

BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 29, 2012

A-G-E-N-D-A

<p>Call to Order - 4 pm</p>	<p>Dr. Stocker</p>
<p>1. Adoption of Minutes: January 26, 2012</p>	
<p><u>Chairman's Report</u></p>	<p>Dr. Stocker</p>
<p><u>President's Report</u></p>	<p>Mr. Aviles</p>
<p>>>Action Items<<</p>	
<p><u>Corporate</u></p>	
<p>2. RESOLUTION ratifying the actions of the Capital Committee of the Corporation's Board of Directors (the "Capital Committee") in approving work orders involving expenditures by the New York City Economic Development Corporation ("EDC") in connection with its management and design of the Goldwater North Project (the "Project") totaling \$246,777,768 and authorizing the Capital Committee to approve on behalf of the Corporation's Board of Directors future work orders for EDC on the Project.</p>	<p>Ms. Youssouf</p>
<p>3. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a management contract with Johnson Controls, Inc., to manage the Corporation's plant maintenance operations for each HHC facility. The contract will be for a term of nine years in a total amount not to exceed \$363,191,470. <i>(Finance Committee – 02/07/2012)</i> EEO: / VENDEX: Approved</p>	<p>Mr. Rosen</p>
<p><u>South Manhattan Health Network</u></p>	
<p>4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable license agreement with T-Mobile Northeast, LLC, for use and occupancy of space for the operation of a cellular communications system at Coler/Goldwater Specialty Hospital and Nursing Facility, Coler Campus. <i>(Capital Committee – 02/09/2012)</i> VENDEX: Pending</p>	<p>Ms. Youssouf</p>
<p>5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable license agreement with T-Mobile Northeast, LLC, for use and occupancy of space for the operation of a cellular communications system at Coler/Goldwater Specialty Hospital and Nursing Facility, Goldwater Campus. <i>(Capital Committee – 01/12/2012)</i> VENDEX: Pending</p>	<p>Ms. Youssouf</p>
<p><u>Queens Health Network</u></p>	
<p>6. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable license agreement with Westat, Inc., for a parcel of land for siting trailers in which the Licensee will conduct a U.S. Centers for Disease Control national health survey on the campus of Queens Hospital Center. <i>(Capital Committee – 02/09/2012)</i> VENDEX: Pending</p>	<p>Dr. Stocker</p>
<p>7. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a lease agreement with Dr. Mikail Kantius for space at 79-18 164th Street, Borough of Queens, to house the Women, Infant and Children Program (WIC) operated by Queens Hospital Center. <i>(Capital Committee – 02/09/2012)</i></p>	<p>Ms. Youssouf</p>
<p>(more)</p>	

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (hereinafter the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 26th of January 2012 at 4:00 P.M. New York time, 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. Michael A. Stocker
Mr. Alan D. Aviles
Josephine Bolus, R.N.
Dr. Vincent Calamia
Dr. Christina L. Jenkins
Dr. Adam Karpati
Rev. Diane E. Lacey
Mr. Robert F. Nolan
Mr. Bernard Rosen
Ms. Emily A. Youssouf**

Linda Hacker was in attendance representing Commissioner Robert Doar, Andrea Cohen was in attendance representing Deputy Mayor Linda Gibbs, and Amanda Parsons was in attendance representing Commissioner Thomas Farley, each in a voting capacity. Dr. Stocker 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 December 15, 2011 were presented to the Board. Then, on motion made by Dr. Stocker and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on December 15, 2011, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

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

Dr. Stocker introduced and welcomed new HHC Board member, Dr. Vincent Calamia.

Dr. Stocker updated the Board on approved and pending Vendex and will report on the status of pending Vendex at the next Board meeting. Dr. Stocker also informed the Board of the adoption of a new Vendex policy, effective May 1, 2012, that will not allow presentation of a resolution to a Board committee if the vendor's Vendex documents have yet not been submitted to the Vendex department in Central Office.

PRESIDENT'S REPORT

Mr. Aviles reported on the Corporation's activities and his 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 an **Affiliation** agreement with **Mount Sinai School of Medicine** for the provisions of General Care and Behavioral Health Services at **Elmhurst Hospital Center** and **Queens Hospital Center** for a period of three years, commencing July 1, 2012 and terminating June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek

approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

Dr. Ann Sullivan, Network Senior Vice President, Queens Health Network, Stated that Mount Sinai School of Medicine and the Queens Health Network have maintained a 47-year relationship and the quality of care provided by Mount Sinai has been excellent. She discussed the goals for the next three years which include maintaining high quality patient care, patient safety and enhanced patient satisfaction.

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

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable license agreement with the Center for Comprehensive Health Practice for use and occupancy of space to operate a diagnostic and treatment center at Metropolitan Hospital Center.

Ms. Youssouf moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

BOARD COMMITTEE AND SUBSIDIARY BOARD REPORTS

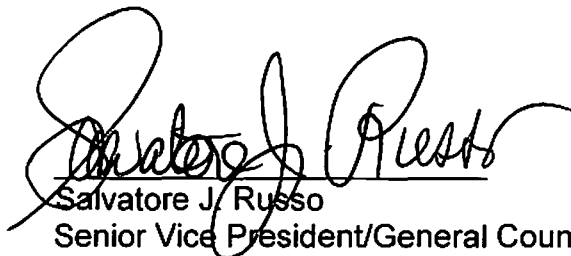
Attached hereto is a compilation of reports of the HHC Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by the Chairman at the Board meeting.

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Dr. Stocker reported that the Board of Directors as the governing body of Kings County Hospital and Dr. Susan Smith McKinney Nursing & Rehabilitation Center reviewed, discussed and adopted each of the facility's reports presented.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:05 P.M.

A handwritten signature in black ink, appearing to read "Salvatore J. Russo". The signature is written in a cursive style with large, sweeping loops.

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

COMMITTEE REPORTS

Capital Committee – January 12, 2012

As reported by Ms. Emily Youssouf

Assistant Vice President's Report

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, advised that the meeting agenda contained three action items, a status report for the North General/Goldwater North project managed by the New York City Economic Development Corporation, and a report of projects in delay greater than six months. First, he noted that he would like to update the Committee on a number of open items from the December 6, 2011, meeting, and to make a correction regarding information previously reported at that meeting.

Referencing last month's work order for the Coler Window replacement, the Committee requested an analysis of potential energy and emissions savings that are anticipated to result from the replacement of approximately 2,800 windows on the Coler campus. The New York State Dormitory Authority estimates that replacement of existing windows with energy efficient models is comparable to an annual reduction of No. 6 oil consumption by 16,200 gallons, or 16,700 kilowatt hours of electricity. This will reduce Coler's annual carbon footprint by 435,000 lbs. of carbon dioxide, or the equivalent carbon dioxide emission of about 19,000 trees over a 10 year period. Mr. Pistone advised that a copy of these statistics was included in the Committee's package.

Referencing the same work order, he added, the Committee was previously advised, in response to a question pertaining to the project's cost increase, that the increase was a result of the addition of a roof replacement that had not been included in the earlier request for authorization. The actual cause for the increase was twofold – some additional windows were added into the project, and a more accurate project estimate was assessed as a result of the completion of a survey of the anticipated work. When first presented in June 2011, a survey had not been completed. The Committee's June 2011 authorization gave the funding authorization necessary to complete that survey. Completion of the survey now provides for a more accurate detail of the extent of work. The result was a cost increase from \$12,144,650 to \$15,884,750. He apologized for the need to make this correction.

He also advised that in response to the discussion surrounding approval of the power plant project last month, which will eventually result in the decommissioning of the existing power plant now supplying service to both the Coler and Goldwater campuses, HHC has requested that the Dormitory Authority undertake a survey to determine cost and requirements necessary to decommission the existing plant. The Dormitory Authority was also requested to assist in ascertaining ownership [as between HHC and the Roosevelt Island Operating Corporation (RIO), a state entity].

Mr. Pistone continued by addressing the Committee's request that it be provided with further detail of the reasons associated with the significant cost increase in the Goldwater North/North General project. He advised Committee members that included in their materials was a written discussion of the circumstances surrounding that cost increase. The written narrative explains that the major causes for the project's cost increase, most of which occurred as a result of the need to replace major equipment systems originally thought suitable for reuse. As a result of a building condition assessment, it was determined that an extensive number of building systems were in need of replacement, including roof, window and façade work, Heating Ventilating and Air Conditioning Systems, and other mechanical and electrical systems. To further exacerbate the cost increase, replacement of these systems required compliance with Local Law 86 of 2005, which requires a minimum energy efficiency rating for projects that impact above a certain threshold percentage of building systems and/or space.

Mr. Pistone noted that the Office of Facilities Development, in response to Mrs. Bolus' request to present lease and license arrangements prior to the month of their expiration, will work more closely with facility colleagues to impress the need to have these items presented earlier in the process looking to achieve presentation for Committee consideration a minimum of 2-3 months prior to expiration. He also noted that the January agenda did include one item with an expiration date at the end of the month, but explained that the necessary calendar adjustments could not be made in time from last month's meeting in order to satisfy that request.

Action Items:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with Omnipoint Communications, Inc. (the "Licensee"), for use and occupancy of space for the operation of a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility, Goldwater Campus (the "Facility").

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility read the resolution into the record on behalf of Lynda Curtis, Senior Vice President, South Manhattan Health Network. Mr. Hughes was joined by Michael Buchholz, Senior Associate Executive

Director, Coler-Goldwater Specialty Hospital and Nursing Facility, Christopher Roberson, Director, Bellevue Hospital Center, and Dion Wilson, Assistant Director, Office of Facilities Development.

Mr. Hughes advised that Omnipoint had been operating a base station, rooftop antennae and related equipment on the roof of the facility since 2003, with the current agreement due to expire on January 31, 2012. Mr. Hughes noted that the equipment does not interfere with the facility's telecommunications system and complies with all applicable federal safety requirements. The proposed agreement provides for continued use and occupancy of 200 square-feet on the "E" building roof, at an annual occupancy fee of \$50,807 or \$254 per square foot, a 4% increase over the existing rate. He continued by stating that the occupancy fee will increase annually by 4%, and that the agreement is for a five (5) year term with the ability terminate, prior to expiration, upon 90 days notice. Omnipoint will pay for electrical and telephone services.

Mr. Pistone informed the Committee that Vendex documents had not been completed by the vendor but noted that they are anticipated to be in the possession of the Office of Legal Affairs prior to the Board meeting, and if they are not delivered by that time the agreement will not proceed to the full Board for consideration.

Josephine Bolus, RN, explained that this is an example of why the Committee asks for agreements to be presented in advance of the expiration dates. If paperwork, such as Vendex documents, are not completed in time then there is no rush to move things forward and people are not feeling pressured due to time constraints.

Mr. Buchholz explained that discussions with Omnipoint had begun in October, specifically regarding completion of Vendex documents, and the fact that the documents had not been received was why presenting the agreement had been postponed to January.

Ms. Youssouf noted that difficulties seem to be coming from the vendors' delays in completing the information but requested that the Office of Facilities Development and the facilities continue to make an effort to get them to complete the documents in a timely manner, especially the larger companies, which seem to typically be prolonging the process. Mr. Pistone advised that he would attempt to reach out to higher level representatives to express the importance of completing the documents and their effect on moving a deal forward for approval.

Ms. Youssouf asked if the licensee pays the occupancy fee on a monthly basis. Mr. Buchholz said yes.

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.

Ms. Youssouf noted Dr. Stocker's arrival at the meeting.

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with the Center for Comprehensive Health Practice (the "Licensee" or "CCHP") for use and occupancy of space to operate a diagnostic and treatment center at Metropolitan Hospital Center (the "Facility").

Gregory Atwater, Chief Operating Officer, Metropolitan Hospital Center, read the resolution into the record on behalf of Lynda Curtis, Senior Vice President, South Manhattan Health Network. Mr. Atwater was joined by Christopher Roberson, Director, Bellevue Hospital Center, Dion Wilson, Assistant Director, Office of Facilities Development, and Deborah Bratman and David Hudson, Center for Comprehensive Health Practice (CCHP).

Mr. Atwater explained that CCHP has had a relationship with Metropolitan Hospital Center for over 38 years and has been working in the community for over 50 years. They provide a special service for over 4,000 hard to place patients and their more horizontal method of care helps patients to be compliant with their care plans.

Ms. Youssouf asked for an overview of the terms of the contract. Mr. Atwater advised that the five (5) year term contract is for 17,000 square feet of space on the 9th and 12th floors of the facility at an annual fee of \$459,000 or \$27 per square foot, a fee that will be escalated by three percent (3%) upon commencement of the fourth year of the agreement.

Mrs. Bolus asked how many models/sites were being utilized within HHC that treat both Mental Health and Medical care. Antonio Martin, Executive Vice President, advised that there is a program at Woodhull Medical and Mental Health Center and a similar one at Kings County Hospital Center and that he believes that most facilities feel that this model is important to keep at risk patients connected to care. He advised that many facilities are trying this model in different variations.

Mrs. Bolus asked if this was the first time that a program was not strictly operated by the facility but by an outside, not-for-profit program. Mr. Martin said there has been a very long history between the two and that the program is a referral source for the hospital. Mr. Hudson confirmed, stating that the relationship began in 1974 and on-site occupancy began in 1985.

Ms. Youssef stated that the agreement had expired on December 31, 2011. Mr. Pistone confirmed, indicating that its expiration had been brought to the Committee's attention as an information item at the December Capital Committee meeting.

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.

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with the Richmond County Medical Society and the Academy of Medicine (the "Licensee") for use and occupancy of space to house administrative functions at the Sea View Hospital Rehabilitation Center and Home (the "Facility").

Angelo Mascia, Executive Director, Sea View Hospital Rehabilitation Center and Home, read the resolution into the record on behalf of Arthur Wagner, Senior Vice President, South Brooklyn/Staten Island Health Network. Mr. Mascia was joined by Dion Wilson, Assistant Director, Office of Facilities Development.

Mr. Mascia noted that the agreement is a renewal of an existing license agreement. He explained that the Richmond County Medical Society and the Academy of Medicine is a group of doctors that practice medicine in the Borough of Staten Island which meets to exchange ideas and discuss various facets of healthcare and medical knowledge. He advised that the five (5) year agreement is for 350 square feet of space in the Administration Building, a smaller space than the previous agreement, and that the occupancy fee would be for \$7,308 annually, or approximately \$25 per square foot, a five percent (5%) increase over the previous agreement.

Mrs. Bolus thanked Mr. Mascia for the map that was provided.

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:

Goldwater North – Major Modernization – Status Report

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility provided the status report. Mr. Hughes was joined by Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, Marsha Powell, Director, Office of Facilities Development, and Emil Martone, New York City Economic Development Corporation (EDC).

Mr. Hughes informed the Committee that the project includes renovation of the existing North General Hospital building into a 201 bed Long Term Acute Care Hospital (LTACH) and the construction of a new 164 bed Skilled Nursing Facility (SNF). He advised that the number of LTACH beds was reduced by 80 and the number of SNF beds was reduced by 112. Completion of both facilities is expected by November 1, 2013, at which point the Goldwater campus will be vacated and the month of November will be used to relocate. The projected cost for the LTACH is approximately \$152.3 million and for the SNF, \$131 million. The Certificate of Need (CON) for the LTACH was approved in December 2011 and the CON for the SNF was re-submitted and is currently pending. The Value Engineering (VE) for both projects has been completed.

On the design side, Array Healthcare Solutions, in association with Barbara Geddis Architects, were awarded the design contract, and the design process is in progress. Stakeholders for the projects, residents of the nursing facility and the staff of both SNF and LTACH have been very involved in the process, with staff contributing ideas about work areas, on and off the units, layout, sizing, etc., and residents having been helpful in identifying desired layout. Mr. Hughes stated that the projects emphasis is on culture change in the nursing facility setting and not following the typical medical model, meaning focusing on a more homelike setting, with special attention with regards to social and recreational areas. He noted, for example, on some floors of the SNF the nursing station would not be the focal point of the unit and instead emphasis will be on the social areas.

