OGS), or GPO Contracts.
  - IBM, EMC, Hyland, Perceptive met these qualifications and received RFEI solicitation
- Vendors must have installed their proposed software solution in five (5) Epic clients within the last three (3) calendar years and it must be in full production.
  - EMC did not meet this minimum requirement
  - IBM sent an 'Intent to No-Bid'
  - Finalists: Hyland and Perceptive met this requirement



## ECM Proposals

- Four vendors were solicited
- Three vendors submitted proposals. One vendor submitted a no bid.
- Two of the three vendors met all minimum qualification requirements.
- The grid below indicates the bid response with the Best and Final Offer for the two remaining vendors:

	Hyland	Perceptive	EMC	IBM
Met Vendor Minimum Qualifying Requirements	Yes	Yes	No	No bid
Enterprise ECM License w/Maintenance – Years 1 -5 (BAFO)	<b>\$5,817,860</b>	<b>\$8,232,682</b>	N/A	N/A

- HHC leveraged the subscription services of Gartner Group and ECRI. HHC acquisition reflects a 38% discount which surpasses ECRI's market analysis for an acquisition of this magnitude (25% best in their database).



## Recommendation for Award

### Recommendation

- Vendor Selection Committee voted to award Contract to Hyland Software, Inc. based on:
  - Lowest responsive bid for the ECM Enterprise Licensing Agreement
  - Validated quotations and discounts/ pricing with ECRI and Gartner “quote review” and analyst calls. HHC acquisition reflects a 38% discount which surpasses ECRI’s market analysis for an acquisition of this magnitude (25% best in their database).
  - Seamlessly integrates with the Epic EMR system, and 125 customers have chosen Hyland’s product to integrate with their EPIC system (7 times more than any other bidder).
- Reference calls
  - Organizations would renew their contracts with Hyland because of ease of use and access to support services along with the ability to leverage software solution for non-clinical areas. Organizations highly valued Hyland’s support and user groups to fully leverage capability of the solution.
- Site Visits
  - Vendor Selection committee observed greater utilization in the Hyland product over Perceptive
- Award contract in an amount not to exceed \$6,399,646 which includes a 10% contingency of \$581,786 over a five year term.
- The Contract Review Committee approved DCN2170 on July 16, 2014 to move forward



# Evaluation Committee

## ■ Evaluation Committee: (Voting Members)

- Enrick Ramlakhan, EITS, Business Applications, Assistant Vice President
- Dr. Glenn Martin, Queens Health Network, CMIO
- Dr. Peter Peacock, King's County Hospital Network, CMIO
- JoAnn Liburd, Patient Safety/Accreditation & Regulatory Services, Senior Director
- Julio Santos, EITS Clinical Information Systems, Sr. Director
- Erin Moss, Metropolitan Hospital, Senior Associate Director, HIM
- Lebbey Delgado, Generations Plus, Associate Executive Director
- Media Oliver, Queens Hospital, Director, HIM
- Richard Minott, Finance, Revenue Cycle
- Tony Williams, EITS Network Services, Director Storage/Virtualization

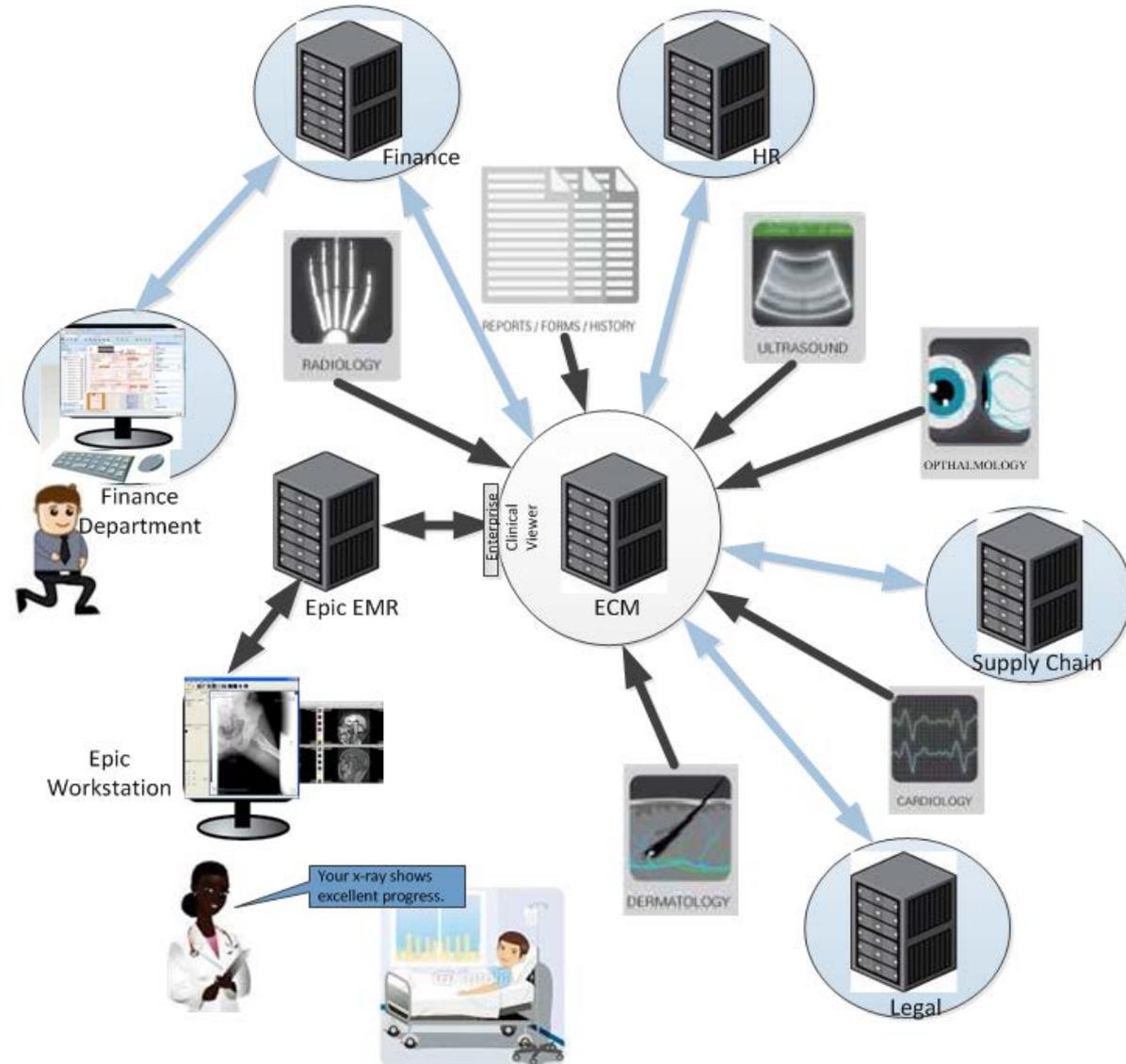
## ■ Advisory Group to the Evaluation Committee