Mr. Hughes further advised that the selected Construction Manager (CM) for the project is Gilbane Building Company/McKissack & McKissack. Interior demolition began January, 2012. The project completion methodology integrates CM services into the design process, which facilitates the resolution of construction related issues during the design process. Regarding the LTACH, design is being centered on ventilator dependent patients, wound care and other general medicine services. On the SNF side of the project, it is anticipated that there will be 20 certified ventilator beds, sub acute and short term rehabilitation beds, in addition to the traditional nursing home population.

Ms. Youssef asked why the CON for both projects had to be resubmitted and whether the reduction in beds was related. Mr. Hughes advised that resubmission of the CON was due to the reduction of beds in the nursing facility and that decision was based on cost as well as planning and the number of nursing beds that would be needed.

Ms. Youssef asked if the decrease in beds would allow for the patients in need of relocation. Mr. Hughes stated that relocation would still be on track, but discharge of some patients should be required. Ms. Youssef asked if HHC would be involved in the discharge process. Mr. Hughes said yes, HHC is presently working to provide safe and appropriate discharge for patients and residents, and advised that there are upwards of approximately 400 residents determined to be capable of living in the community and not in the nursing facility, and that HHC was working with a number of agencies to accomplish this goal.

Ms. Youssef asked that the Committee be kept updated regarding that process. Mrs. Bolus agreed and expressed concern for the patients that are being discharged and the economic effect that will have on them. She then asked about the number of ventilated beds and how they would be relocated. Mr. Hughes advised that the whole ventilator service from the hospital facility, approximately 100 beds, will be relocated, making up a big percentage of the hospital population, which is more acute. Mrs. Bolus asked if there would be any ventilator beds remaining at the Coler campus, and Mr. Hughes said no. Mrs. Bolus expressed excitement at the opportunity to make the new space from scratch.

Mrs. Bolus asked about parking at the new facility. Mr. Hughes advised that there will be 80 spaces available under the tracks of the Metro North elevated tracks (Park Avenue) and that central office is working to identify additional space.

Mrs. Bolus asked for some renderings of the project. Mr. Hughes said he would provide those.

Dr. Stocker asked for further explanation of the budget increase that was addressed at the previous, December 6, 2011, Capital Committee meeting. He noted that the explanation regarding the inability to properly survey the building is a valid contributor to the increase but asked why the number of beds had decreased and yet the budget still increased. He stated that the bed size estimate and the cost would seem to be related and asked if the preliminary project estimates could have been completed better and more accurately. Mr. Pistone stated that, in retrospect, estimates could have been better.

Dr. Stocker asked who completed the initial estimate. Ms. Powell advised that Gilbane and RMJM/Hillier provided initial estimates. She added that original plans had provided for two ventilator beds in each room and it was later determined that only one bed could be in each room. Ms. Youssef asked how many rooms that effected. Mr. Buchholz said 111 rooms were affected.

Dr. Stocker asked why that error was made. Ms. Powell advised that RMJM Hillier had made that determination and that the firm is no longer involved in the project. Ms. Youssef asked why that firm was hired in the first place. Ms. Powell answered that RMJM/Hillier had been working on a similar project. Mr. Pistone advised that after a more thorough examination of the project, regarding design and construction and safety requirements, it was made clear that initial estimates were off.

Ms. Youssef expressed concern that the number of beds has decreased and the budget doubled and we (HHC) are blaming inaccuracies on not being able to get access to the inner workings of a building that we were in fact buying. Mr. Hughes stated that time constraints were possibly an additional factor. Ms. Youssef stated that she fears there will be cost overruns and said that she doesn't have confidence in the current numbers. When last informed of the cost increase, she stated, the number of beds were higher. Mr. Hughes noted that the previous budget increase did include the bed reduction. Ms. Youssef thanked him for the clarification.

Dr. Stocker asked whether EDC was involved in the project at the time of the initial estimates. Mr. Martone stated that EDC became involved in the project in December 2010, so he could not speak to anything prior to that but expressed confidence in the team that is now in place and their ability.

Mr. Hughes noted that the initial estimate for the SNF was \$143 million for 276 beds and the current estimate is \$131 million for 164 beds, a decrease in beds and budget.

Ms. Youssef asked how likely it is that HHC will receive the \$13 million Federal grant listed as pending. Mr. Pistone advised that he would look into that.

Dr. Stocker asked if Gilbane was involved in the initial estimate and whether it is typical for the CM to be involved in that part of the process. Mr. Martone advised that at the time of the estimate Gilbane was working directly for HHC but at present they are working for EDC, as a result of a public Request for Proposals (RFP) from which Gilbane was selected as the most qualified team. He advised that it is customary to have them involved as they will not actually perform the work themselves, they will subcontract it out.

Ms. Youssef asked whether the inaccuracy of the initial estimates would not discourage you from hiring them. Mr. Martone advised that they performed estimates based on drawings and information that they were presented with and the majority of the budget increase comes from programmatic changes and not estimating flaws. Ms. Powell advised that it was the architectural and engineering firms that supplied the information to the estimators and said that Gilbane would not have known that a single, versus a double bedded room, would be necessary. Gilbane based their estimates on what they were given, the number of rooms to be remodeled, the amount of Heating Ventilation and Air

Conditioning (HVAC) that was to be replaced, etc. Since the new design, she added, EDC, the architectural firm, and the Office of Management and Budget (OMB), have all had estimators review the new numbers.

Ms. Youssouf asked what the cost per bed would be for the various types of beds in the two facilities, and whether the amount would be in line with the average for that type of work.

Dr. Stocker noted that in the future HHC needs to be sure that estimates are more accurate. Mr. Pistone agreed.

Ms. Youssouf asked for a thorough list of sources and uses to get the cost on a per-bed basis. She noted that it is the Committees fiduciary responsibility to look into these things.

Mrs. Bolus asked about whether an increase in staff had been discussed. Mr. Hughes answered that the facility is looking into that and working on a plan.

Mrs. Bolus asked how the nursing staff felt about the new layouts and Mr. Hughes advised that they had taken part in the design and planning and noted that not all units would feature a less visible nursing station. He advised that in acute areas the nursing station would be as prominent as necessary.

Ms. Youssouf asked whether someone is working on a plan for possible discharge patients and asked that it be shared with the Committee. Mr. Hughes said there is a list in progress and it will be shared when complete.

Ms. Youssouf asked that her requests for sources and uses and the average cost per bed, and the plan for discharge patients be provided by the next capital committee meeting, February 9, 2012. She again expressed concern with the cost of the project and stated that she was still uncomfortable with the funding situation.

Mrs. Bolus again expressed excitement with the new project.

That concluded the status report.

Project Status Reports

Central/North Brooklyn Health Network

Generations+/North Manhattan Health Network*

Queens Health Network*

* Network contains project(s) that require a delay report

Mr. Pistone provided a brief update on projects reported in delay, as follows:

ER Renovation – Lincoln Medical and Mental Health Center – The notice to proceed has been issued for all contractors, and the contractors are in the process of undertaking demolition and asbestos abatement.

ER Expansion – Queens Hospital Center – Installation of snow melting system has been completed, the connecting roadway to the main hospital has been opened, structural-steel, with exception of the vestibule area, has been installed, underground plumbing has been installed and inspected, reheat water system has been installed, concrete slabs have been poured, fireproofing on structural steel has been completed.

Ms. Youssouf asked what the completion schedule was at the present time. Mr. Pistone said he would have to ask the facility but advised that as far as budget was concerned, 40% had been spent to date.

Community Relations Committee – January 3, 2012

As reported by Josephine Bolus, RN

Chairperson's Report

Mrs. Bolus welcomed members of the Committee and invited guests and wished them a Happy New Year. She wished them a very productive and fulfilling 2012.

Before proceeding with the annual activity reports of the Community Advisory Boards of the Southern Brooklyn/Central Brooklyn Network, Mrs. Bolus highlighted some important community-related developments that had occurred across HHC since the November meeting.

Mrs. Bolus announced that HHC received national recognition on World AIDS Day, December 1st, from the Federal Centers for Disease Control (CDC), which paid tribute to HHC's achievement of performing one-million HIV tests. She noted that this special award was presented to Mayor

Bloomberg and President Aviles at a breakfast at Gracie Mansion. Mrs. Bolus stated that the CDC statement commended HHC on its dedication to HIV prevention through its extensive and sustained testing efforts, its demonstration of a strong willingness to adopt ambitious measures of success, and holding itself publicly accountable for meeting its testing goals. In addition, CDC noted that "HHC's expanded HIV testing efforts anticipated CDC's publication of new guidelines for routine testing in health care settings and antedated subsequent federal investments to promote routine HIV screening." Mrs. Bolus reminded the Committee that HHC began offering routine rapid testing through its HIV Testing Expansion Initiative in 2005; providing testing in settings that included not only general medical services but also specialty services such as dentistry. Moreover, HHC facilities have also conducted testing at non-traditional settings such as bathhouses and public health fairs. She noted that more than 90 percent of patients diagnosed at HHC facilities are linked to life-saving HIV medical care and treatment within 90 days of being diagnosed. She reported that, by September 2011, more than 10,600 HIV positive individuals have been diagnosed, and thousands of individuals have been linked to care.

Mrs. Bolus reported that during the months of November and December, she and other fellow Board members, including Robert Nolan and President Aviles, have heard commentary from the public at the Board's FY 2012 Annual Public Meetings. She noted that the Board has held meetings in three boroughs so far: Queens, Brooklyn and the Bronx.

Mrs. Bolus commented that she was impressed by the presentations made by CAB Chairs and members, regarding the activities conducted by CAB's in their facilities and in their communities. She remarked that the strength of the partnership between HHC and the CAB's and their respective facilities' leadership is evident in the effectiveness of the advocacy and community health needs assessment-related efforts of the CAB's.

Mrs. Bolus reported on Council Member Leroy Comrie's tribute at the Queens Annual Public meeting held at Elmhurst Hospital on November 28, 2012. She stated that the Council Member had made a point of highlighting the courtesy and patient-centered approach demonstrated by the hospital staff. In addition, he pledged his full support to HHC and to Queens and Elmhurst Hospitals. Mrs. Bolus also reported that former Council Member Helen Sears, now an Elmhurst CAB member, spoke about the importance of the affiliation with Mt. Sinai Medical School. In addition, representatives from the New York State Nurses Association and Local 420 of District Council 37 had presented testimonies and cautioned HHC against contracting out services.

Mrs. Bolus stated that we were both challenged and inspired by testimonies from patients and family members. She reported that a parent and her son, both of whom are longstanding health care advocates, had urged HHC to conduct sensitivity training of its facility staff regarding the needs of patients diagnosed with development disabilities. She pointed out that each had emphasized the importance of health care professionals recognizing the need to care for the "whole person" in more integrated settings.

Mrs. Bolus reported on the Annual Public meeting convened in her home borough of Brooklyn at Woodhull Medical and Mental Health Center on December 7, 2011. She added that CAB members had presented testimonies on their concerns that the financial challenges confronting HHC would result in reductions in workforce and subsequent diminution of services important to the Brooklyn community residents, CAB members, and patients.

Mrs. Bolus shared with the Committee members and invited guests a particularly moving testimony provided by a Woodhull patient, who declared that "Woodhull has given me my life back". Mrs. Bolus explained that the patient said that she had been diagnosed as having a mental illness; and that before being treated by a team of compassionate and well-trained clinicians at Woodhull, she had lost a career and her support system. She eloquently described how she had regained her self-confidence and ability to function. She stated that she was proud to share her story with others because the stigma of mental illness must be eradicated.

Mrs. Bolus reported that the Bronx meeting was held at Lincoln Hospital on December 12, 2011. She stated that many individuals had provided testimony in opposition to cuts in health care. Specifically, representatives from Occupy the Bronx spoke about the need for the Board to address health care access inequities. In addition, HHC's Board of Directors heard testimony from patients of HHC's Bronx facilities and CAB representatives about the quality of their care and staff's dedication. Mrs. Bolus noted that, in one instance, there was a call for greater attention to be paid by facility staff about the special needs of patients with learning disabilities. As at the other meetings, Mrs. Bolus stated that the DC 37 union representative spoke against outsourcing, while also committing to continuing to advocate on behalf of the public hospital system with state and federal policy makers and legislators.

Mrs. Bolus announced that the next Annual Public meeting will be held on Staten Island on Wednesday, January 18, 2012 at 6 p.m. at Sea View Hospital Rehabilitation Center & Home and the final meeting on Tuesday, January 24, 2012 at Harlem Hospital Center also at 6 pm.

Mrs. Bolus continued her remarks and shared with the Committee and invited guests some important milestones that occurred at the end of 2011. She congratulated the Bellevue staff, patients CAB members and hospital auxiliaries on Bellevue Hospital's 275th anniversary. She noted that the hospital's history dates back to 1736, when a six-bed infirmary opened on the present day site of City Hall.

Mrs. Bolus also congratulated the staff at Woodhull Medical and Mental Health Center on the opening of the Center for Integrated Health. She explained that this Center's aim is to improve the coordination of physical and behavioral health services provided to patients with both conditions.

Mrs. Bolus acknowledged the MetroPlus Health Plan Inc., HHC's Medicaid Managed Care health plan, for once again being rated #1 by the State Health Department among New York City Medicaid managed care plans for quality and patient satisfaction.

Mrs. Bolus concluded her remarks stating that the members of HHC Board of Directors extend their heartfelt gratitude to all CAB members and community health advocates who sprang to action throughout 2011 when asked to voice concerns about potential city, state and federal actions that would have a negative impact on HHC and its facilities. She added that their vigilance and energetic responses would be needed even more in 2012.

Mrs. Bolus turned the meeting over to Antonio Martin to give President Aviles' report.

President Remarks

Mr. Antonio Martin, Executive Vice President and Corporate Chief Operating Officer welcomed Committee members and invited guests. He informed them that Mr. Aviles' mother had passed away last week and that he was unable to be with them tonight. He added that he is most certain that the HHC family had sent our condolences to him and his family and we are keeping him in our prayers.

Mr. Martin reported on the cost containment restructuring initiatives for the next year. He reminded the Committee of the second year of our HHC's four-year Restructuring plan; and, when fully implemented, it will yield several hundred million dollars in new revenue and cost savings. During the past year, HHC has completed seven of the 39 initiatives encompassed by its four-year plan and have achieved its savings targets for the fiscal year that ended on June 30, 2011. Mr. Martin added that he is confident that the Corporation will execute the next set of plan initiatives and achieve targeted savings for this year as well. Mr. Martin explained that, to date, the Corporation has reduced its workforce by approximately 2,500 employees, mostly through attrition, and has reduced its budget gap by nearly \$350 million. It is anticipated that another 600 positions will be shredded through attrition by the end of this fiscal year and expenses reduce by about another \$38 million. Mr. Martin noted that HHC is actually behind target to achieve that FTE target but will be working hard to try to achieve it.

Mr. Martin stated that even though HHC has made steady progress in closing the budget gap, there were more financial challenges in 2011. First, the Medicaid cuts in the current state budget that became effective April 1, 2011 were again deep and sharp. They have reduced HHC's total revenue by another \$174 million, bringing HHC's total Medicaid cuts over the last four years to roughly \$500 million annually. Second, pension costs have continued to rise sharply and may increase by as much as \$100 million this year, bringing the pension costs to more than \$400 million. Mr. Martin commented, by comparison, just eight years ago the pension costs were less than \$50 million. And third, there was another 6% increase in the number of uninsured patients served by HHC, bringing the total number of uninsured patients served in fiscal year 2011 to nearly 480,000.

Mr. Martin pointed out that all of this is occurring in the context of the continuing, economic downturn. He added that, because of declining tax revenues associated with persistently high unemployment rates, both the City and the State are projecting budget deficits for the upcoming fiscal year.

Mr. Martin stated that, while he did not want to depress everyone in the room, it was important to show some transparency in terms of the challenges that HHC is facing. He stated that HHC and the CABs are partners to ensure that the Corporation remains viable.

On the other hand, Mr. Martin highlighted some good news. He referred to Mrs. Bolus' remarks and underscored the tremendous success in the testing of patients for HIV. He reiterated that HHC has tested over a million patients over a five-year period, and by doing so, saved countless lives in the City. He acknowledged Ms. Brown and her team who coordinated that effort. He particularly acknowledged Ms. Terry Hamilton, Director of HIV Services, who has done an enormous job in pressing forward with this issue.