- ICIS - Nicholas Aprigliano, PMO
- Joseph Hood, EITS Clinical IS
- Nelly Valentin, Harlem Hospital – HIM
- Erin Moss, Metropolitan Hospital - HIM
- Vijay Saradhi, EITS Master Data Management
- Andrey Yatsko-EITS Network Services, SQL
- Sunil Rao-EITS Network Services, Network
- Chakradhar Narayana-EITS Network Services, Storage
- Priya Prabhakaran-EITS Network Services, Backups
- Ghanshyam Daga-EITS Network Services, VMWARE
- Damal Raval- Daga-EITS Network Services, Security
- EPIC – Ed Wundlin, HIM Implementation Services
- EPIC – Clarke Vierheller, HIM Implementation Services



# FUTURE: Non-Clinical Departmental ECM Integration

- ECM pulls and stores information from “non-clinical” systems such as Finance, HR, Supply Chain, and Legal.
- Example, finance worker would have access to invoices in the ECM from within their own ERP application.
- Office workers would not have to ‘leave’ their application to access documents from the ECM application. This will increase productivity and make for a more efficient workflow.





# Questions



## **RESOLUTION**

Adopting the Corporation's Mission Statement and Performance Measures as required by the Public Authorities Reform Act

**WHEREAS**, the New York State Public Authorities Reform Act of 2009 requires local public authorities such as the Corporation to adopt each year a mission statement and performance measures to assist the Corporation in determining how well it is carrying out its mission; and

**WHEREAS**, the Corporation has posted on its website a mission statement that is a refined version of the purposes of the Corporation as expressed in the legislation which created HHC and in the HHC By-Laws; and

**WHEREAS**, the Corporation keeps extensive data on numerous performance measures for internal monitoring and external reporting; and

**WHEREAS**, the Corporation has selected performance measures addressing the core functions and values of the Corporation for reporting to the Office of the State Comptroller's Authorities Budget Office (ABO) as required by the Public Authorities Reform Act; and

**WHEREAS**, the ABO has required reporting of the Corporation's mission and performance measures, as well as responding to certain additional questions, on a form provided by that office and requires that the Board of Directors read and understand the mission statement and read and understand the responses provided to the ABO; and

**WHEREAS**, the attached "Mission Statement and Performance Measures" is identical to the last report approved by the Board of Directors except that the performance measures have been updated;

**NOW, THEREFORE**, be it

**RESOLVED** that the attached "Mission Statement and Performance Measures" as required by the Public Authorities Reform Act is hereby adopted.



**Authority Mission Statement and Performance Measurements**

**Name of Public Authority:**

New York City Health and Hospitals Corporation

**Public Authority's Mission Statement:**

To extend equally to all New Yorkers, regardless of their ability to pay, comprehensive health services of the highest quality in an atmosphere of humane care, dignity and respect;

To promote and protect, as both innovator and advocate, the health, welfare and safety of the people of the City of New York;

To join with other health workers and with communities in a partnership which will enable each of our institutions to promote and protect health in its fullest sense -- the total physical, mental and social well-being of the people.

**Date Adopted:** September 18, 2014

**List of Performance Measurements (If additional space is needed, please attach):**

	<b>Indicator Name</b>	<b>Indicator Description</b>	<b>FY14</b>
1	General Care Average Length of Stay (days)	Average length of stay for a general care inpatient hospitalization	5.0
2	Uninsured Served	Number of patients without health insurance served by HHC	469,239
3	Total Medicaid Managed Care Enrollment	Total number of individuals served by HHC enrolled in Medicaid managed care	498,314
4	MetroPlus Enrollment	Total number of individuals enrolled in MetroPlus health maintenance plan (Medicaid, Child Health Plus, and Family Health Plus)	470,127
5	Percent of eligible women receiving screening mammograms	Total number of women aged 40 to 70 who received a mammogram screening in the reporting period with a primary care or gynecology visit in the past two years	75.6%
6	Adult Psychiatry Average Length of Stay (days)	Average length of stay for adult psychiatry hospital stays	17.6
7	Total outpatient visits	Total outpatient visits	4,524,725
8	Total emergency room visits	Total emergency room visits	1,168,456
9	HIV connect to care	Percent of diagnosed HIV patients who are linked to care within the month of diagnosis	81.80%

## **Additional questions:**

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Yes.

2. Who has the power to appoint the management of the public authority?

Pursuant to the legislation that created the New York City Health and Hospitals Corporation, the President is chosen by the members of the Board of Directors from persons other than themselves and serves at the pleasure of the Board. (Unconsolidated Law, section 7394)

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

The Governance Committee to the Board of Directors, which is a special committee established by the Board, includes the functions of the former Personnel Committee and has, among its responsibilities, the duty to receive, evaluate and report to the Board of Directors with respect to the submissions of appointments of corporate officers.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

In addition to standing and special committees which have defined subject matter responsibilities and which meet monthly or quarterly, the Board of Directors meets monthly to fulfill its responsibility as the governing body of HHC and its respective facilities as required by law and regulation by the various regulatory and oversight entities that oversee HHC. Corporate by-laws and established policies outline the Board's participation in the oversight of the functions designated to management in order to ensure that HHC can achieve its mission in a legally compliant and fiscally responsible manner.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes.

## Executive Summary

HHC is required to adopt and to report to the New York State Office of the State Comptroller's Authority Budget Office ("ABO") each year a mission statement and performance measures to assist the Corporation in determining how well it is carrying out its mission. The ABO requires completion of a specific form to achieve this reporting, as well as to respond to some additional questions. Attached is the complete report of our mission statement and the performance measures and the additional responses, all of which require the Board's adoption.

The attached "Mission Statement and Performance Measures" is identical to the last report approved by the Board of Directors except that the performance measures have been updated

There have been minor variations on the HHC Mission Statement over the years. All are refined versions of the purposes of the Corporation as expressed in the legislation which created HHC and in the HHC By-Laws. The mission statement on the ABO form is the version currently included on our website.

The Corporation keeps extensive data on numerous performance measures for internal monitoring and external reporting. The measures included on the form were selected because they address the core functions and values of the Corporation. We were careful not to include any measures that were confidential quality assurance information not properly shared in this context.

The information on this form will be submitted annually so that we will have the opportunity to make whatever changes are deemed necessary for future filings.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a five-year revocable license agreement with the New York City Police Department ("NYPD" or "Licensee") for its continued use and occupancy of approximately 144 square feet of space in the 18<sup>th</sup> floor Mechanical Room and approximately 375 square feet of rooftop space for the operation of radio communication equipment at North Central Bronx Hospital (the "Facility") with the occupancy fee waived.

**WHEREAS**, in October 2009, the Board of Directors of the Corporation authorized the President to enter into a license agreement with the Licensor; and

**WHEREAS**, the Licensee desires to continue its use and occupancy, and the Facility has the space to accommodate the Licensee's requirements.

**NOW, THEREFORE, be it**

**RESOLVED**, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and is hereby authorized to execute a revocable license agreement with the New York City Police Department ("NYPD" or "Licensee") for its continued use and occupancy of approximately 144 square feet of space in the 18<sup>th</sup> floor Mechanical Room and approximately 375 square feet of rooftop space for the operation of radio communication equipment at North Central Bronx Hospital (the "Facility") with the occupancy fee waived.

## EXECUTIVE SUMMARY

### LICENSE AGREEMENT NEW YORK CITY POLICE DEPARTMENT

#### NORTH CENTRAL BRONX HOSPITAL

The President of the New York City Health and Hospitals Corporation seeks authorization to execute a revocable license agreement with the New York City Police Department ("NYPD") for its continued use and occupancy of space at North Central Bronx Hospital ("NCBH").

The NYPD has been occupying space at NCBH since 1982 for the purpose of operating radio communication equipment. The equipment occupies approximately 144 square feet in the mechanical machine room on the 18<sup>th</sup> floor, and approximately 375 square feet on the rooftop of NCBH. The space will continue to be used by the NYPD for radio communication equipment. The equipment shall provide the Licensee with the communication capacity necessary to support public safety.

The presence of the NYPD communications equipment enhances public safety, and in consideration thereof, the occupancy fee will be waived under this arrangement.

The Licensee will be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of its use of the Licensed Space.

The license agreement will not exceed five years without further authorization by the Board of Directors of the Corporation and shall be revocable by either party upon ninety (90) days written notice.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute five (5) successive one year revocable license agreements with the New York City Human Resources Administration ("HRA") for the use and occupancy of approximately 9,930 square feet space at 114-02 Guy Brewer Boulevard, Borough of Queens, known as the South Jamaica Multi-Service Center to operate various ambulatory health care services managed by Queens Hospital Center (the "Facility") at a continued occupancy fee of \$24 per square foot, a \$2 per square foot utility surcharge, a \$1 per square foot seasonal cooling charge for a total of approximately \$260,663 per year which shall not exceed \$1,303,315 over the five year period authorized.

**WHEREAS**, in October 2009, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA") for use of space at the South Jamaica Multi-Service Center at 114-02 Guy Brewer Boulevard, Jamaica; and

**WHEREAS**, there is an ongoing need for the use and occupancy of the space for the ambulatory health care services presently being provided at the South Jamaica site.

**WHEREAS**, in October 2012 the Board of Directors of the Corporation authorized the President to increase the payments to HRA for the South Jamaica site and two other HRA sites occupied by the Corporation, to bring the occupancy fee to \$24 per square foot from \$21 per square foot; and

**WHEREAS**, the Board's authorization to execute the successive one-year license agreements offered by HRA will soon expire and the Facility desires to continue operating its programs at the South Jamaica location at the cost previously approved by the Corporation's Board of Directors.

**NOW, THEREFORE, be it**

**RESOLVED**, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute five successive one year revocable license agreements with the New York City Human Resources Administration for the use and occupancy of approximately 9,930 square feet of space at 114-02 Guy Brewer Boulevard, Borough of Queens, known as the South Jamaica Multi-Service Center to operate various ambulatory health care services managed by Queens Hospital Center at an occupancy fee of \$24 per square foot, a \$2 per square foot utility surcharge, a \$1 per square foot seasonal cooling charge for a total of approximately \$260,663 per year which shall not exceed \$1,303,315 over the five year period authorized.

## EXECUTIVE SUMMARY

### QUEENS HOSPITAL CENTER SOUTH JAMAICA MULTI-SERVICE CENTER

**OVERVIEW:** The President seeks authorization to execute five successive one year revocable license agreements with the New York City Human Resources Administration ("HRA") for the continued use and occupancy of space at 114-02 Guy Brewer Boulevard in Jamaica, Queens, to operate a variety of ambulatory health care services located in the South Jamaica Multi-Service Center, managed by Queens Hospital Center ("QHC").

**NEED/  
PROGRAM**

QHC has operated ambulatory health care services at this site since 1985. These programs enable the hospital to provide direct patient care in a federally-designated "Health Professional Shortage Area."