Mr. Martin reported on HHC's designation as a New York State "Health Home" organization. He stated that Health Homes will enable HHC to provide coordinated care to many of its patients with chronic health conditions by partnering with the community providers to ensure that wrap-around services are available for them.

Mr. Martin concluded his remarks stating that while the challenges remain many, he is extremely confident with the staff of this corporation. He added that over his twenty-five years of service at HHC, the Corporation has faced many challenges, which, at times seemed to be overwhelming; however he noted that HHC's core mission remains (in-tact) and that the commitment of the Corporation's staff will rise up to the occasion to meet these challenges.

Mr. Bobby Lee, CAB representative of Bellevue Hospital Center, would like to know about the expected number of patients to be enrolled in the "Health Home" plan corporate-wide. Mr. Martin answered that he would share the numbers with him and pointed out to the other members that

the numbers are included in Mr. Aviles' press release included in the CAB Chairs package for the following meeting of the Council of CABs. Mr. Martin acknowledged Mr. Lee and informed the Committee that Mr. Lee recently participated in a Breakthrough Corporate Event at Bellevue Hospital Center and had played a great role in demonstrating how HHC can use technology to better connect with its patients.

Ms. Sylvia Lask, CAB Chairperson of Jacobi Medical Center, asked about how to inform and educate the communities about "Health Homes". She noted that the term is very confusing as some people may believe that it refers to only psychiatric patients. Ms. LaRay Brown answered by stating that there are different types of homes in the healthcare industry including primary care home, patient-centered medical home and nursing homes. She informed the Committee that the State has defined who among its Medicaid beneficiaries to be eligible to be participants of health homes. She explained that those individuals, who have both physical and behavioral health conditions, or only mental health conditions, and/or those who have a combination of mental health and substance abuse conditions, will receive direct correspondence from the Health Home entity. She noted that, for HHC, the Health Home entity is MetroPlus. She added that MetroPlus is in the process of developing materials for the patients assigned to it as their "Health Home". She added that, to be very explicit and clear, MetroPlus staff are working to ensure that their literature is at a certain literacy level. She noted that these writings will also include definitions so that people will not be as confused. She added that for any new initiative, there is a period to get used to it. It is hopeful that two to three years from now everybody would know what the definition of a "Health Home".

Ms. Brown explained that essentially, a patient assigned to a Health Home is expected to have a primary care doctor and a care manager to help him navigate the health care system as well as other needed services to be successful in the community and also in managing his chronic health conditions. Ms. Brown noted that it is a challenge for HHC and MetroPlus to make sure that people understand the Health Home plan. She stressed that Health Home is not about moving; it is not about nursing home; it is not only primary care but in conjunction with other services wrapped around primary care as the foundation. In addition, Health Homes are only for those individuals with these chronic conditions mentioned above and who have had significant number of hospitalizations in recent years.

Mrs. Bolus thanked Ms. Brown for clarifying the Health Home plan. She also thanked and welcome the following HHC officers that were in attendance: Mr. Arthur Wagner, Executive Director of Coney Island Hospital and Senior Vice President of the Southern Brooklyn/Staten Island Network; Mr. Angelo Mascia, Executive Director of Sea View Hospital Rehabilitation Center & Home; and George Proctor, Executive Director of Woodhull Medical & Mental Health Center and the Senior Vice President of the North Brooklyn/Central Brooklyn Network.

Mrs. Bolus noted that there will be a change in the agenda and that the first CAB Activity report will be from Sea View Hospital Rehabilitation Center & Home.

Southern Brooklyn/Staten Island Network

Sea View Hospital Rehabilitation Center & Home (Sea View) Community Advisory Board

Mrs. Bolus introduced Mr. Joseph Tornello, Chairperson of Sea View Hospital Community Advisory Board and invited him to present the CAB's annual report.

Mr. Tornello greeted members of the Committee and invited guests. He thanked Mrs. Bolus for moving his report on the agenda and apologized to the Committee members for having another commitment that evening.

Mr. Tornello stated that he is very proud to be the chairperson of Sea View Hospital Community Advisory Board. He added that Sea View regular CAB monthly meetings draw a great group of community representatives, facility staff, as well as residents of the nursing home.

Mr. Tornello acknowledged the CAB Liaison, Mr. James Roberts, who is also the Auxiliary Liaison. He stated that together with the Auxiliary, the Sea View Hospital's CAB helped to support Sea View Hospital fundraising efforts. He noted that, Sea View Hospital is the primary face of HHC on Staten Island and that the Executive Director, Mr. Angelo Mascia and his staff have done an excellent job in maintaining a great face representation of HHC in the Staten Island community.

Mr. Tornello stated that the Sea View campus has various programs and is the home-base of some community-based organizations. Mr. Tornello concluded his report stating that the facility's strategic location in the center of the island further highlights its presence in the borough.

Mrs. Bolus asked about the modernization of the Robitzek Building. Mr. Tornello answered that renovating the Robitzek Building is the most significant need of the community. He noted that the nursing home, the Adult Day Program and various other programs are housed in the forty-year old Robitzek Building.

To Mrs. Bolus' claim that the Corporation is short of capital dollars, Mr. Tornello answered that there is a growing aging population on Staten Island and that HHC needs to be responsive to the growing need of the community. Mr. Tornello reminded the Committee that Sea View Hospital

has come a long way from a TB Hospital to an Adult Day Care to a nursing home. He reiterated that Sea View Hospital is a primary facility on the island.

Mr. Robert Nolan, Board member, asked about the projected estimated cost to upgrade the Robitzek Building. Mr. Mascia answered that, according to a 2008 value engineering study from the City's Office of Management and Budget, it would have cost about \$175 million to replace the building.

Mr. Nolan asked if that estimate was to replace or to renovate the building. Mr. Mascia answered that the 2008 value engineering study has determined that, due to the age of the building and building code issues and landmark preservation, it was better to move the building to another part of the campus. Mr. Nolan anticipated that the 2008 estimate could be now increased to \$200 to \$225 million.

Coney Island Hospital Community Advisory Board

Mrs. Bolus introduced Ms. Queenie Huling, CAB Chair of the Coney Island Hospital and invited her to present the CAB's annual report.

Ms. Huling greeted CAB Chairpersons, invited guests and thanked the Community Relations Committee of the HHC Board of Directors for giving her the opportunity to share Coney Island Hospital's Community Advisory Board's 2011 activities and concerns.

Ms. Huling started her presentation by acknowledging Mr. Arthur Wagner, Executive Director of Coney Island Hospital and Senior Vice president of the Southern Brooklyn/ Staten Island Network; James Saunders, Associate Executive Director of Public Affairs; Ms. Lakeisha Weston, CAB Liaison; and the members of the Coney Island Hospital's CAB in attendance.

Ms. Huling reported that 2011 was a productive year for the Coney Island Hospital Community Advisory Board. She highlighted the following CAB activities:

- The CAB had hosted its annual legislative breakfast in March 2011. The event was well attended by local elected officials as well as members of the community. In June 2011, the CAB had held its Annual Public Meeting, which was successful, informative and also well attended.
- Judy Wessler, Co-Director, Commission on the Public's Health System was the guest speaker at the December CAB meeting. Ms. Wessler explained the purpose of the Medicaid Redesign Team ((MRT) and its impact on the community. In addition, Ms. Wessler discussed the equity for the uninsured and safety-net providers' proposal. Overall, she provided a wealth of information and answered many questions from the CAB and community members.
- Coney Island Hospital CAB members had collaborated with community board 13 and sponsored a community preparedness presentation and discussion session. Based upon the success of the event, plans are under way to sponsor community preparedness presentations in Brighton Beach and Coney Island later in the year.
- CAB members attended the Legislative Advocacy Day in Albany.

Ms. Huling stated that the Coney Island Hospital CAB members continue to support the leadership of facility in many ways to ensure that the needs of the communities are met.

She enumerated the most critical needs/concerns as follows:

- The financial support and provision for a level one trauma center, and the continued modernization of Coney Island Hospital in plans for redevelopment of Coney Island by New York City Economic Development Corporation/Coney Island development Corp.
- Ensuring the continued success HHC's mission in the midst of national healthcare reform and governmental budget crisis.
- Improving the level of community/patient satisfaction.
- Expanding access to specialty geriatric medical care services in light of the fact that Southern Brooklyn has the largest geriatric population in New York City and Coney Island Hospital is surrounded by six naturally occurring retirement communities.
- Ensuring that the community's medical needs are addressed under the HHC Restructuring plan, especially those needs which involve hypertension, diabetes, obesity and cancer.

Ms. Huling noted that some of the communities' needs and concerns were identified through local community boards' meetings, reports from community organizations, and community health profile data. She stated that the leadership of Coney Island Hospital has been instrumental in addressing the following concerns:

- Senior staff had held meetings with elected officials to discuss the hospital's equipment needs. As a result, the Brooklyn Delegation of the New York City Council allocated \$1,845,000 and the Brooklyn Borough President allocated \$325,000 towards new equipment.
- Hospital leadership is taking steps to maintain working relationships with the six naturally occurring retirement community organizations (NORCs) in Coney Island Hospital's primary service area. Various hospital departments, including patient relations, social work, strategic planning, medical affairs, and public affairs continue to meet with staff to monitor the continuity of care of its older patient population and are collaborating with the community organizations, skill nursing facilities and adult homes to ensure that patients access the supportive social and clinical services offered in the community.

Ms. Huling shared with the Committee the following projects that would provide broad access to quality care at Coney Island Hospital Center:

- The emergency department expansion project, which is a new \$10 million, 7,500 square-foot in addition to the existing 10,500 square-foot emergency department, will provide additional treatment space to accommodate the nearly 6,000 adults and pediatric patients who visit the emergency department each month.
- The \$11 million window replacement project will replace approximately 3100 windows will not only improve the physical environment for the in-patient units in the main building but also reduce heating costs.
- The new hospital security system will enhance safety by providing real time visual monitoring via digital cameras of publicly accessible and restricted areas. Additionally, temporary photo passes will be given to all visitors.
- Watchmen were hired to assist hospital police in greeting visitors entering the main entrances of the buildings.

Ms. Huling reported that in 2011, Coney Island Hospital's strategic priorities were also addressed in the areas listed below:

- Clinical excellence
- Patient safety
- Patient & customer satisfaction
- Information technology
- Facilities & infrastructure
- Financial stewardship
- High quality workforce

Ms. Huling stated that a representative from the CAB participates in the hospital's patient safety committee. In addition, the cab provides input and suggestions in strategic and other plans presented at CAB meetings.

In regards to patient satisfaction, Ms. Huling stated that reports are provided to the CAB on a regular basis. She added that the most frequent complaints raised concerns the food, language/ communication, age of the buildings and parking.

Ms. Huling stated that the hospital leadership has taken steps to improve the level of community/patient satisfaction by:

- Maintaining ties with local community based organizations and addressing community concerns regarding culturally appropriate meals such as the provision of a kosher vending machine and providing Halal meals for the Muslim patients.
- Supporting the facility's outreach activities by attending ribbon-cutting ceremonies, health fairs, flu shot campaigns and by distribution of healthcare materials and information regarding the hospital's services in the community.
- Supporting the development of the weekly farmer's market which supplies healthy nutritious reasonable priced vegetables, bread, and fruits to Coney Island's staff, patients and community residents.
- Improving access and environmental conditions for patients through renovation projects in dialysis and ultrasound.
- Launching an initiative called "we care" to help improve overall patient satisfaction.

Ms. Huling noted that many compliments received highlighted the compassionate, high quality care provided by the doctors and nurses; the responsiveness and helpfulness of the other hospital support staff, and the overall cleanliness of the hospital.

Ms. Huling reported on the CAB's membership. She stated that the recruitment of new CAB members is an ongoing process. Out of a total allowable membership of 27, there are currently 21 members. Ms. Huling stated that the CAB has conducted an aggressive recruitment process, canvassing community based organizations, community boards 11, 13 and 15, religious institutions, and new population groups in the community to fill up the 6 vacancies. It is the CAB's intention to continue this process until full membership is achieved of committed and caring individuals committed to work together to ensure that Coney Island Hospital continues its mission to provide the best healthcare to all of its patients.

Ms. Huling concluded her report by thanking Mr. Wagner for his dedication and leadership and the Community Relations Committee of the HHC Board of Directors for giving her the opportunity to share last year's CAB activities.

North / Central Brooklyn Health Network

Woodhull Medical & Mental Health Center (Woodhull) Community Advisory Board

Mrs. Bolus introduced Ms. Jessica Arocho, Chairperson of the Woodhull Medical & Mental Health Center CAB and invited her to present the CAB's annual report.

Ms. Arocho began her presentation by thanking HHC's leadership, Mr. George Proctor, Senior Vice President of the North Brooklyn Network and members of the Woodhull CAB for their support.

Ms. Arocho reported that the Woodhull's hospital leadership has taken an aggressive role in addressing the Emergency Department and Mental Health. Ms. Arocho noted that a new white board has been installed in the Emergency Department to track the patients from time of arrival to through to discharge. Ms. Arocho added that a new registration desk with a nurse greeter, that was reported last year, continues to do well.

Ms. Arocho reported that the Woodhull's Mental Health patients gained a benefit this year with the implementation of a new Center for Integrated Health that provides both medical and mental health services for psychiatry out-patient clients in one setting. Ms. Arocho added that this will greatly enhance the well-being of these individuals.

Ms. Arocho informed members of the Committee, CAB Chairpersons and invited guests that Woodhull's Dental practice continues to renovate its patient care areas and the facility leadership continues to use the Breakthrough philosophy to address and improve services and create efficient flow to benefit patients.

Ms. Arocho continued and reported that the Woodhull CAB focuses on the facility's priorities by conducting periodic walk-through of the facility. Ms. Arocho stated that the Woodhull CAB also meet and engage with the hospital's various department heads and managers to gain first hand experience on how patient care is being provided.

Ms. Arocho reported that the Network Senior Vice President, Medical Director and Senior Cabinet members attend the Woodhull CAB monthly meetings and provide the CAB with updated reports. Ms. Arocho noted that the Senior Vice President also meets with the CAB Chairperson on a regular basis.

Ms. Arocho stated that the most frequent complaints raised by Woodhull patients is the Emergency Department and long wait times for clinic appointments. Ms. Arocho noted that the most frequent compliments provided by patients are:

- The new registration Greeter's Desk in the Emergency Department and the new White Board System
- The new Center for Integrated Health
- The Cancer Center and
- The new Digital Mammography machine and extended clinic/practice hours

Ms. Arocho concluded her report by informing members of the Committee, CAB Chairpersons and invited guests about the Woodhull's CAB involvement in the facility's outreach activities. Ms. Arocho stated that the Woodhull CAB members participated in the Take Care New York Campaign, Go Red for Women, Mammograms for Women's Health, American Lung Asthma Walk, American Cancer Society Making Strides against Breast Cancer, Senior Health Fair and We Coach Diabetic Program.

Cumberland Diagnostic & Treatment Center (D&TC) Community Advisory Board

Mrs. Bolus introduced Ms. Antoinette Brown, CAB Chairperson of the Cumberland Diagnostic & Treatment Center Community Advisory Board and invited her to present the CAB's annual report.

Ms. Brown began the Cumberland CAB report by thanking the leadership of HHC, Mr. George Proctor, Senior Vice President North Brooklyn Network, distinguished members of the Community Relations Committee and CAB Chairpersons for the opportunity to present highlight of calendar year 2011 at Cumberland Diagnostic and Treatment Center (D&TC).

Ms. Brown stated that it has been an exciting year at Cumberland D&TC, thanks to a combination of HEAL 6 funding and support from the Cumberland CAB. Ms. Brown noted that the primary care and dental clinics at Cumberland D&TC has been completely renovated. Ms. Brown noted that the primary care clinic is now patient friendly and accessible by our older patients. She added that the addition of exam rooms has resulted in increased patient efficiency and the location of mental health services with primary care has enabled Cumberland D&TC to provide depression screening and treatment in one, co-located space.