The programs operating in the Multi-Service Center are:

- Pediatric Primary Care;
- QHC Teenage Program, a teenage pregnancy counseling and treatment service;
- An Obstetric/Gynecological Clinic;
- Geriatric Services;
- The Neighborhood Help Center, a mental health treatment service, and;
- WIC, the Supplemental Food Program for Women, Infants, and Children.

**UTILIZATION:** Utilization for fiscal year 2014 was 18,925.

**TERMS:** QHC will have the continued use and occupancy of approximately 9,930 square feet of space located on the first and second floors of the premises (the "Licensed Space"). QHC will pay an occupancy fee of \$24 per square foot, a \$2 per square foot utility surcharge, a \$1 per square foot seasonal cooling charge for a total of approximately \$260,663 per year. This rate continues the occupancy fees rates approved by the Corporation's Board of Directors in October 2012.

HRA will provide all water, utilities, housekeeping and security for the premises, the costs of which are included in the occupancy fee. HRA shall also be responsible for maintenance and repairs to the building, both structural and non-structural, unless same are needed due to the negligence of the Licensee, its employees or invitees.

The term of the license agreement shall not exceed five years without further approval by the Board of Directors. The license agreement will be revocable by either party upon thirty days' prior notice.

**FINANCING:** Revenues derived from third-party payers and grant funding.

# SOUTH JAMAICA

## QUEENS HOSPITAL CENTER FINANCIAL PROJECTION FY15 - 18

PERSONAL SERVICES (PS)									
NAME	TITLE			FTE	FY14	FY15	FY16	FY17	FY18
ADMINISTRATIVE				3.00	207,221	213,438	219,841	226,436	233,229
NURSING				2.00	188,482	194,136	199,961	205,959	212,138
NURSE AIDE				2.00	75,450	77,714	80,045	82,446	84,920
DIETICIAN				9.00	402,019	414,080	426,502	439,297	452,476
CLERICAL				6.00	227,323	234,143	241,167	248,402	255,854
OTHER				3.70	167,779	172,812	177,997	183,337	188,837
<b>SUBTOTAL PS</b>				<b>25.70</b>	<b>1,268,274</b>	<b>1,306,322</b>	<b>1,345,512</b>	<b>1,385,877</b>	<b>1,427,454</b>
QUEENS HOSPITAL FRINGE BENEFIT @				57.20%	725,453	747,216	769,633	792,722	816,503
<b>SUBTOTAL QHC PS &amp; FB</b>					<b>1,993,727</b>	<b>2,053,539</b>	<b>2,115,145</b>	<b>2,178,599</b>	<b>2,243,957</b>
<b>MOUNT SINAI AFFILIATE STAFFING</b>									
PHYSICIAN				5.50	710,271	731,579	753,527	776,132	799,416
<b>SUBTOTAL PS</b>				<b>5.50</b>	<b>710,271</b>	<b>731,579</b>	<b>753,527</b>	<b>776,132</b>	<b>799,416</b>
MOUNT SINAI FRINGE BENEFIT @				25.46%	180,835	186,260	191,848	197,603	203,531
<b>SUBTOTAL AFFIL PS &amp; FB</b>					<b>891,106</b>	<b>917,839</b>	<b>945,374</b>	<b>973,736</b>	<b>1,002,948</b>
<b>TOTAL PS &amp; FB</b>				<b>31.20</b>	<b>2,884,833</b>	<b>2,971,378</b>	<b>3,060,519</b>	<b>3,152,335</b>	<b>3,246,905</b>
<b>OTHER THAN PERSONAL SERVICES (OTPS)</b>									
CATEGORY	DESCRIPTION								
SUPPLIES					25,000	25,000	25,000	25,000	25,000
SPACE					260,663	260,663	260,663	260,663	260,663
EQPT LEASE					14,000	14,000	14,000	14,000	14,000
OTHER					20,000	20,000	20,000	20,000	20,000
<b>TOTAL OTPS</b>					<b>319,663</b>	<b>319,663</b>	<b>319,663</b>	<b>319,663</b>	<b>319,663</b>
<b>SUBTOTAL PS + OTPS COSTS</b>					<b>3,204,496</b>	<b>3,291,041</b>	<b>3,380,182</b>	<b>3,471,998</b>	<b>3,566,568</b>
ADMINISTRATIVE OVERHEAD				10.50%	336,472	345,559	354,919	364,560	374,490
<b>PROGRAM BUDGET</b>									
<b>TOTAL PROGRAM COST</b>					<b>3,540,968</b>	<b>3,636,600</b>	<b>3,735,101</b>	<b>3,836,557</b>	<b>3,941,057</b>
<b>GRANT &amp; REVENUE BUDGET</b>									
					REVENUE	REVENUE	REVENUE	REVENUE	REVENUE
PCAP					620,742	620,742	620,742	620,742	620,742
PRC					265,837	265,837	265,837	265,837	265,837
GERIATRICS					46,378	46,378	46,378	46,378	46,378
WIC					1,453,650	1,453,650	1,453,650	1,453,650	1,453,650
FPP					446,972	446,972	446,972	446,972	446,972
BDCC					376,050	376,050	376,050	376,050	376,050
INPT CREDIT					410,631	410,631	410,631	410,631	410,631
<b>TOTAL GRANT &amp; REVENUE</b>					<b>\$3,620,260</b>	<b>\$3,620,260</b>	<b>\$3,620,260</b>	<b>\$3,620,260</b>	<b>\$3,620,260</b>
<b>TOTAL SURPLUS/(DEFICIT)</b>					<b>\$79,292</b>	<b>(\$16,340)</b>	<b>(\$114,841)</b>	<b>(\$216,298)</b>	<b>(\$320,797)</b>

Notes :  
 1. BDCC is 10% of Total BDCC for FY15 Initial Budget  
 2. Inpatient Revenue Credit is 18% of Total Inpatient Revenue within 30 days of Offsite Visit.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable five-year license agreement with New York City Department of Education (the "Licensee") for its exclusive use and occupancy of approximately 10,000 square feet of space and shared use of approximately 3,000 square feet of space and on the 21<sup>st</sup> floor of the H-Building to operate Public School 35 at Bellevue Hospital Center (the "Facility") with the occupancy fee waived.

**WHEREAS**, the New York State Office of Mental Health requires educational services to be provided to inpatient and day treatment youths receiving mental health services; and

**WHEREAS**, in September 2009 the Board of Directors authorized the President to enter into a license agreement with the New York City Department of Education; and

**WHEREAS**, the Licensee's operation of Public School 35 is exclusively for Bellevue Hospital Center patients in grades kindergarten through twelfth grade who have behavioral health needs and are hospitalized or otherwise being treated at the Facility; and

**WHEREAS**, the Facility would not be able to treat and bill for treatment of these patients without PS 35's on-site services.

**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 execute a five-year revocable license agreement with New York City Department of Education for its exclusive use and occupancy of approximately 10,000 square feet of space and shared use of 3,000 square feet of space on the 21<sup>st</sup> floor of the H-Building to operate Public School 35 at Bellevue Hospital Center (the "Facility") with the occupancy fee waived.

## EXECUTIVE SUMMARY

### LICENSE AGREEMENT NEW YORK CITY DEPARTMENT OF EDUCATION BELLEVUE HOSPITAL CENTER

The President of the New York City Health and Hospitals Corporation seeks authorization from the Board of Directors to execute a revocable license agreement with New York City Department of Education for its use and occupancy of space to operate Public School 35 at Bellevue Hospital Center ("Bellevue").

The New York State Office of Mental Health ("NYS OMH") requires educational services to be provided to inpatient and day treatment youths receiving mental health services. Since 2009 the New York City Department of Education has operated Public School 35 at the Facility pursuant to a resolution of the Board of Directors adopted in September 2009. The New York City Department of Education's operation of Public School 35 is exclusively for Bellevue patients in grades kindergarten through twelfth grade who have behavioral health needs and are hospitalized or otherwise being treated at Bellevue. Bellevue would not be able to treat and bill for treatment of these patients without PS 35's on-site services.

PS 35's operation at Bellevue is a NYS OHM requirement and provides an immeasurable benefit to Bellevue's patients, as a result thereof, the Corporation waives the occupancy fee. Bellevue will provide utilities, including electricity, heat and air conditioning to the licensed space

New York City Department of Education will indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the licensed space and will also provide appropriate insurance naming each of the parties as additional insureds.

The term of this agreement shall not exceed five years without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on ninety days' notice.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a triple net sublease with Draper Homes Housing Development Fund Corporation or such other housing development fund company as shall be approved by both the Corporation and the NYC Department of Housing Preservation and Development ("HPD) (the "HDFC") as nominee for Draper Hall Apartments LLC (the "LLC" in such capacities being referred to together with the HDFC, as "Tenant") of approximately 105,682 square feet or 2.426 acres on the campus of Metropolitan Hospital Center (the "Facility") for a term of 99 years, inclusive of tenant options, for the development of housing for low income elderly and/or disabled persons at a rent of not less than \$100,000 per year.

**WHEREAS**, there is an acute shortage of housing for low income elderly and/or disabled residents in the City of New York; and

**WHEREAS**, Tenant will enlarge, develop, and operate the existing Draper Hall, a structure of approximately 140,601 square feet above ground on the Facility's campus as a housing for low income elderly and/or disabled individuals, such development and operation to be subject to review and approval by the New York City Department of Housing Preservation and Development ("HPD") and such other lenders, investors, or government agencies as may be required by the financing and structure of the project; and

**WHEREAS**, Tenant will construct an addition of approximately 65,283 square feet; and

**WHEREAS**, approximately 3,146 square feet of the building is, and will continue to be, occupied by the New York City Fire Department's Emergency Medical Services and such space will not be included in the sublease to Tenant or will be included but further subleased to EMS; and

**WHEREAS**, the Corporation leases its real estate properties from the City of New York under the 1970 Operating Agreement between the Corporation and the City of New York thereby making any further lease of such properties by the Corporation to a third party a sublease; and

**WHEREAS**, a Public Hearing was held September 10, 2014, in accordance with the requirements of the Corporation's Enabling Act, and prior to execution, the sublease will be subject to approval of the City Council and the Office of the Mayor.

**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 execute a triple net sublease with Draper Homes Housing Development Fund Corporation or such other housing development fund company as shall be approved by both the Corporation and the NYC Department of Housing Preservation and Development as nominee for Draper Hall Apartments LLC of approximately 105,682 square feet or 2.426 acres on the campus of Metropolitan Hospital Center (the "Facility") for a term of 99 years, inclusive of tenant options, for the development of housing for low income elderly and/or disabled persons at a rent of \$100,000 per year.

## EXECUTIVE SUMMARY

### SUBLEASE AGREEMENT METROPOLITAN HOSPITAL CENTER DRAPER HOMES HOUSING DEVELOPMENT FUND CORPORATION FOR THE BENEFIT OF DRAPER HALL APARTMENTS LLC

**OVERVIEW:** The President seeks authorization from the Board of Directors to execute a triple net sublease with Draper Homes Housing Development Fund Corporation (the "HDFC") for the benefit of Draper Hall Apartments LLC (the "LLC" in such capacities being referred to together with the HDFC, as the "Tenant") for the development on the campus of Metropolitan Hospital Center of housing for low income elderly and/or disabled individuals. The project will involve the renovation and expansion of Metropolitan Hospital's Draper Hall, a structure originally constructed as a nurses' residence but that has been mainly unused for many years.