Ms. Brown informed members of the Committee, CAB Chairpersons and invited guests that Cumberland D&TC Dental Clinic has been modernized, with state-of-the-art dental operatories, a spacious patient friendly waiting room, and increased pediatric dental capacity. Ms. Brown noted that the renovation has reduced the waiting time for an appointment and increased access to comprehensive oral health care.

Ms. Brown continued and reported that Outreach efforts have been extensive throughout 2011. Ms. Brown noted that the Cumberland CAB reached out to the community during Cumberland's D&TC annual Community Health Fair. She noted that the event resulted in community residents receiving preventive health screenings (blood pressure, sugar, and cholesterol) and the distribution of educational materials.

Ms. Brown highlighted the CAB's participation in Cumberland's D&TC health fairs. The events included:

- Take Care NY
- Go Red for Women's Health
- American Lung Asthma Walk
- American Cancer Society Making Strides Against Breast Cancer
- Flu Shot Campaign, and
- The Senior Health Fair

Ms. Brown concluded the CAB's presentation by reporting that in the Cumberland D&TC's community; chronic disease management, diabetes, high blood pressure, and obesity, continues to be the most significant concern. Ms. Brown noted that the administration and the CAB have worked closely together to support the We Coach Program for older adults with diabetes and the flu shot campaign. Ms. Brown added that in addition, the Cumberland CAB held a public hearings and a Legislative Breakfast, providing the community a venue by which to express their health concerns to elected officials.

Ms. Brown stated that in the upcoming year, the Cumberland CAB intends to address the issues of budget cuts and their impact on health care accessibility, and work to maintain the strides made in patient safety.

Equal Employment Opportunity Committee – January 10, 2012

As reported by Rev. Diane E. Lacey

Assistant Vice President's Report

Manasses C. Williams, Assistant Vice President, Affirmative Action/EEO briefed the Committee that on August 30, 2011 Mayor Bloomberg signed legislation amending the New York City Human Rights Law (NYCHRL) regarding the duty of employers to provide reasonable accommodation for Religious observances. Mr. Williams also stated that the amendment serves to clarify that New York City will hold employers to the same standard that the State law requires.

2008 Affiliate Affirmative Action Plan Update

Mr. Williams reported on the Equal Employment Opportunity status on the four affiliates. The report showed that three affiliate facilities (Mount Sinai School of Medicine, New York School of Medicine and the State University of New York) had job groups with no underutilizations and that one affiliate Physician Affiliate Group of New York, P.C. (PAGNY) is New for 2011 and was not reviewed.

Conditional Contractor

Ms. Foxx presented four conditional contractors, the first contractor reported was New York Blood Center which eliminated the two underutilizations it had in 2010, but picked up three new underutilizations this year for Minorities in Management Job Group 1, females in Professionals Job Group 2 and Operatives Job Group 2. The second contractor she reported was Allscripts which has 1163 employees. In 2010, they had six underutilizations while in 2011 they had four, Minorities in Sr. Managers Job Group 3, which is the same as 2010, Minorities in Managers Job Group 2, which is new for 2011, females in Technicians Job group 1, which is also new for 2011 and females in Technicians Job group 3, which is the same as 2010. The third 3M Company is located in Murray, Utah. This division of 3M consists of 492 employees and had one underutilization for minorities in Sales Job Group 1. The fourth and final contractor Ms. Foxx reported was Agfa HealthCare Corporation, which was being reviewed for the first time and had two facilities which were subjected to the review. The first facility is located in Carlstadt, New Jersey, which had 300 employees and five underutilizations in three job groups, in females and minorities in Professionals Job Group 3, females in Professionals Job Group 4 and females and minorities in Service Job Group 1. The second facility is located in Greenville, South Carolina which has 261 employees and had four female underutilizations in Managers Job Group 4, Professionals Job Group 3, Sales Job Group 2 and Service Job Group 1.

Finance Committee – January 10, 2012

As reported by Mr. Bernard Rosen

Senior Vice President's Report

Ms. Marlene Zurack updated the Committee on the status of the Corporation's cash on hand which has remained at 35 days for the past two months. A DSH payment totaling \$200 million is expected this month; however, the cash flow was adjusted to reflect scheduled UPL payments in December 2011 through March 2012. With the receipt of these payments, the Corporation's cash flow is expected to remain in good standing through the remainder of the fiscal year. At the City level, the City's January Financial Plan which for HHC does not include a FY 12 targeted PEG reduction for HHC. The City Council as part of the November Plan update restored the cut to HHC's subsidy of \$1.5 million; however, the \$4.5 million reductions for FY 13 and beyond remain in the plan. At the State level, the Medicaid Redesign Team (MRT) met and voted to adopt all recommendations from the various workgroups.

Finally, on a congratulatory note, Ms. Zurack announced the retirement of John Batsedis, Controller, Elmhurst Hospital, after more than 39 years and the "longest tenured" facility controller in the Corporation. Mr. Batsedis has done a phenomenal job and will be missed.

Ms. Youssouf asked if the adoption of the recommendations by the MRT would have a positive or negative impact on HHC.

Ms. Zurack stated that the Committee adopted all of the work groups' recommendations and will submit a summary plan to the Governor and the State Department of Health (SDOH) for approval. Some of the actions will require legislation and federal approval; therefore, there is a process that must be undertaken prior to implementation. In terms of payment reform, the impact is expected to be positive or neutral for HHC.

Key Indicators/Cash Receipts & Disbursements Reports

Mr. Fred Covino reported that the Key Indicators report as of November 2011, page 1 of 4, utilization statistics show that while acute discharges are down by 4.9% and diagnostic and treatment centers visits are down by 7.6% there has been some improvement from month to month, particularly in the discharges in comparison to the prior year. At the beginning of the year, the deficit was at 9.2% compared to the current 4.9%. The D&TCs have also improved down from 8.2% to 7.6%. Nursing home days remain flat at a negative 4.4%. In terms of the average length of stay (ALOS), there are two outliers, Coney Island above the corporate average by 4/10 day and Lincoln below the average by ½ day. The case mix index is up by 1.3% compared to last year for the same period, which is on top of a 10.5% improvement over the past two years. On page 2 of 4, FTEs are down by 144.5 compared to 6/30/10 but are below the target by 111. The 145 FTE reduction is primarily due to the reduction in the trades that occurred in July 2011. Through November 2011, receipts are \$6.6 million less than budget while disbursements are under spent by \$27 million resulting in a net budget surplus of \$21 million. Page 3 of 4, a comparison of fiscal year to date actual to the prior year actual, receipts were \$281 million better than last year due to the timing of DSH and UPL payments. Expenses are \$261 million worse than last year of which \$112 million of that increase is due to the timing of City payments and the remainder, \$134 million is due to the timing of fringe benefit payments, primarily pension payments that were delayed last year due to HHC's cash status. Overall, receipts versus disbursements were \$20 million better this fiscal year compared to last year through November 2011. Pages 4 of 4, a comparison of cash receipts and disbursements to the budget through November 2011, receipts are up by \$9.3 million. Medicaid managed care has improved significantly due to timing of the 2.2% of Medicaid fee-for-service and the PEG reduction on the Medicare fee-for-service. Outpatient receipts are down by \$15.9 million. Medicaid fee-for-service payments are down by \$9 million, while Medicaid managed care is down by \$5.8 million YTD. There was an EFT routing issue with the Medicare payment that created a delay in some payments that were received in December 2011. All other receipts below the line in all categories are on budget. In terms of disbursements all of the categories are on budget with the exception of OTPS where there is a significant YTD positive variance of \$24.9 million due to the carryover from last year into this FY as expense authority for some facilities.

Information Item:*Inpatient Medicaid Eligibility Processing Report
Status of Converting Self-Pay Patients to Medicaid*

Ms. Maxine Katz reported that the Inpatient Medicaid Eligibility Report as November 2011 shows that there is continual improvement in the number of eligible decisions, 89% compared to 86% last year, while the facilities continue to lag in their targeted submissions compared to last year for the same period. As part of the continuing efforts to address this issue, there are two process improvement events underway this week at Lincoln and Elmhurst hospitals. The review process at these facilities will include two process models, the front end of the process from the emergency department to admission and determining whether the initial hospital care investigator (HCI) should continue to follow through on the completion of the application compared to a hand-off model. Elmhurst has decided to implement the no-hand-off model on the 4-12 tour and Lincoln is reviewing the hand-off. There is representation from all of the facilities at each of those events and depending on the outcomes the recommendation could be to go forward with two models based on the facility's performance against those models.

Ms. Youssouf having raised this issue a month ago again noted that the number of eligible decisions is greater than the applications submitted. To which Ms. Katz responded that it is due to timing issues due to a delay in the processing of applications from a prior reporting period.

Ms. Youssouf asked if there is a way to identify how many of those applications are repeats/duplicates.

Ms. Zurack stated that Ms. Katz would follow-up on that issue and report back to the Committee.

Ms. Katz added that she would also check the overall self-pay population to determine how many repeat admissions are also included.

Ms. Youssouf added that it could be the starting point for reviewing that data.

Mr. Rosen asked if the same applied to the PCAP application. Ms. Katz stated that it does but is a much easier population to process.

**Medical & Professional Affairs /
Information Technology Committee - December 15, 2011
As reported by Dr. Michael Stocker**

Chief Medical Officer Report:

John Morley, MD, Deputy Chief Medical Officer reported on the following initiatives:

- HHC's application for Health Home, in partnership with MetroPlus Health Plan, Inc. (MetroPlus) was approved by New York State for the Bronx and Brooklyn.
- On Thursday December 1, 2011 a briefing was held with HHC Clinical and Administrative leadership with participants from the State Office of Mental Health, the State Office of Substance Abuse and Alcohol Services, the NYC Department of Health and Mental Hygiene and Optum Health. Optum has been chosen as the New York City regional managed behavioral health organizations (BHO) to provide Utilization Management and Data Collection and analysis under contract with New York State. Optum will establish a New York City office and will focus on utilization of Inpatient Psych and Detox Services as well as the transition upon discharge to out-patient care. The BHO will require that hospitals report the admissions and discharge plans with time specific and clinical and demographic information. The State agencies have updated their regulations requiring providers to share the data. The implementation of the BHO is part of a redesign effort identified during last year's budget planning process and further expanded by the recommendations of the Medicaid Redesign Team. This activity represents phase one with further plans calling for the establishment of fully at risk plans for those with mental and substance use conditions two years from now. The program was well attended and of most concern are the further workload demands with no further reimbursement for these services and administrative requirements.
- The Corporate Sentinel Events Committee was formed with the purpose of reducing the rate of adverse events across HHC. The objectives of this Committee are: cross facility learning from causes for and solutions to adverse events; improve the accuracy, completeness and functionality of reporting and root cause analysis (RCA); analyze corporate issues leading to adverse events to inform and prioritize quality improvement plans; and recommend format to be reported and frequency.

Its first meeting was on September 26, 2011 with Dr. Melissa Schori and Dr. Joseph Halbach as co-chairs of the Committee with representatives from facilities and central office (Patient Safety, Quality, Risk, Legal). At the first meeting the following three subcommittees were formed:

- *Education/Training*: objectives include - develop curriculum for sentinel events and RCA training; develop guidelines for writing RCA w/plan of correction (POC) that is credible, accurate and complete; and identify quality assurance/performance improvement projects based on RCA and POC.
- *Monitoring/Sustainment/Continuing Performance Improvement*: objectives include - develop process/tools to analyze root causes and risk reduction strategies; assign responsibility and monitor progress; and implement systems/guidelines/tools to monitor corrective action plans for evaluation, sustainment and/or opportunities for improvement.
- *Sharing/Spread of Best Practices*: objectives include - create/implement methodology to facilitate cross facility sharing and spread of guidelines/best practices; and develop repository for best practices; update/change periodically based on latest therapeutic modalities.

To date, the subcommittees have developed their draft work and will finalize these by the end of January 2012.

- The Rehabilitation Medicine's Collaborative: Seamless Care Transitions for Rehabilitation Medicine Patients at New York City Municipal Hospitals held its last learning session on December 1, 2011. This collaborative was funded by the Danziger Fund through the New York Community Trust.

The mission of the HHC Seamless Care Transitions was to delve into the work of developing a more integrated system of rehabilitation care. While maintaining a commitment for continuous improvement of patient-centered care, the teams expanded their improvement work into the economics factors affecting care delivery. The teams were representative of all the rehabilitation services offered by HHC.

The in-patient rehabilitation units had eight teams from the following hospitals: Bellevue Hospital Center, Coney Island Hospital, Elmhurst Hospital Center, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Metropolitan Hospital Center, and Queens Hospital Center. Sub-acute care provided by the Skilled Nursing Facilities was represented by Sea View Hospital Rehabilitation and Home on Staten Island. Also, patients may be discharged with a referral for rehabilitation services at home. HHC's Health & Home Care also participated in the collaborative.

The teams worked with Jane Taylor, EdD, Improvement Advisor and Learning Specialist. The development of a business case approach to rehabilitation services as part of the collaborative was an original concept for an IHI modeled learning collaborative and required an additional consultant with business acumen in the health care arena - Christine St. Andre, COO, CSI Solutions is well known for her work in this area.

The teams achieved the goals that were established and the aggregate potential dollars that could be brought into the corporation as per the business cases was approximately \$12 million.

MetroPlus Health Plan, Inc.

Dr. Arnold Saperstein, Executive Director, MetroPlus Health Plan, Inc. presented to the Committee. Dr. Saperstein informed the Committee that the total plan enrollment as of November 23, 2011 was 419,835. Breakdown of plan enrollment by line of business is as follows:

Medicaid	351,429
Child Health Plus	18,881
Family Health Plus	35,553
MetroPlus Gold	2,966
Partnership in Care (HIV/SNP)	5,510
Medicare	5,496

Dr. Saperstein provided the Committee with 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. In addition, he provided a graph showing net transfers for the month of October 2011 for Medicaid and Family Health Plus (FHP).

The New York State Department of Health (SDOH) conducted an on-site targeted Article 44 licensing audit at the Plan on November 9th and 10th. The audit focused mainly on utilization management and regulatory compliance. Overall, there were no major issues identified and MetroPlus is satisfied with the audit outcome. MetroPlus currently are awaiting the final report from the State which they expect to receive in this month.

The Finance Committee of the MetroPlus Board of Directors approved the plan's 2012 budget. The budget reflects the new mandates that arose from the Medicaid Redesign Team. Among the key provisions are expanding services such as Personal Care, Restricted Recipients, Pharmacy Benefit Management for the entire membership, as well as new programs such as Managed Long Term Care (MLTC). Additional staff and space were required to meet this new workload; however these additional costs are covered by enhanced State revenue. MetroPlus' projected revenue for 2012 is 2.02 billion dollars, and the proposed administrative budget including asset purchases is 130.7 million dollars, or 6.5%. At a meeting on December 5th, New York State representatives announced that health plans will be mandated to take over dental benefits, and MetroPlus will be issuing a Request for Proposals (RFP) to choose the appropriate vendor.

The Plan's MLTC application was mailed out to SDOH on Friday, November 18th. MetroPlus is awaiting a response and will update the Board on their progress. As of now, the State's plan is to begin mandatory enrollment into managed long term care plans as of April 1, 2012. This is a difficult product to manage and will be a good test for MetroPlus' abilities to expand its services going forward.

Dr. Saperstein was pleased to announce that MetroPlus has hired a new Director of Communications. The previous Director, Mari Gold, worked with the Plan for over 15 years has retired. The new Director, Ruth Villalonga, comes to the Plan from the Mayor's Office to Combat Domestic Violence where she worked for two years as the Community and Outreach Manager.

MetroPlus is in the process of contracting with Ingenix, Inc. to provide predictive modeling software and support services to the Plan. The predictive modeling software will help identify the population in need of focused care management services. Ingenix is MetroPlus' current predictive modeling vendor and after an RFP process it was decided that Ingenix's ImpactPro product was the best product for the Plan.