**NEED/  
PROGRAM:** It is a priority of the City of New York to address the acute shortage of housing for low income elderly and/or disabled residents. The construction of the project will directly address the need for such housing. The location of the project close to Metropolitan Hospital Center will facilitate the provision of appropriate services for the residents by Metropolitan Hospital staff. The Tenant shall renovate the existing Draper Hall and will construct an addition of approximately 65,283 square feet. The new, enlarged structure will contain approximately 201 units of housing. The units will be a mix of one bedroom and studio apartments with an apartment for a live-in superintendent. The building will house low income elderly and/or disabled individuals

**TENANT:** The principals of the managing member of the LLC are principals of SKA Marin. SKA Marin is an experienced developer of low income housing for seniors and disabled tenants. SKA was the principal in Metro East 99th Street, a 176 unit building expecting TCO this month, across from Metropolitan Hospital Center. The project is the first Medicaid Redesign Project in New York State and will serve elderly and non-elderly tenants who can live independently but have previously been patients in HHC long-term care or who are under care at HHC for chronic conditions. SKA Marin has also been a principal in the successful development of Kings County Senior Residence on the Kings County Hospital Center campus pursuant to a sublease with the Corporation approximately eight years ago

The project will be financed with low income tax credits, a loan made by the Housing Development Corporation in conjunction with additional funding by the New York City Department of Housing Preservation and Development ("NYCHPD") and the City Council. Ongoing rents will be paid through project-based Section 8 vouchers issued by the New York City Housing Authority.

Because of the HPD loan requirements, the lease will be made in the name of the HDFC but the LLC will have all of the rights of the Tenant to enforce the lease terms, to perform the Tenant's obligations and to be recognized as the "beneficial tenant." The LLC will be responsible for the performance of the Tenant's obligations.

**TERMS:**

The Corporation will enter into a sublease with the Tenant with a term of ninety-nine years, inclusive of Tenant options. The term of the sublease shall commence upon sublease execution.

The Tenant will be responsible for all costs associated with the development and operation of its housing program. Upon sublease execution construction shall commence. All plans and specifications of the project shall be subject to the prior approval of HPD and the Corporation which approval shall not be unreasonably withheld.

The cost for all utilities provided to the project will be the responsibility of the Tenant provided Tenant may pass the cost of utilities to the building residents. The Tenant will also be responsible for all structural and nonstructural interior and exterior, maintenance of, and repairs to, the property.

The Tenant will indemnify the Corporation and the City of New York and will provide adequate insurance against all liability arising from its use and occupancy of the property, naming the Corporation and the City of New York as additional insured parties such indemnity to exclude occurrences within the space to be occupied by the NYC Fire Department.

**SUMMARY OF ECONOMIC TERMS**

<b>SKA Marin - Draper Hall</b>
<b>1918 First Avenue</b>
<b>New York, NY 10029</b>

<b>Program:</b>	<b>LAMP</b>
<b>Units:</b>	203
<b>Block #:</b>	215
<b>Lot #</b>	1

**SOURCES AND USES**

<b>Construction Sources</b>		per DU	% of total
HDC First Mortgage	\$37,000,000	\$182,266	50.83%
HPD Second Mortgage	\$12,960,000	\$63,842	17.80%
HDC Second	\$11,165,000	\$55,000	15.34%
Tax Credit Equity	2,817,530	\$13,879	3.87%
Reso A Funds	2,000,000	\$9,852	2.75%
Deferred Developer's Fee	6,850,057	\$33,744	9.41%
NYSERDA	-		
GAP(SURPLUS)	\$0	\$0	0.00%
<b>TOTAL SOURCES</b>	<b>\$72,792,587</b>	<b>\$358,584</b>	<b>100.00%</b>

<b>Permanent Sources</b>			
HDC First Mortgage	13,760,000	\$67,783	18.90%
HPD Second Mortgage	12,960,000	\$63,842	17.80%
HDC Second	11,165,000	\$55,000	15.34%
Tax Credit Equity	31,093,559	\$153,170	42.72%
Reso A Funds	2,000,000	\$9,852	2.75%
Deferred Developer's Fee	\$1,631,029	\$8,035	2.24%
NYSERDA	183,000		
GAP(SURPLUS)	\$0	\$0	0.00%
<b>TOTAL SOURCES</b>	<b>\$72,792,587</b>	<b>\$358,584</b>	<b>99.75%</b>

<b>Uses</b>			
Acquisition Cost	\$0	\$0	0.00%
Construction Cost	\$51,579,481	\$254,086	70.86%
Soft Cost	13,613,049	\$67,059	18.70%
Developer's Fee	7,600,057	\$37,439	10.44%
<b>TOTAL USES</b>	<b>\$72,792,587</b>	<b>\$358,584</b>	<b>100.00%</b>

## RESOLUTION

Authorizing the capital expenditure by the New York City Health and Hospitals Corporation (the "Corporation") of a total of \$3,500,000 for the construction of a Conference and Training Center at Metropolitan Hospital Center (the "Facility") to be financed with FEMA federal funds and New York City General Obligation bonds.

**WHEREAS**, Hurricane Sandy ("Sandy") damaged Draper Hall thereby eliminating Corporation access to the conference and training center space located within the building;

**WHEREAS**, replacement space for conference and training use will be constructed on the second and third floors of the Facility's Mental Health Building; and

**WHEREAS**, FEMA has obligated \$3,500,000 for this project as part of the FEMA Project Worksheet #3521 Category E Draper Hall Permanent Repairs.

**NOW THEREFORE, be it**

**RESOLVED**, that a capital expenditure of a total of \$3,500,000 shall be authorized by the New York City Health and Hospitals for the construction of a Conference and Training Center at Metropolitan Hospital (the "Facility") to be financed with FEMA federal funds and New York City General Obligation bonds.

## EXECUTIVE SUMMARY

### SOUTH MANHATTAN NETWORK METROPOLITAN HOSPITAL CENTER

#### CONSTRUCTION AUTHORIZATION

The Corporation seeks authorization for a capital expenditure of a total of \$3,500,000 for the construction of a Conference and Training Center at Metropolitan Hospital ("Metropolitan") to be financed with FEMA federal funds and New York City General Obligation bonds.

Hurricane Sandy ("Sandy") damaged Draper Hall thereby eliminating Corporation access to the conference and training center space located within the building. Replacement space for conference and training use will be constructed on the second and third floors of the Metropolitan's Mental Health Building. The scope of work includes renovation of approximately 6,700 square feet on the second floor and approximately 10,700 square feet on the third floor. The construction will include a new ceiling, lighting, electrical, mechanical, sprinkler, plumbing/toilet partitions as required, new flooring, paint, walls, doors/frames/hardware, drywall, granulated wall board ceiling soffits, AV/IT and Data, and a reception area. Additional work will be required on the seventh floor to accommodate the CSS program now located on the third floor. The \$3,500,000 project will be financed with FEMA federal funds in the amount of \$3,150,000 and New York City General Obligation bonds in the amount of \$350,000. Excluded from the \$3,500,000 is the cost for the purchase and installation of the AV/IT and Data equipment which will be funded with New York City General Obligation bonds through the EITS's EMR Upgrade project.