On November 29, 2011, MetroPlus' Quality Management Department hosted the annual QARR awards at Bellevue Hospital Center. The Plan was very pleased to be able to recognize those providers and facilities with the highest quality scores, with both personal recognition as well as monetary award. It is the incredible effort of our facilities and providers that have allowed MetroPlus to be the #1 Medicaid Managed Care Plan in New York City for the sixth time in the past seven years.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an Affiliation Agreement with Mount Sinai School of Medicine for the provision of General Care and Behavioral Health Services at Elmhurst Hospital Center and Queens Hospital Center for a period of three years, commencing July 1, 2012 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A;

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

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

Information Items:

Enterprise Service Desk Video

Bert Robles, Senior Vice President, Information Technology/Corporate Chief Information Officer introduced the team responsible for the Enterprise Service Desk consolidation: Stephanie Jordan, Sr. Project Manager, Program Management Office, Brenda Schultz, Senior Director, IT Financial Administration (former Sr. Project Manager) and Angela Zumaran, Director, Enterprise Service Desk, IT.

An eight minute Enterprise Service Desk video was introduced by Bert Robles. The video depicted the daily operations of the Enterprise Service Desk (ESD) which was established by the Service Management Office to serve as a single point of contact between all HHC end users and Enterprise IT services.

The ESD is located on the fifth floor of Bellevue Hospital Center and provides 24/7 phone and online support. More than 60 service desk analysts are there to assist end users with a variety of issues from resetting passwords to software installations as well as patient related issues associated with the Electronic Medical Record.

By centralizing resources and processes within the ESD, IT has created a clear view of the technology landscape to better serve clients. Compared with a decentralized model, this enterprise approach is more strategic and closely aligned to HHC's strategic goals and objectives.

The implementation of the Enterprise Service Desk has resulted in a cost savings of over \$5 million dollars annually.

EITS Business Continuity Program (BCP)

Presenting to the Committee were Bert Robles, Senior Vice President, Information Technology/Corporate Chief Information Officer; Michael Keil, Assistant Vice President, IT Service Management; Corey Cush, Assistant Vice President, Infrastructure Services; and Glenn Manjorin, Director, IT Systems Availability.

Mr. Robles informed the Committee that this report is an in-depth update on some of the accomplishments on activities being undertaken to date. Mr. Robles highlighted that Mr. Manjorin was at the Sterling Forest IBM Recovery Center who has the experience of bringing up 58 companies after the 9/11 disaster, and his experience has complemented the IT teams efforts to be able to develop a program for disaster recovery and business continuity and works closely with Susan Meehan, Assistant Vice President, HHC's Office of Emergency Management in planning for HHC's Continuity of Operations Plan (COOP).

Mr. Keil informed the Committee that the foundation for a Business Continuity program is comprised of several components: establishing a Disaster Recovery (DR) testing methodology to apply repeatable procedures throughout all IT infrastructure; understanding the Operationally Critical Business processes and the IT resources required. Business Impact Analysis (BIA); establishing a DR recovery prioritization chart with Recovery Time Objectives (RTO) & Recovery Point Objectives (RPO); and identifying and preparing for the threats and vulnerabilities at our facilities; and Availability Risk Analysis (ARA).

Availability Risk Assessment (ARA) is an onsite physical review of each facility with a focus of determining potential points of failure. The ARA identifies the potential single points of failures within the physical facility with the intent to mitigate or eliminate the risk; identifies external threats due to forces of nature; rain, snow and flooding such as hurricanes, tornados and seismic activity; and identifies local Infrastructure threats, highways, rail etc. ARA's have been completed on HHC's eleven acute care hospitals and the two Datacenters in October 2011. In addition periodic tests are conducted to ensure the quality of the program meets the needs of the organization.

Mr. Keil showed a map of where HHC's acute care hospitals are and their respective flood zones per the NYC Costal Storm Plan as follows:

- Coney Island Hospital – Zone A
- Harlem Hospital – Zone C
- Kings County Hospital – No Zone
- Woodhull Hospital – Zone C
- Jacobi Medical Center / Jacobi Data Center – No Zone
- Elmhurst Hospital – No Zone
- Bellevue Hospital – Zone B
- Lincoln Medical Center – Zone C
- North Central Bronx – No Zone
- Queens Hospital – No Zone
- Metropolitan Hospital – Zone B

Business Impact Analysis revealed that the initial distribution of time-critical applications shows 44% of applications with an under 24 hour return to operations (RTO) which is slightly higher than average, however, this is an initial assessment with preliminary data. The attached chart provides the details.

Next steps include: 1) a solicitation was released for a Disaster Recovery (DR) Program methodology which will include industry leading recovery firms in the solicitation. The goal is to award work about January 2012; 2) Availability Risk Analysis - create a project plan for remediation including Hurricane Irene findings, present the plan to be prioritized by the Capital Committee and extend the ARA to the long term care facilities and diagnostic and treatment centers; 3) Business Impact Analysis - complete the recovery prioritization chart and validate Recovery Time Objectives (RTO) & Recovery Point Objectives (RPO) through testing and make changes; and 4) continued testing on QuadraMed, expand to more interfaces, multiple domains, interrupted outages, etc and conduct a mock disaster exercise.

Dr. Stocker inquired as to how much risk there is currently. Mr. Robles responded that there has been prior work on disaster recovery such as redundancy plans with the data centers and building a redundant network, so there have been investments and activities to ensure the level of performance you receive today. The shortfall has been in our inability, because of the magnitude of the effort to really test that indeed what we invested in is guaranteed to a particular standard in order to meet our business recovery points and objectives – this is where we are deficient. At the last Board meeting I mentioned that for the first time in the history of QuadraMed a Disaster Recovery test was conducted in November at the North Central Brooklyn Network. The primary system was shut down and users worked in an alternate system for a period of forty-eight (48) hours. The goals of this DR test was to restore and update the primary system using the data from the alternate system and then bring the primary system back on-line – this similar test needs to be done for all our IT applications and systems. Mr. Robles stated that we do have a very reliable infrastructure and applications. There is risk, but have a higher level of assurances that indeed what we think we think we put in place is as reliable as we expect it to be.

Dr. Stocker asked for further explanation on the Disaster Recovery Program solicitation. Mr. Robles responded it is to obtain professional services to get assistance with expanding on what the actual detailed remediation steps we have to make. Dr. Stocker inquired as to the magnitude of cost for remediation and timing. Mr. Manjorin responded that a good, solid, consistent and reliable process takes a while to build, and the plan is to build this plan during 2012. The goal is to release the solicitation in January 2012 and will tap into the experience that already exists at HHC,

review existing plans at the facility levels to develop an enterprise wide plan. During the Coney Island Hospital evacuation lessons learned specific to IT was that new accounts needed to be created at other HHC hospitals when patients were transferred to Woodhull Medical and Mental Health Center and Kings County Hospital Center. There are other remediation issues that are physical plant related which are being addressed by Facility Development.

Strategic Planning Committee – January 10, 2012
As reported by Josephine Bolus, RN

Senior Vice President Remarks:

Ms. LaRay Brown greeted and informed members of the Committee that her comments would be brief to accommodate the two information item presentations.

FEDERAL UPDATE

Ms. Brown reported that, on Friday December 23rd, both Houses of Congress had passed by unanimous consent, a compromise bill that would extend for two months the Social Security payroll tax holiday, emergency unemployment insurance benefits and a Medicare physician payments temporary fix. This compromise bill would forestall a 27.4% cut in Medicare physician payments that were slated to take effect on January 1, 2012. This short term measure is funded through increased fees on Fannie Mae and Freddie Mac backed mortgages.

Ms. Brown explained that the House of Representatives had passed a bill that would have extended these measures for an entire year including the onerous provider payment reductions that would have had a significant impact on New York State's hospitals. While the two month extension contained no provider cuts, there is a real threat that the cuts included in the House version could be actualized. Specifically, the House bill would:

- Severely reduce payments for hospital outpatient evaluation and management services, which could cost HHC \$187 million over 10 years;
- Extend the Accountable Care Act (ACA) mandated Medicaid Disproportionate Share Hospital (DSH) reductions by an additional year, to 2021. That one year extension would have cost HHC \$421.8 million in lost revenue that year; and
- Reduce the allowable reimbursement for Medicare bad debt payments from 70% to 55%, which could cost HHC an estimated \$5 million over 10 years.

The hospital cuts included in the bill totaled more than \$17 billion nationally. The compromise that passed was brokered between Senate Majority Leader Harry Reid and Senate Minority Leader Mitch McConnell. It passed the Senate with an overwhelming vote of 89-11.

Ms. Brown reported that President Aviles had participated in a meeting in Washington, D.C., on January 5, 2012. Ms. Brown invited Mr. Aviles to share with the Committee some highlights of that meeting. Mr. Aviles stated that, in conjunction with the Greater New York Hospital Association (GNYHA), he met with Liz Fowler, Special Assistant to the President for Health Care and Economic Policy and Senate Finance Chairman Max Baucus' Chief Health Care staff member, David Schwartz to discuss the potential provider cuts that Ms. Brown had outlined. Mr. Aviles reported that the Administration was responsive and sensitive to HHC's arguments. He added that, given how complicated the dynamics are in Washington, D.C., the Administration's willingness to push strongly against these cuts remained unclear. Mr. Aviles stated that Senator Baucus' staff had been very clear about how daunting the current situation is in Washington, D.C. Although the crisis was resolved temporarily with a two-month fix, Mr. Aviles noted that the real dilemma for the Senate is to negotiate a longer term resolution for the entire year. Additionally, this is the first time that the legislators have had a Conference Committee with only a House of Representatives' bill. Mr. Aviles explained that, ordinarily a Conference Committee is appointed by both Houses to try to reach a compromise between two different bills. He reminded the Committee that the Senate did not present an alternative bill as they had refused to formulate an immediate longer term resolution. As a result, the Senate may utilize the House's bill as their opening position to kick-off the negotiation of a longer term resolution. Mr. Aviles stated that Senator Baucus' staff heard HHC's arguments about how the outpatient Medicare reductions were counterproductive. As a policy matter, these cuts are not aligned with the federal government's goal of relying more heavily on primary and ambulatory care as a way to reduce long term costs. Additionally, in many communities, both urban and rural, hospital-based ambulatory care represents the majority of the capacity for Medicare patients. Mr. Aviles added that Senator Baucus' staff had expressed real concern that this proposal could pick up momentum on its own very quickly and would be difficult to derail.

Ms. Brown added that the proposal to reduce Medicare outpatient reimbursement was introduced by the Medicare Payment Advisory Commission (MedPAC) staff. She announced that the full MedPAC would be meeting on January 12, 2012, to discuss that proposal along with other proposals. If they recommend the proposal to reduce reimbursements for Medicare outpatient services, it would assign more credibility to those in Congress who wish to include it in the final bill. She informed the Committee that HHC's Washington, DC-based Lobbyist would be attending that meeting and would also seek an opportunity to speak at the meeting. Additionally, HHC would send letters to members of the MedPAC. Ms. Brown added that health care industry trade organizations such as the American Hospital Association (AHA), the Greater New York Hospital

Association (GNYHA), the Healthcare Association of New York State (HANYS) and the National Association of Public Hospitals (NAPH) had also planned to send letters to MedPAC on behalf of their membership and have their staff attend and speak at the meeting.

STATE UPDATE

Governor Cuomo Delivers Second State of the State Address

Ms. Brown reported that Governor Cuomo had delivered his second State of the State Address on January 4, 2012, in Albany. The address focused mainly on statewide efforts to bolster economic development and spur job creation. Mr. Cuomo addressed the need for the state to create a health insurance exchange which he estimates would reduce costs for individuals by 66% and by 20% for small businesses and also would bring additional federal funds to New York State.

Ms. Brown noted that, in his written remarks, the Governor had announced the creation of an Olmstead Implementation Plan that would direct New York State's efforts to provide care for people with disabilities in the most integrated setting appropriate for their needs. The plan would guide the transition of individuals from institutional to community-based care, provide access to affordable and accessible housing, and promote employment of persons with disabilities. Mr. Cuomo also stated that New York must erase stigmas and ensure that the rights of people with disabilities are fully recognized and protected.

Ms. Brown explained that the State of the State Address is normally a forum where Governors lay out their vision for what they would want to pursue in the upcoming year. The details of how this vision would actually be achieved are traditionally contained in the Governor's Executive Budget. This year, the budget is due to be released by January 17th.

Medicaid Redesign Team (MRT) Concludes Work

Ms. Brown reported that the final report of the MRT had not yet been promulgated.

SAGE Commission Issues Final Report

Ms. Brown reported that last month, Governor Cuomo's Mandate Relief Redesign Team, also known as the Spending and Government Efficiency (SAGE) Commission, had issued its final report. Like the MRT, the SAGE Commission was created via Executive Order by Governor Cuomo last January. It was tasked with undertaking a comprehensive review of state government structure and operation and making recommendations on government reorganization and operational efficiencies.

Ms. Brown informed the Committee that the Commission made initial recommendations that had been enacted as part of the 2011 Legislative Session. The final report includes additional recommendations, some of which are of interest to HHC, including:

- The creation of an 11 member Mandate Relief Council comprised of Executive and Legislative appointees to review and make recommendations on additional statutory and regulatory changes. For example, the Council would also review requests made by local governments to implement alternatives to regulatory mandates if they are denied by the relevant State agency; and
- An increase in the amount of capital available for affordable housing by using reinsurance to free up capital from the \$1.5 billion Mortgage Insurance Fund (MIF).

Ms. Brown noted that, while the Commission had discussed the consolidation of the State's Office of Mental Health (OMH) with the Office of Alcoholism and Substance Abuse Services (OASAS), this recommendation was not included in the Commission's final report.

Information Items:

Census 2010 Presentation: Demographic Highlights of a Changing New York *Frank Vardy, Senior Demographer, New York City Department of City Planning*

Ms. Brown introduced Mr. Vardy and shared her appreciation for Mr. Vardy's work and the work of his colleagues at the New York City Department of City Planning. She informed the Committee that, periodically, HHC invites City Planning staff to present to the Committee the demographic shifts that have occurred in the City of New York. Ms. Brown stated that the data to be presented by Mr. Vardy had been shared with the planning directors and leadership staff of all HHC facilities to inform HHC's service delivery plans in the upcoming years.

Mr. Vardy informed the Committee that his presentation would include the 2010 Census findings. He explained that the Census questionnaire collects demographic data only such as age, race and sex. Additionally, the Census questionnaire also includes one household related question. He emphasized that other data points that had been included in his presentation, particularly focusing on the foreign-born, were collected from the

American Community Survey (ACS). He explained that the ACS was the Census Bureau's response to the challenges of accurately completing the Census long form over the last three Censuses. As such, the Census Bureau de-coupled the long and short forms. The long form is now known as the American Community Survey. The short form is the official Census questionnaire.

Mr. Vardy stated that in order to understand the shifts or changes for a small area, such as a community district, a three year sample file would be necessary to obtain an appropriate / significant sample size. Mr. Vardy reported on the demographic changes that had occurred from 2000 to 2009.

Summarized below are key demographic data points that were presented and discussed at the meeting:

Change in New York City's Population from 2000 – 2009

- Net population gain for New York City was 383,000
- Foreign-born population accounted for 37.2% of New York City's total population
 - Total native born population: 5,142,584
 - Total foreign born population: 3,042,315

Births to Foreign-born Mothers

- In 2009, births to foreign-born mothers accounted for 51.6% of all New York City's births (121,736)
- In 2009, the top three countries of origin for foreign-born mothers were the following:
 - Mexico: 7,834 births
 - Dominican Republic: 7,525 births
 - China: 7,510 births

Mr. Vardy noted that Mexico had topped the list of countries of origin for foreign-born mothers for the first time in 2009. He added that the Dominican community had remained the largest immigrant group in New York City, since the 1970s. Notably, the Dominican population has begun to age.