JUL 17 2014

Record Number: 105493  
Certificate Number: 59673  
Capital Project: 819 SAND3701

**HEALTH AND HOSPITALS CORPORATION**

Mr. Ramanathan Raju, Esq., President, New York City Health and Hospitals Corporation  
Hon. Scott Stringer, Comptroller, City of New York  
Ms. Roslyn Weinstein, Senior Assistant Vice President, Office of Facilities Development, NYCHHC  
Hon. Gale Brewer, Manhattan Borough President

*Section 219 of the New York City Charter and directives of the Mayor authorized thereunder require that prior to the initiation of design or advancement of any Capital Project, a scope defining services to be incorporated in contracts for the services of architects, engineers, landscape architects, etc., or for departmental employees and amounts for structures, works, furnishings and equipment, program of requirements and scope or range of operations shall be submitted for approval of the Director of Management and Budget or his duly authorized representative. Initially, preliminary scope approval and subsequently final scope approval incorporating preliminary plans and cost limitations shall be submitted for approval of the Director of Management and Budget or his duly authorized representative. In addition, the final design incorporating final contract documents must also be submitted for approval of the Director of Management and Budget or his duly authorized representative. Your request for approval pursuant to the above is approved as follows:*

**DESCRIPTION OF APPROVAL HEREBY GRANTED**

**South Manhattan Healthcare Network  
Construction of a Conference and Training Center at Metropolitan Hospital  
Project ID: 819 SAND3701  
HO-0214**

The Health and Hospitals Corporation is requesting a capital expenditure authorization in the amount of \$3,500,000 to fund the construction of a conference and training center at Metropolitan Hospital.

This project is funded in the Health and Hospitals Corporation's FY14 Capital Commitment Plan under Project ID 819 SAND3701, Unit of Appropriation 303, Budget Line HO-0214, and new budget Code SD30. 90% of this project (\$3,150,000) will be financed with FEMA federal funds, and the remaining 10% (\$350,000) will be financed with City bonds. Asbestos abatement work orders will be registered using pollution remediation detailed object codes.

Approved,  
  
David Greenberg  
Assistant Director

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a five-year revocable license agreement with the New York City Human Resources Administration (the "Licensee") to operate its Medical Assistance Program ("MAP") at six (6) Corporation facilities (the "Facilities") in a total of approximately 12,844 square feet for a total annual occupancy fee of approximately \$792,873 per year based on the facility Institutional Cost Reimbursement Rate ("ICR"), which range from \$40.30 per square foot, to \$86.78 per square foot, for an average of \$61.73 per square foot, to be escalated by 2% per year.

**WHEREAS**, in October 2009 the Corporation's Board of Directors authorized the President to execute a five-year agreement with the Licensee to operate MAP at various Facilities; and

**WHEREAS**, the Corporation has been hosting MAP services since 1991; and

**WHEREAS**, the Corporation desires to continue to allow the HRA MAP to occupy space and provide services at various Facilities.

**NOW, THEREFORE, be it**

**RESOLVED**, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute a five-year revocable license agreement with the New York City Human Resources Administration to operate its Medical Assistance Program at various Corporation facilities in a total of approximately 12,844 square for a total annual occupancy fee of approximately \$792,873 per year based on the facility Institutional Cost Reimbursement Rate ("ICR"), which range from \$40.30 per square foot, to \$86.78 per square foot, for an average of \$61.73 per square foot, to be escalated by 2% per year.

## EXECUTIVE SUMMARY

### LICENSE AGREEMENT NEW YORK CITY HUMAN RESOURCES ADMINISTRATION MEDICAL ASSISTANCE PROGRAM

**OVERVIEW:** The President seeks authorization to execute a revocable license agreement with the New York City Human Resources Administration ("HRA") to operate its Medical Assistance Program ("MAP") at various Corporation facilities.

**NEED/  
PROGRAM:** The Medical Assistance Program has been operating at Corporation facilities since 1991. The program provides services to families and individuals seeking Medicaid coverage.

The new license agreement will include the MAP sites at Kings County Hospital Center, Lincoln Medical and Mental Health Center, Metropolitan Hospital Center, North Central Bronx Hospital, East New York Diagnostic and Treatment Center, and Morrisania Diagnostic and Treatment Center.

**TERMS:** HRA will have use and occupancy of a total of approximately 12,844 square-feet of space. HRA will pay a total occupancy fee of approximately \$792,873 per year calculated using the Institutional Cost Rates ("ICR") for each facility. The rates will be escalated by 2% per year. The facilities shall provide electricity, housekeeping services, and reasonable security to the licensed space.

The term of the license agreement will not exceed five years without further approval of the Board of Directors and will be revocable by either party on thirty days written notice.

## MAP SITES

Facility	Location	Floor Area (sf)	ICR (\$)	Annual Occupancy Fee (\$)
<b><u>Acute Sites</u></b>				
Kings Cty.	T-Bldg., 1st Floor	2,175	86.78	188,747
Lincoln	Basement	4,208	67.88	285,639
Metropolitan	OPD Bldg., 1st Floor	2,149	58.83	126,426
NCB	Rm 1A-05	1,462	40.3	58,919
<b><u>Diagnostic &amp; Treatment Centers</u></b>				
East NY	Basement	1,550	45.02	69,781
Morrisania	Basement	1,300	48.74	63,362
Total		12,844		792,873

## RESOLUTION

*Appointing Dr. Christina Jenkins as a member of the Board of Directors of MetroPlus Health Plan, Inc. ("MetroPlus"), a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York, to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.*

**WHEREAS**, a resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation ("HHC") on October 29, 1998, authorized the conversion of MetroPlus Health Plan from an operating division to a wholly owned subsidiary of HHC; and

**WHEREAS**, the Certificate of Incorporation designates the New York City Health and Hospitals Corporation ("HHC") as the sole member of MetroPlus; and

**WHEREAS**, the Bylaws of MetroPlus authorize the President of HHC to select two directors of MetroPlus' Board subject to election by the Board of Directors of HHC; and

**WHEREAS**, the President of HHC has selected Dr. Jenkins to serve as a member of the Board of Directors of MetroPlus; and

**WHEREAS**, the Board of Directors of MetroPlus has approved said nomination;

**NOW, THEREFORE**, be it

**RESOLVED**, that Dr. Christina Jenkins is hereby appointed to the MetroPlus Board of Directors to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in its Bylaws.