English Language Ability

- Fifty-one percent (51%) of New York City's residents speak English at home
- Forty-nine percent (49%) or 3.8 million New York City residents speak a language other than English at home.
- Twenty-four percent (24%) of all New Yorkers are not English proficient
- Top five limited English proficient populations by language spoken at home are the following:
 - Spanish: 50.4%
 - Chinese: 16.5%
 - Russian: 6.3%
 - French Creole: 2.7%
 - Korean: 2.6%

Population Growth in the United States, New York State, New York City and the Boroughs from 2000-2010

- Population of the United States increased by 9.7% to 308,745,538
- New York State's population increased by 2.1% to 19,378,102
- New York City's population increased by 2.1% to 8,175,133
 - Bronx population increased by 3.9% to 1,385,108
 - Brooklyn population increased by 1.6% to 2,504,700
 - Manhattan population increased by 3.2% to 1,585,873
 - Queens population increased by 0.1% to 2,230,722
 - Staten Island population increased by 5.7% to 2,230,722

Mr. Aviles, HHC's president, commented that the percentage change of 0.1% for the borough of Queens was surprisingly low. Mr. Vardy responded affirmatively and added this result had also been surprising for the City Planning staff. He explained that the Census result for Astoria and Steinway communities in Queens was strange. It appeared that 10,000 people were lost in the count due to irregularities from a Census office that covered this region of Queens. He noted that a similar incident had occurred in Brooklyn with a Census office that covered the areas of Bay Ridge, Dyker Heights and Brighton Beach where surprisingly high number of apartments were listed as vacant. Mr. Rosen commented that the Mayor had also complained about the count for Jackson Heights, Queens. Mr. Vardy added that a complaint had been lodged with the Census Bureau's Account Question Resolution Committee to determine what specifically happened. The Bureau has not responded to date.

Mr. Aviles asked if an algorithm is used to count undocumented immigrants to adjust for the fact that this population would not likely be captured by a door to door count. Mr. Vardy responded that it was unlikely that the Census used an algorithm for such purpose. However, Mr. Vardy explained that an algorithm is used in instances where it is known that a housing unit is occupied but Census staff never finds anyone at home.

Mr. Rosen asked would the City be able to regain its lost representation (i.e. 2 seats) if the City can prove that there was a Queens under count. Mr. Vardy responded that the City would not be able to regain the lost seats. However, the base number used for the American Community Survey would be changed.

Population Growth by Race, New York City, 2000-2010

- New York City's population growth between 2000 – 2010 was dominated by two races - the Hispanic (8.1% increase) and the Asian population (31.8% increase)
- The White non-Hispanic population of the City decreased by 2.8% and the Black non-Hispanic population decreased by 5.1%
- New York City's total Hispanic population is over 2.3 million:
 - Individuals of Puerto Rican (31%) and Dominican (25%) origin represent the largest proportion of Hispanics in New York City
- New York City's total Asian population is over 1 million:
 - Forty-seven percent (47%) of the City's Asian population is of Chinese origin
- White Non-Hispanics showed pockets of growth in North Brooklyn, South Shore of Staten Island, South Manhattan, and Northern Manhattan
- Hispanics showed growth on Staten Island's North Shore, the South Bronx, West Bronx, Southeast Brooklyn, West Queens and North Manhattan
- Black Non-Hispanics showed growth in Northeast Staten Island, South Bronx, West Brooklyn, Southwest Queens
- Asian Non-Hispanics showed growth in South and Central Manhattan, South East Brooklyn, Northeast/South/East Queens

New York City's Population Increase and Percent Growth by Borough from 2000-2010:

Bronx Highlights

Population

- Most of the population growth in the Bronx occurred in the South Bronx specifically in neighborhoods that surround Morrisania Diagnostic and Treatment Center and Lincoln Medical and Mental Health Center. Notably, the size of the Hispanic population had also increased in the North Bronx in neighborhoods that surround Jacobi Medical Center
 - Population growth of the Bronx is largely attributable to the increase in the Hispanic population due to the growth of the Mexican population in the South Bronx

Age

- Median age of South Bronx residents is 30 years old which is below New York City's median age of 35.5

Insurance

- HHC's facilities including North Central Bronx Hospital, Jacobi Medical Center, Lincoln Medical and Mental Health Center, Morrisania and Segundo Ruiz-Belvis Diagnostic and Treatment Centers are located in areas of the Bronx with the highest percentages of individuals without health insurance of 16% and greater.

Brooklyn Highlights

Population:

- Population growth of 40% or more occurred in the northern and eastern regions of Brooklyn
- Woodhull Medical and Mental Health Center and East New York and Cumberland Diagnostic and Treatment Centers are located in or near these areas of growth
- Moderate population growth in southwest Brooklyn due to growth of the Hispanic and Asian populations
- No substantial population growth in Southern Brooklyn where Coney Island hospital is located
- Neighborhoods near Kings County Hospital Center (KCHC) lost 9.0% or more of its population due to the decreasing Black population

Ethnicity:

- Growth of 40% or more in the White non-Hispanic population in Northern Brooklyn
- Growth of up to 19.9% of the Black non-Hispanic population in the location of East New York Diagnostic and Treatment Center

Age:

- Median age of residents of the northern region of Brooklyn where Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Centers are located is 33 years which is below New York City's median age of 35.5.
- Median age of residents near Kings County Hospital Center is 35.5 and for Coney Island Hospital is 40 years or more

Insurance:

- HHC's facilities including Woodhull Medical and Mental Health Center, Kings County Hospital Center and East New York and Cumberland Diagnostic and Treatment Centers are located in areas of Brooklyn with individuals lacking health insurance of 12% and greater.
- Southern Brooklyn where that surround Coney Island Hospital have less than 10% of individuals without health insurance.

Manhattan Highlights

Population:

- Population growth of 15% and more occurred in South and Central Manhattan. HHC facilities including Bellevue Hospital Center, Harlem Hospital and Sydenham Diagnostic and Treatment Center are located in these areas of high growth

Ethnicity:

- Population growth in south Manhattan is primarily attributable to increases in the White and Asian populations
- Central Manhattan has experienced growth in the number of Hispanics, Whites and Asians but the Black population is decreasing

Age:

- HHC facilities including Metropolitan Hospital, Bellevue Hospital Center, Harlem Hospital Center and Sydenham Diagnostic and Treatment Center are located in areas of Manhattan with a median age of 33 which is below New York City's average median age of 35.5. For Gouverneur Healthcare Services, the median age is 38 which is above the City's median age of 35.5.

Insurance:

- Northern and South Manhattan have the highest rates of individuals without health insurance (12% and more). Harlem Hospital Center, Metropolitan Hospital Center, Sydenham Diagnostic and Treatment Center and Gouverneur Healthcare Services are located in or near these areas.

Queens Highlights

Population:

- Census reported that the total population of Queens had only increased by .1%.

Ethnicity:

- Significant growth in the Asian population in the eastern, central and western parts of Queens, while the White and Black non-Hispanic populations have decreased.

Age:

- Median age of residents of the northeastern communities of Queens is 40 years or older which is above the City's median age. The median age of residents in communities that surround Elmhurst Hospital is at or below the City's median age of 35.5. For Queens Hospital, the median age is 35.5.

Insurance:

- The communities that surround Elmhurst Hospital have the highest rates of uninsured residents at 20% or greater. For the communities that surround Queens Hospital, 12% - 15.9% of residents do not have health insurance.

Staten Island Highlights

Population

- Most of Staten Island's population growth occurred in the northeast, northwest and southeast communities of Staten Island.

Ethnicity:

- Population growth on Staten Island's North Shore is primarily attributable to the growth of the Hispanic population. The White non-Hispanic population has dramatically decreased in this section of the borough.
- Moderate growth of Asians and Blacks in the northwest section of Staten Island

Age:

- With the exception of Staten Island's north shore, the median age of most Staten Island residents is above the City's median age of 35.5. Most Staten Islanders are over 40 years old.

Insurance:

- Most Staten Island residents have health insurance. The highest rates of uninsured residents are located on Staten Island's North Shore. Mariner's Harbor and Stapleton Family Health Centers and HHC's Mobile Medical Office are located in these Staten Island communities.
- HHC will add primary and specialty care capacity on Staten Island's North Shore through the establishment of a diagnostic and treatment center at 155 Vanderbilt Avenue which is located in the Stapleton community.

Breakthrough Presentation: Kings County Hospital Center's Behavioral Health Services

Joseph P. Merlino, M.D., MPA

Deputy Executive Director /Director of Psychiatry, Kings County Hospital Center

Ms. Omi provided a brief background summary of the Breakthrough presentation and informed the Committee that Dr. Merlino would be presenting the Breakthrough work that had been conducted in Kings County Hospital Center's (KCHC) Behavioral Health Services. Ms. Omi reminded the Committee that in October, she had provided the Committee with an update on Breakthrough work throughout the Corporation. At that time, five HHC facilities had been actively engaged in Breakthrough work focused on mental/behavioral health services. Since then, Ms. Omi stated that the number of facilities that are now actively applying Breakthrough tools to improve mental/behavioral health services delivery had doubled to ten facilities. She explained that the only facility that does not have an active behavioral health value stream is Harlem Hospital Center. This is because Breakthrough work was officially launched at Harlem Hospital in December 2011. Ms. Omi noted that Harlem Hospital would be adding a behavioral health value stream to its Breakthrough portfolio in the near future.

Ms. Omi informed the Committee that the HHC facilities with active mental/behavioral health value streams had focused their efforts within their respective Comprehensive Psychiatric Emergency Programs (CPEP). She explained that HHC had six CPEPs and reminded the Committee that the only CPEP that was not actively participating in Breakthrough was at Harlem Hospital Center for the reason that she had described earlier. Ms. Omi reported that, across all active mental/behavioral health services sites, Breakthrough work had increased the number of discharges before noon from inpatient mental health services (from 30% to 75%). This result has been sustained for over a year. Metropolitan Hospital Center's length of stay within its inpatient mental health units had been reduced from 20.5 to 13.8 days, and daily discharges have increased from 4.9 to 6.5. Ms. Omi reported that North Central Bronx Hospital (NCB) had significant reductions in falls within its inpatient mental health units. Queens Hospital Center has been working to increase its patient satisfaction scores. Ms. Omi explained that affirmative responses to the question, "Would you recommend Queens Hospital's mental health services to a family member or friend?" had increased from 30% to 60%. Woodhull Medical and Mental Health Center had a significant reduction in the cost of 1:1 observation which contributed to a significant increase in revenue for mental health services. Ms. Omi described the focused CPEP work being conducted across the Corporation as including the reduction of well time spent within the CPEP; and reducing triage and assessment periods. Ms. Omi added that Breakthrough tools had been deployed within the CPEP of several facilities to conduct physical plant moves and to increase collections.

Dr. Merlino began his presentation by stating that Kings County Hospital Center (KCHC) had a burning platform on steroids. In 2008, KCHC's staff were faced with the challenge of responding to the Department of Justice's (DOJ) and the plaintiff's citations; moving an entire hospital within a hospital into a new building, while also developing new standards of work. Dr. Merlino explained that Ms. Brown had met with KCHC's leadership team at that time and introduced the Breakthrough/Lean methodology. This methodology was adopted by KCHC and launched with the assistance of KCHC and Central Office staff. Dr. Merlino explained that due to extenuating circumstances, more time was focused on the CPEP and inpatient services to ensure that things were going well. Lesser focus was placed on a full visioning of the value stream of behavioral health services. Dr. Merlino informed the Committee that moving the G building operations into the new R building was a major concept but a priority for KCHC. As such, the initial Rapid Improvement Events (RIEs) were focused on activities within the CPEP and for the physical move.

Dr. Merlino described the physical move which occurred in February 2009. He stated that this effort involved moving 230 patients and the consolidation of the operations of the entire CPEP that was spread across seven buildings, into one building. He continued to explain that it was a tremendously seamless move which occurred over a period of two days. He explained that, in 2009, a key priority had been placed on developing standard work in the CPEP to support the move from the G to the R building. Dr. Merlino explained that "role play" was a tool that had been extensively used to define and develop standard work for every role within the CPEP to improve service delivery. Dr. Merlino noted that the "role play" scenarios were videotaped for review. He added that these exercises led to the design/creation of the actual physical layout change of the

CPEP and the design of the triage process. He stated that the main focus was on quality, safety and sustainment as triage was a major focus of the plaintiff's lawsuit. Dr. Merlino stated that better triage practices have been sustained over the past three years. He reported that from January 2009 through November 2011, the average time to psychiatric triage had been reduced to 31 minutes and the average to nursing triage had decreased to 18 minutes.

Dr. Merlino informed the Committee that the State's Office of Mental Health had undergone a restructuring initiative that focused on how services were delivered and billed. He stated that prior to this change only one type of medical service could be billed due to the billing structure; even in cases where patients were seen by more than one provider on the same day. Dr. Merlino added that the new system allows for the provision of more than one service on a given date and for the billing of more than one service on the same day. This new approach is more patient-centered and patient friendly as patients would not have to continuously return to the facility due to the billing requirements. He also stated that patients can now get what they need while allowing for the provider to be appropriately reimbursed for services provided.

Dr. Merlino explained that clinic issues were mostly based on capacity and caseloads and team structure. One concern Dr. Merlino noted was the lack of a back door (i.e., patients were coming in and never leaving) which led to the inflation of caseloads and staff complaints. He explained that an RIE had been conducted to aid with opening up a back door to step-down services. The RIE led to the transformation of KCHC's continuing day program into a partial hospital program which has assisted with providing a back door.

Dr. Merlino reported that for calendar year 2009, KCHC's monthly average billable visits had been 1,780 visits. From November 2010 to October 2011, KCHC had achieved a 37% increase in visits with a 63% increase in monthly revenue of \$163,000. Denials were also decreased by 73%.

Dr. Merlino stated that because several services can be provided and billed during each visit, more than one third of KCHC's average visits now include more than one service per visit. This provides an opportunity to increase patient satisfaction. Ms. Brown asked Dr. Merlino to provide an example of the new types of services that are now being provided to patients. Dr. Merlino explained that a patient can come in at a given time and receive various types of services including a prescription refill, a social work or a therapy visit all in one day. Ms. Brown added that this change had decreased patients' no show rates. Ms. Brown also stated that this is a very important State policy change.

Dr. Merlino described KCHC's "Operation Flagship" as being focused on:

- Utilizing Breakthrough techniques to organize a massive undertaking to respond to provisions of DOJ settlement agreements;
- Safety and quality metrics;
- Creating 13 workgroup projects and 1 data shop project to achieve the transformation needed to comply with settlement agreements; and
- Training to apply standard work system-wide.

Dr. Merlino stated that all goals within the units focused on the number of incidents, restraints, stat psychotropic and recidivism had been achieved. However, there were ongoing challenges within the restraint and stat psychotropic units. Although challenges were present, Dr. Merlino explained that gains were being made. Ms. Omi added that those gains had continued through the present.

Dr. Merlino described KCHC's sustainment efforts as including the continuous tracking of KCHC's True North Metrics. He stated that Breakthrough efforts had led to the reduction of 1:1's from May 2011 to December 2011 to 46.61%. This reduction produced savings of approximately \$200,000 per month. Dr. Merlino announced that an "Excellence beyond Compliance" banner had been placed in the main lobby of the hospital to explain and express what KCHC is striving towards.

Dr. Merlino reported that in March 2012, KCHC would undertake its sixth behavioral health pass which will focus on the following components:

- Integration of behavioral health services
 - Removal of silos
 - Incorporation of BHO
- Integration of mental health and chemical dependency
- Integration of medical and mental health services
 - Medical home model
 - Array of ambulatory care services integrated with BH primary care (e.g.. dental , eye, ob-gyn, HIV)
- Community integration
- Wellness/recovery integration (consistent with BHO model)
- Wellness Village
- Partial hospitalization
- Expansion of the behavioral health primary care clinic into the chemical dependency location
- Brooklyn development incorporating recommendations of the Brooklyn MRT (Berger II)

Ms. Omi thanked Dr. Merlino for his amazing work and effort at KCHC which has resulted in the redevelopment of KCHC and increased patient satisfaction.

SUBSIDIARY BOARD REPORT

MetroPlus Health Plan, Inc. – January 10, 2012

As reported by Mr. Bernard Rosen

Chairperson's Remarks

Dr. Saperstein welcomed everyone to the first MetroPlus Board of Directors meeting of 2012. Dr. Saperstein stated that he hoped everyone had a wonderful holiday season and wished everyone a very healthy and happy new year. Dr. Saperstein informed the Board that Chair Rosen would not be in attendance so he would be chairing the meeting. Once the minutes are adopted, the Executive Director's report will be presented and then there will be an update from Dr. Dunn on Medical Management issues. There will be no action or information items for the meeting.