## **EXECUTIVE SUMMARY**

Pursuant to the Certificate of Incorporation of MetroPlus, the New York City Health & Hospitals Corporation (“HHC”) has the sole power with respect to electing members of the Board of Directors of MetroPlus. The Bylaws of MetroPlus authorize the President of HHC to select two Directors, subject to approval by the Board of Directors of HHC.

The President of HHC has nominated Dr. Christina Jenkins to serve as a member of the MetroPlus Board of Directors.

Dr. Jenkins joined HHC in March, 2013 and serves as Sr. AVP of Quality, Performance and Innovation. In this role, she serves as HHC's DSRIP Project Lead and is also responsible for HHC's quality reporting and enterprise-wide efforts in outpatient access improvement and physician performance.

Just prior to this role, Dr. Jenkins served for three years on HHC's Board of Directors as Chairman of its Quality Committee.

Dr. Jenkins' background includes clinical medicine in academic and FQHC settings, finance and venture capital, and early-stage healthcare startups. Dr. Jenkins earned her B.S in Industrial Management from Purdue University, her M.D. from Northwestern University, and completed her residency training at Mount Sinai Medical Center in New York City.

Her knowledge and commitment to the mission and vision of HHC and MetroPlus Health Plan will make her a valued member of the MetroPlus Board.

## **RESOLUTION**

### **Amending the By-laws of HHC ACO Inc. (the “ACO”) to better enable the ACO to conduct its business with respect to succession of Board members and officers**

**WHEREAS**, the ACO was established as a subsidiary to the New York City Health & Hospitals Corporation (“HHC”) and the ACO’s By-laws designate HHC as the sole Member of the ACO; and

**WHEREAS**, the ACO’s By-laws may be altered, amended, added to or repealed only by the Member; and

**WHEREAS**, the ACO’s By-laws currently provide that vacancies in the Board of Directors may only be created by a Director’s death, resignation or removal by the Member and that vacancies of an Officer may only be created by an officer’s death, resignation or removal by the ACO Board; and

**WHEREAS**, to more efficiently conduct the ACO’s business, the ACO seeks to amend its By-laws to conclude the term of any Director or Officer upon the termination of his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement with the ACO; and

**WHEREAS**, the ACO’s Board of Directors voted on August 14, 2014 to adopt amended and restated By-laws (Exhibit A), modifying Article 4 (Directors) and Article 5 (Officers) to effectuate these changes, subject to ratification by the Member.

### **NOW, THEREFORE, BE IT**

**RESOLVED**, that amended and restated By-laws of the ACO (Exhibit A), modifying Article 4 (Directors) and Article 5 (Officers), are hereby approved.

AMENDED AND RESTATED

BY-LAWS

OF

HHC ACO INC.

AS OF MARCH \_\_, 2014

Article 1.

Definitions

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

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

Article 2.

Office

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

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

Article 3.

Membership

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

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

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

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

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

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

#### Article 4.

##### Directors

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

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

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

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

Section 4.05 Additional Meetings. Regular meetings of the Board may be held at such times as the Board may from time to time determine. Special meetings of the Board may also be called at any time by the Chairman or by a majority of the Directors then in office.

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

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

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

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

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

committee shall be filed with the minutes of the proceedings of the Board or such committee.

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

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

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

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

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

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

## Article 5.

### Officers

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

Officer and Secretary. The Board may appoint such other Officers as may be deemed desirable, including one or more other Vice-Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. Such Officers shall serve for such period as the Board may designate.

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

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

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

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

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

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

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

exhibit the books and accounts to any Director upon application at the principal office of the Corporation during business hours. The Treasurer shall have such other powers and shall perform such other duties as may from time to time be assigned to the Treasurer by the Board.

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

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

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

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

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

## Article 6.

### Conflicts Of Interest

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

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

conflicts of interest and are thereby prohibited. The Corporation has adopted the Code of Ethics with respect to its personnel and Directors who are not subject to Chapter 68.

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

## Article 7.

### Bank Accounts, Checks, Contracts and Investments

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

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

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

## Article 8.

### Miscellaneous

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

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

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

Article 9.

Dissolution

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

Article 10.

Amendments

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

Article 11.

Construction

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

## **RESOLUTION**

**Electing Ram Raju, M.D. to serve as a Director of HHC  
ACO Inc. as of March 31, 2014, as successor to Alan D.  
Aviles**

**WHEREAS**, HHC ACO Inc. (the “ACO”) was established as a subsidiary to the New York City Health & Hospitals Corporation (“HHC”) and the ACO’s By-laws designate HHC as the sole Member of the ACO; and

**WHEREAS**, the By-laws of the ACO state that any vacancy in a directorship shall be filled by the Member; and

**WHEREAS**, HHC previously appointed Alan D. Aviles to serve as a Director of the ACO; and

**WHEREAS**, due to the conclusion of Mr. Aviles’s term as President of HHC there is a vacancy on the Board of the ACO; and

**WHEREAS**, the Corporation wishes to elect Ram Raju, M.D as a Director of the ACO as of March 31, 2014, as successor to Alan D. Aviles, due to Dr. Raju’s employment as President of HHC as of that date.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that Ram Raju, M.D. is hereby elected to serve as a Director of the ACO as of March 31, 2014, as successor to Alan D. Aviles.