Executive Director's Report

Dr. Saperstein reported that total plan enrollment as of December 27, 2011 was 421,169. Breakdown of plan enrollment by line of business is as follows:

Medicaid	352,836
Child Health Plus	18,719
Family Health Plus	35,538
MetroPlus Gold	2,962
Partnership in Care (HIV/SNP)	5,539
Medicare	5,575

Attached to the report was a graph showing net transfers for the month of December 2011 for Medicaid and Family Health plus (FHP). There was a brief discussion regarding MetroPlus' net loss to Health First per month and Health First's presence in Harlem.

Dr. Saperstein stated that the New York State Department of Health (SDOH) conducted an on-site targeted Article 44 licensing audit at the Plan on November 9th and 10th, 2011. The audit focused mainly on Utilization Management and regulatory compliance. MetroPlus received the final report from the State on December 13th. Overall, there were no major issues, but the Plan did receive one plan of correction request regarding appeals for continuation of physical therapy services. The issue was actually corrected during the audit process.

Dr. Saperstein reported that the Finance Committee and the MetroPlus Board of Directors approved the Plan's 2012 budget. The budget reflects the new mandates that arose from the Medicaid Redesign Team. Among the key provisions are expanding services such as Personal Care, Restricted Recipients, Pharmacy Benefit Management for the entire membership, as well as new programs such as Managed Long Term Care (MLTC). Additional staff and space are required to meet this new workload; however these additional costs are covered by enhanced state revenue. The Plan's projected revenue for 2012 is 2.02 billion dollars, and the proposed administrative budget including asset purchases is 130.7 million dollars, or 6.5%.

MetroPlus is in the process of contracting with Ingenix, Inc. to provide predictive modeling software and support services to the Plan. The predictive modeling software will help identify the population in need of focused care management services. Ingenix is MetroPlus' current predictive modeling vendor and after an RFP process it was decided that Ingenix's ImpactPro product was the best product for the Plan.

Dr. Saperstein stated that, on November 29, 2011, MetroPlus' Quality Management Department hosted the annual QARR awards at Bellevue Hospital Center. The Plan was very pleased to be able to recognize those providers and facilities with the highest quality scores, with both personal recognition as well as a monetary award. It is the incredible effort of the Plan's facilities and providers that have allowed MetroPlus to be the #1 Medicaid Managed Care Plan in New York City for the sixth time in the past seven years.

Dr. Saperstein informed the Board that, over the past eighteen months, MetroPlus has been involved in a Negotiated Acquisition (NA) for its core information system. The Plan has been with its current core system vendor, DST Systems for the past 15 years. Through the negotiated acquisition process, the Plan narrowed its choices to two vendors, its current vendor and Trizetto Facets. The goal of the negotiated acquisition process was to ensure that the Plan had the appropriate system and vendor to allow it to be successful, considering all of the known and unknown future changes and requirements. The contract would be for approximately five to six million dollars annually, with an implementation cost of 30-60 million dollars (based on information acquired during multiple site visits to other health plans). Based on internal and external assessments of MetroPlus' current staffing level and business practices, the Plan decided that at this point, MetroPlus is not ready to make that significant level of change. Mostly, that decision was based on a potential failure of implementation if all the resources were not prepared before an implementation.

Therefore, MetroPlus will be closing the NA without making a final decision. Rather, the Plan will use the next one to two years, to fully prepare its staff for the potential of a new system and then reopen the decision making process.

Medical Director's Report

Dr. Dunn presented the Board with copies of the Fall 2011 MetroPlus Health Letter and the Fall 2011 Medicare Well Being newsletter.

Dr. Dunn reported that CVS Caremark became the Plan's Pharmacy Benefit Manager for its Medicare, Child Health Plus and MetroPlus Gold members as of January 1, 2012. Overall, the transition has been quite smooth. As of 5 p.m. on January 3, 2012, CVS Caremark processed 1326 Medicare claims. 89.52% of the claims were paid. 139 claims or 10.48% were rejected. The most common reasons for rejection were duplicates claims, refills requested too early, and vitamins/drugs not covered. For the MetroPlus Gold members, the majority of the rejects were for members that did not purchase the pharmacy rider. Pharmacy is therefore not a covered plan benefit.

Dr. Dunn stated that the Office of the Medicaid Inspector General (OMIG) Recipient Restriction Program (RRP) sent out Managed Care Plan RRP guideline to assist Health Plans in the development of their RRP. The purpose of the Recipient Restriction Program is to reduce inappropriate utilization of services by identifying and managing Medicaid and Family Health Plus members exhibiting abusive or fraudulent behavior. All Managed Care Plans must have their RRP plan submitted and approved no later than 3/31/12. MetroPlus currently has 650 restricted recipients.

Examples of inappropriate utilization of services:

- More than 10 ER visits in a month without a PCP visit
- More than 30 ER visits in a year without a PCP visit
- Member left an ER or urgent care clinic against medical advice after receiving controlled substances on 3 or more occasions within one month
- Obtained the same type of controlled substances from 3 or more different pharmacies in a one-month period
- More than 240 tablets per month of a pain reliever, sedative/hypnotic, or benzodiazepines
- Member obtained the same type of Durable Medical Equipment (DME) from 3 or more different DME vendors in a three-month period
- More than 5 inpatient episodes of drug care and/or alcohol treatment in a year

Dr. Dunn reported that the Quality Management Department, in collaboration with Medicare, Customer Services and Provider Contracting has developed a Calendar Year 2012 Medicare 5 Star Work Plan. The goal of the work plan is to improve MetroPlus' Medicare Star rating. The Plan's quality improvement efforts will focus on measures that it has scored poorly on.

- Part C Getting appointments and care quickly (1 star)
- Part C Plan makes timely decision about appeals (1 star)
- Part C Health Plan Call Center- Foreign Language interpreter & TTY/TDD availability (1 star)
- Part D Medication adherence for hypertension (ACEI or ARB) (1 star)
- Part D Medication adherence for cholesterol (statins) (1 star)
- Part C Members Choosing to Leave Plan (2 stars)
- Part C Pneumonia Vaccine (2 stars)
- Part C Getting Needed Care (2 stars)
- Complaint About the Health Plan (2 stars)
- Part C Glaucoma Testing (3 stars)
- Part C Care for Older Adults - Functional Status Assessment (3 stars)
- Part C Diabetes Care - Blood Sugar Controlled (3 stars)
- Part C Diabetes Care - Cholesterol Controlled (3 stars)
- Part C Controlling Blood Pressure (3 stars)
- Part C All Cause Readmissions (3 stars)
- Part C Customer service (3 stars)
- Part C Overall Rating of Health Care Quality (3 stars)

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

ALAN D. AVILES
HHC PRESIDENT AND CHIEF EXECUTIVE
REPORT TO THE BOARD OF DIRECTORS
January 26, 2012

METROPLUS WINS TOP QUALITY INCENTIVE AWARD FROM NEW YORK STATE

MetroPlus, HHC's own Health Plan, has now been ranked #1 by the New York State Department of Health, under its Quality Incentive Awards program. MetroPlus' top ranking has secured the corporation the maximum incentive award that can be achieved by any plan with a 2.5% premium increase per member per month, excluding pharmacy revenue. This will bring an estimated bonus of more than \$34 million to MetroPlus' revenue for 2012. MetroPlus is planning to use this revenue to fund Quality Incentives and Pay for Performance pools.

MetroPlus' exceptional performance will also improve the rate at which members are automatically assigned to us, since plans which achieve any level of the Quality Incentive Award will receive the quality preference in the auto-assignment formula.

For 2011, MetroPlus Health Plan was ranked as the top plan among over 15 public and private managed care plans in New York State, reaching the maximum score of 100 quality points. There are three tiers of awards based on the percentage of points earned by the plans. Plans are awarded a percent premium increase by achieving or exceeding the threshold for the respective tier. MetroPlus was the only plan in New York State to achieve the maximum 2.5% premium bonus.

The program is an initiative of the New York State Department of Health, Division of Quality Improvement and Evaluation, and was created to improve the care provided to Medicaid recipients by Managed Care Plans. The data used in determining the results included ratings from the State's 2010 Quality Assurance Reporting Requirements (QARR), a system designed to collect audited plan data on the quality of care provided to Medicaid managed care enrollees. The scoring is also impacted by the most recent Member Satisfaction survey results, and by Prevention Quality Indicators (PQI) obtained using 2010 inpatient admissions information. PQI measurements quantify hospital admissions from 2010 that most likely could have been avoided through high-quality outpatient care.

The 2011 Quality Incentive awards become effective for capitation rates and for auto-assignment preference on April 1, 2012. I know that the Board joins me in congratulating Dr. Saperstein and his entire team for this stellar accomplishment and for their excellent collaborative work with all of our facilities which contributed significantly to this #1 ranking.

ARTIST EXCHANGE PROGRAM LAUNCHED AT LINCOLN HOSPITAL

This past Monday I had the pleasure of attending the launch of the new Art Exchange program at Lincoln Medical and Mental Health Center in the Bronx. HHC Vice President Iris Jimenez-Hernandez and I were joined at the press conference by Tony and Grammy award winner Lin-Manuel Miranda, hip-hop artist Roxanne Shante, and representatives from The Actors' Fund, the Bronx Council on the Arts, the Bronx Museum of the Arts, Teatro Pregones and Comunilife.

This program is an important partnership with these artists and arts organizations. It is a timely program for the growing number of artists who perform and reside in New York City, too many of whom lack health insurance. It will enable artists of all types -- who add immeasurably to our City's vibrancy and cultural riches -- to access quality healthcare on the basis of their art and to live longer and healthier lives.

A similar "Artist Access" program initiated at Woodhull Hospital in Brooklyn in 2005 has seen more than 700 artists participate. Lincoln is the second HHC facility to implement this type of program and the only one in the Bronx to do so.

The inspiration for the Lincoln Art Exchange arose when The Fund for HHC, the public hospital system's philanthropic arm, engaged seminal Bronx hip-hop artists as part of HHC's STAT! 2011 performance and fundraising series. Some of the artists who gave their creative energy to HHC were uninsured and battling major health issues. Lincoln and The Fund for HHC saw an opportunity to do something about it.

We look forward to the continued success of this creative approach to afford access to high-quality, low-cost healthcare based upon an artist's willingness to share his or her art and talent for the benefit of HHC's patients.

HHC FACILITIES PLAN COMMUNITY OUTREACH DURING FEBRUARY

February is National Children's Dental Health month and in recognition of this, HHC will be promoting its affordable pediatric dental health services and distributing educational materials at its hospitals and health centers across the city.

As most of you already know, dental care is available to children and adults at most HHC hospitals and larger health centers all year round. HHC dental services include preventive and restorative care, crowns, bridges, implants, oral surgery, emergency care, and jaw surgery and reconstruction.

In observance of next month's special focus on children's oral health, on Friday, February 3rd, Jacobi Medical Center will offer any infant, child or adolescent from local low-income families free dental services ranging from screenings and cleanings to fluoride treatment.

Other events include free dental screenings at Harlem Hospital on February 3rd and at Cumberland Diagnostic and Treatment Center on February 22nd. Bellevue, Metropolitan and Queens will be focusing on Dental Health Literacy and will have information tables set up in their lobbies throughout the month.

FEDERAL UPDATE

On December 23rd, both houses of Congress passed by unanimous consent, a compromise bill that would extend for two months the Social Security payroll tax holiday, emergency unemployment insurance benefits and current Medicare physician payments rates. This short term measure is funded through increased fees on Fannie Mae and Freddie Mac backed mortgages.

Congress has now re-convened and has only five weeks to agree on a 10-month extension of the payroll tax reduction and the physician pay rates as well as how to offset these

spending issues with cuts. Without an extension there will be a 27.4 percent cut to Medicare physician payments.

Representatives from the House and Senate are now considering H.R. 3630, as passed by the House, which included onerous provider payment reductions which would greatly impact HHC, including:

- Severely reducing payments for hospital outpatient evaluation and management services, which could cost HHC \$187 million over 10 years;
- Extending the Medicaid Disproportionate Share Hospital (DSH) reductions mandated by the Accountable Care Act (ACA), by one year, to 2021, which could cost HHC \$421.8 million in lost revenue that year; and
- Reducing the allowable reimbursement for Medicaid bad debt payments from 70 percent to 55 percent, which could cost HHC an estimated \$5 million over 10 years.

The hospital cuts included in the bill total more than \$17 billion nationally.

To emphasize the harm of these proposals, I joined several other members of GNYHA's Executive Committee to meet with Liz Fowler, Special Assistant to the President for Health Care and Economic Policy as well as with David Schwartz, the chief of health policy for Senate Finance Committee Chairman Max Baucus to express opposition to these proposed cuts.

GOVERNOR CUOMO RELEASES EXECUTVE BUDGET FOR SFY 2012-13

On January 17th, Governor Andrew Cuomo released his Executive Budget proposal for the 2012-13 State Fiscal Year (SFY). The proposed budget closes a \$2 billion budget deficit. While we are still reviewing the details, it appears that the proposed budget does not contain any significant new funding cuts to HHC.

However, the proposed budget does continue the deep cuts that were enacted last year, most of which carry forward. To remind the Board, these cuts total approximately \$174.5 million to HHC and include a two-year elimination of any trend factor and a two percent across-the-board rate cut. This figure does not include reductions that will result from recently enacted changes to the nursing home reimbursement system.

The proposed budget also extends the Global Medicaid Cap for one additional year, through the 2013-14 SFY. Although spending has remained within the cap to date, the state Department of Health would continue to be authorized to make unilateral rate reductions should spending exceed projections. This week, the State released data for November, which shows that spending is just 0.1 percent below projections. Medicaid enrollment continues to rise, albeit at a slightly slower pace than was reported in October. Growth was reported to be 1.9 percent since April 2011, compared to 2.7 percent in October.

The Executive Budget includes some of the Medicaid Redesign Team recommendations that required statutory changes, as well as those that can be implemented by regulation but carried a fiscal impact. We are reviewing these for potential impact on, or new opportunities for, the Corporation, as we will do when the final report of the Medicaid Redesign Team is released.

The Governor also indicated that he plans to pursue a new, five-year Medicaid 1115 Waiver from the federal government to secure resources for the "implementation of restructuring of the State's health care delivery system." I will be traveling to Albany next week to meet with the Governor's representatives to discuss the possible contours of the 1115 waiver as it relates to HHC.

Finally, although the proposed budget did not contain any changes to the current Charity Care reimbursement methodology to respond to requirements under the Affordable Care Act for continued Disproportionate Share Hospital (DSH) funding, we think it is likely that this issue will be discussed as part of budget negotiations.

HHC PROGRESS TOWARD MEANINGFUL USE OF ELECTRONIC HEALTH RECORDS TO QUALIFY FOR ENHANCED FEDERAL FUNDING

Earlier this month, HHC completed the registration process for the American Recovery & Reinvestment Act (ARRA) incentive funding program to achieve "meaningful use" of electronic health records. This program will enable HHC to gain close to \$120 million in incentive monies under the hospital program and another \$70 million under the Eligible Provider Category.

HHC has completed installation of certified electronic health record technology as required for the hospital program participation. Furthermore, HHC is meeting or exceeding nearly all of the 14 core and 5 menu requirements necessary to attest to meaningful use and receive the first meaningful use payment for this Federal Fiscal Year. We anticipate the 90-day attestation periods will begin shortly. Once meaningful use has been achieved for our hospitals, we will turn our focus towards readiness for the eligible provider program under Medicaid. This program was officially launched at the end of 2011.

NEW AFFILIATION AGREEMENT TO PROVIDE PROFESSIONAL CARE IN QUEENS HEALTH NETWORK

On your agenda today, for your review and approval is a three-year agreement with the Mount Sinai School of Medicine for the provision of general care and behavioral health services at Elmhurst Hospital Center and Queens Hospital Center. The proposed agreement will commence on July 1, 2012 and terminate on June 30, 2015, consistent with the general terms and conditions outlined in the Resolution. The proposed costs for the three-year period total \$618.648 million. This amount includes annual baseline funding that is the same as the last year of the current contract and held steady over the three-year term with modest adjustments to some sessional rates to bring them on par with rates paid at our other facilities. There is \$4.5 million annually (\$13.5 million over the life of the agreement) available for disbursement to the affiliate if and when they meet established goals specified per the performance indicators outlined in the agreement. We will detail these performance indicators during our discussion of the Resolution.

This affiliation contract, which does not include automatic cost-of-living-adjustments over its term, establishes our approach for this next round of affiliation contract negotiations where any funding over a flat baseline amount must be performance based and tied to performance goals that generate additional income for HHC and/or result in cost avoidance.

MAYOR'S OBESITY TASK FORCE

In December, the Mayor announced the creation of an interagency Obesity Task Force which will make recommendations by mid-March to expand and develop anti-obesity initiatives city-wide. The City has made progress recently in reducing childhood obesity rates, but there is still much more to be done. HHC has been invited to join the Task Force that is co-chaired by Deputy Mayor Linda Gibbs, an HHC Board member, and Deputy Mayor Cas Holloway. HHC is proud to be part of these efforts, which will supplement the growing number of anti-obesity and healthy lifestyle initiatives underway within our networks and facilities.

FINAL PUBLIC MEETINGS HELD FOR FISCAL YEAR 2012

HHC held its final public meetings for the community for Fiscal Year 2012 at Sea View Hospital on January 18th and Harlem Hospital on January 24th. The meetings are an opportunity for us to report on HHC activities in each borough and give members of the public an opportunity to voice their views and concerns to members of the Board of Directors and to HHC leadership.

DR. ERIC MANHEIMER STEPS DOWN AS BELLEVUE HOSPITAL MEDICAL DIRECTOR

After more than 14 years as Medical Director of Bellevue Hospital, Dr. Eric Manheimer has decided to take a position at NYU related to helping the hospital meet the challenges of healthcare reform. His positive impact over the years at HHC has been notable, and extends beyond his leadership at Bellevue. Before arriving at Bellevue, he served as Chief resident at Kings County and Chief of Medicine at Gouverneur. Dr. Manheimer's experience includes roles as an associate professor of medicine at Dartmouth Medical School, a staff attending physician at Dartmouth-Hitchcock Medical Center, and a community based clinic physician. Work at Dartmouth included developing its reputation as a leading center for health policy and clinical practice research. He has received many awards and has worked as Principal Investigator on numerous research studies that have contributed to the reduction of healthcare disparities, improvement of healthcare quality and reduction of costs. He has authored many scholarly articles and has presented at numerous international symposia. Eric Manheimer is admired as a champion, an innovator, and a pioneer in patient safety and patient-centered care.

Dr. Mabelle Allen has graciously agreed to act as interim Medical Director at Bellevue while HHC leadership conducts a national search for Dr. Manheimer's successor. His shoes will be difficult to fill, but we are deeply grateful for his many years of dedicated service to our mission and our patients, and we wish him well in his new role with NYU.

THE JEOPARDY BATTLE OF THE NETWORKS SET TO SHOWCASE HHC'S COMMITMENT TO PATIENT SAFETY

HHC employees have repeatedly proven our commitment to making patient safety one of our top priorities. Now we'll have an opportunity to showcase the expertise of our staff as our greatest patient safety champions go head to head in a battle of knowledge and showmanship in HHC's first Patient Safety Jeopardy Battle of the Networks.

The Patient Safety Jeopardy: Battle of the Networks 2012 challenge is a corporate-wide Patient Safety event to promote learning, fun and teamwork among our networks. HHC facilities have worked hard over the past five years to work toward our goal of becoming

one of the safest healthcare systems in the nation. With this event we recognize our teams' efforts and seek to inspire their continued enthusiasm.

The six HHC Networks as well as HHC Health and Home Care are invited to battle against each other to get to the Final Jeopardy game, in which the finalists will battle for the grand prize during National Patient Safety Awareness Week in early March. The Winner of the final Jeopardy game will receive HHC's Patient Safety Trophy for 2012.

NEW BABIES USHER IN THE NEW YEAR AT HHC HOSPITALS

Mother-to-be Blanca Chano welcomed the New Year at 12:02 am, by delivering HHC's first baby of 2012 in Metropolitan Hospital. Weighing in at 8 lbs 5 oz., baby Dante Jeremiah Chano will be the first of more than 20,000 babies expected to be born in HHC hospitals this year. Dante's birth follows a family tradition. Siblings Adrian Justis, age 10, Brianna Justinem age 4, and Chastity Jaylene, age 1 were all born at Metropolitan Hospital. All HHC hospitals hosted festive births on New Year's Day, with the final New Year's baby born at Jacobi Medical Center at 1:58 pm.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

- New Yorker's Life Expectancy, Dr. Melissa Schori, Lincoln Hospital, News 12 Bronx - TV, 12/27/11
- NY JETS Dustin Keller Visit, Woodhull Hospital, News 12 Brooklyn-TV, 12/27/12
- NY JETS Dustin Keller Visits, Woodhull Hospital, CBS 2 News-TV, 12/27/11
- New Yorker's Life Expectancy, Dr. Zoila Velastegui, Lincoln Hospital, NY1 Noticias-TV, 12/27/11
- New Yorker's Life Expectancy, Dr. Zoila Velastegui, Lincoln Hospital, Telemundo 47-TV, 12/27/11
- Holiday Concert & Healthy eating Fair, Gila Daman, Dietician, Jacobi Medical Center, News 12 Bronx -TV, 12/14/11
- Toy Distribution at Cumberland Diagnostic & Treatment Center, George Proctor, News 12 Brooklyn -TV, 12/14/11
- Magician David Blaine Visit, Lincoln Hospital, News 12 Bronx-TV, 12/27/11

Lincoln's Art Exchange Program

- Lincoln Hospital Art Exchange, News 12 Bronx -TV, 1/23/12
- Beneficios de salud por talento, Health benefits in exchange for talent, Lincoln Hospital, NY1 Noticias-TV, 1/23/12
- Art For Health Services Exchange, Lincoln Hospital, Myfoxny.com -TV, 1/23/12
- Artful way to get free healthcare, Lincoln Hospital, New York Post, 1/24/12 (Also covered in the Wall Street Journal, NY Daily News, DNAinfo, El Diario, Metro News, Playbill.com)
- Healthy outlook for artists, Lincoln Hospital, New York Daily News, 1/23/12

More News

- Bellevue Marks 275 Years of Taking Care, Bellevue Hospital, The New York Times, 11/15/11

- New York designates HHC-MetroPlus Medicaid Health Home, HHC, Nurse.com, 1/23/12
- New Yorkers live longer than ever, , Lincoln Hospital, New York Daily News, 12/28/11 (Also covered in NY Times, Wall Street Journal and others)
- Sincerest form of flattery, HHC, Dr. Ross Wilson, Modern Healthcare, 1/9/12
- New Hospital Interpreters Give HHC a Key Bridge, HHC, The Chief, 12/23/11
- Program Meshing Mental Health, Primary Care Meets Key Goals, Kings County, Psychiatric News, 12/02/11
- Meet the first babies born in NYC, Metropolitan Hospital, NY Daily News, 01/01/12
- Gotham's first 2012 baby — born in Brooklyn!, Kings County, The Brooklyn Daily, 1/6/12
- Supportive Steps After a Sexual Assault, Bellevue Hospital, The New York Times, 12/20/11
- Coney Island Hospital Marks Milestone In ER Expansion, Sheepshead Bites, 12/13/11
- Pets and Hospice Care: 'The Warmth of Touch', Bellevue Hospital, The Huffington Post, 12/13/11
- Med Center Still Serving Area In Need, Queens Hospital, Queens Tribune, December 9-15, 2011
- Seasonal flu: important facts, Dr. Melissa P. Schori, Lincoln Hospital, The Bronx Free Press, 1/11/12
- Toy Safety Tips for the Holidays, Iris R. Jiménez-Hernández, The Bronx Free Press, 12/14/11
- Healthy Resolutions for 2012, Iris R. Jiménez-Hernández, The Bronx Free Press, 12/29/11
- Santa Claus pasa por hospital de Manhattan, Santa Claus visits Manhattan hospital, Metropolitan Hospital, El Diario, 12/18/11
- Eager to Emerge From Its Slumber, but Seeing a Threat to an Idyllic Life, Coler-Goldwater, The New York Times, 12/19/11 (Also covered in NY Post, WNYC)
- HOT 97 donates hundreds of toys to kids, Harlem Hospital, Radioink.com, 12/20/11
- For Illegal Immigrant, Line Is Drawn at Transplant, Bellevue Hospital, The New York Times, 12/21/11
- A Few Centuries, New Money Woes for Bellevue, Bellevue Hospital, Our Town, 12/14/11
- New Program to Target Medmal Cases for Early Settlements, HHC, New York Law Journal, 12/27/11
- Nowhere to Go, Patients Linger in Hospitals, at a High Cost, HHC, Coler-Goldwater, The New York Times, 1/2/12
- Que no te agarre la depre de enero, Combating post-holiday depression, Dr. Edward Fernandez, Lincoln Hospital, El Diario, 1/9/12
- HHC board of directors to host fiscal year meeting at Sea View Hospital Rehabilitation Center and Home, HHC, Staten Island Advance, 1/16/12
- Harlem Hospital's new patient pavilion nears completion, Harlem Hospital, New York Amsterdam News, 1/19/12
- Sin seguro médico y desinformados, Uninsured and uninformed, Lincoln Hospital, El Diario, 1/24/12

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“the Corporation”) to negotiate and execute an Affiliation Agreement with Mount Sinai School of Medicine for the provision of General Care and Behavioral Health Services at Elmhurst Hospital Center and Queens Hospital Center for a period of three years, commencing July 1, 2012 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A;

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

WHEREAS, the Corporation has for some years entered into affiliation agreements pursuant to which various medical schools, voluntary hospitals and professional corporations (“the Affiliates”) provided General Care and Behavioral Health Services at Corporation facilities; and

WHEREAS, the current Affiliation Agreement with Mount Sinai School of Medicine to provide General Care and Behavioral Health Services at Elmhurst Hospital Center and Queens Hospital Center expires on June 30, 2012; and

WHEREAS, a summary of the proposed general terms and amounts of a new Affiliation Agreement with Mount Sinai School of Medicine is set forth in Attachment A; and

WHEREAS, the respective Community Advisory Boards of Elmhurst Hospital Center and Queens Hospital Center have been consulted and apprised of such proposed general terms and conditions; and

WHEREAS, the Corporation, in the exercise of its powers and fulfillment of its corporate purposes, now desires that Mount Sinai School of Medicine continue to provide General Care and Behavioral Health Services at Elmhurst Hospital Center and Queens Hospital Center.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation (“the Corporation”) is hereby authorized to negotiate and execute an Affiliation Agreement with the Mount Sinai School of Medicine for the provision of General Care and Behavioral Health Services at Elmhurst Hospital Center and Queens Hospital Center for a period of three years, commencing July 1, 2012 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A; and

BE IT FURTHER RESOLVED, that the President is hereby authorized to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

Attachment A

Summary of the Proposed New Affiliation Agreement Between The New York City Health and Hospitals Corporation (“the Corporation”) and the Mount Sinai School of Medicine for the Provision of General Care and Behavioral Health Services at Elmhurst Hospital Center and Queens Hospital Center

Contract Term and Synopsis

- ❖ The term of the proposed agreement is for three years beginning July 1, 2012 and ending June 30, 2015.
- ❖ The agreement continues the current relationship between the Queens Health Network (“Network”) and the Mount Sinai School of Medicine (“Affiliate”).
- ❖ The Affiliate will provide general care and behavioral health services at Elmhurst Hospital Center (EHC), Queens Hospital Center (QHC) and all offsite locations.
- ❖ For the proposed agreement, services provided at EHC, QHC and the offsite clinics, include, but are not limited to, Emergency Medicine, Internal Medicine and related subspecialties, Cancer Care, Radiation Therapy, Laboratory and Pathology Medicine, Dermatology, Neurosurgery, Neurology, Pediatrics and Neonatal services, Obstetrics/Gynecology, Behavioral Health, Radiology, Otolaryngology, Ophthalmology, Orthopedics, Urology, Surgery and related subspecialties, Nuclear Medicine, Physical Medicine & Rehabilitation, and Podiatry, Dental and Oral Surgery.
- ❖ A Joint Oversight Committee (JOC) will meet at least monthly to assess changes to the budget and discuss progress towards achieving strategic goals of the affiliation.
- ❖ The new agreement builds on the longstanding relationship between the Affiliate and the Network, forms a collaborative effort to achieve network goals and creates incentives to meet them.

Network Goals

- ❖ Continue to maintain high quality patient care, ensure patient safety and enhance patient satisfaction.
- ❖ Achieve excellence in care for patients with chronic diseases, develop a patient centered medical home program and implement the care management initiative.
- ❖ Develop and align services to meet patient and community needs.
- ❖ Institute a Pay-For-Performance program that aligns incentives with quality outcomes and other business objectives.
- ❖ Foster closer collaboration between physician and non-physician staff to improve performance in length of stay, readmission rates and avoid unnecessary admissions.

Pay-for-Performance Program

- ❖ A pay-for-performance program will be implemented that links physician behavior to Corporate and facility goals of quality, efficiency, regulatory compliance and patient satisfaction.
- ❖ An incentive up to \$4.5 million in incremental compensation to the Affiliate will be provided annually if all goals are met.
- ❖ The Network's JOC will approve the distribution of the above funds based on agreed upon facility and affiliate goals.
- ❖ **Pay-for-Performance indicators subject to incentive include:**

Quality

- Pneumonia - Pneumococcal vaccination
- Congestive Heart Failure (CHF) - LVF Assessment
- Coordination and efficiency of inpatient care
- Documentation of co-morbidities for inpatient and outpatient
- Patient Centered Medical Home

Efficiency

- Operating Room - cancellations
- Operating Room - start time
- Avoidable ambulatory care admissions – Diabetes
- Inpatient readmission rate - MI, CHF and Pneumonia
- Timely discharges
- Emergency Department cycle time

Regulations

- New York State Department of Health citations

Patient Satisfaction

- Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey
- Inpatient Pain Management

Compensation

**Proposed Contract Costs
FY 2013 to FY 2015**

ANNUAL CONTRACT VALUE in (\$ 000s)				
Facility	FY 2013	FY 2014	FY 2015	Total
Elmhurst	\$120,166,729	\$120,166,729	\$120,166,729	\$360,500,187
Queens	\$86,049,216	\$86,049,216	\$86,049,216	\$258,147,648
TOTAL	\$206,215,945	\$206,215,945	\$206,215,945	\$618,647,835

- ❖ The Affiliation contract will continue the current cost based compensation methodology.
- ❖ The FY 2013 budget is based on the final FY 2012 budget, adjusted for modifications approved by JOC and the Corporation.
- ❖ The figures reported assume no material change in patient volume or services provided and no additional impact from managed care programs or other third-party payer developments.
- ❖ The budget assumes no Physician COLA increases for each year of the agreement.
- ❖ The proposed affiliation budget reflects maximum pay-for-performance disbursements.
- ❖ Any change to the budget must be approved by JOC and the Corporation as per policy.
- ❖ Through JOC, the Network will be able to expeditiously address changes in service demands and market changes related to the Medicaid Redesign Team proposals, Medicare Value Based Purchasing and any other regulatory change.
- ❖ The Corporation retains the right to bill all patients and third-party payers for services rendered, except for services where the Affiliate is currently allowed to bill for direct patient care activities (Part B) through the faculty practice plan.
- ❖ Payments are subject to adjustment due to new initiatives for expanded programs or services, elimination or downsizing of programs, services or other reductions, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement.

Transfers and Referrals

- ❖ Patients will be transferred and referred to other facilities when the required services are not available, if a third-party payer does not authorize reimbursement or at the patient's request.
- ❖ If a service is not available, such transfers and referrals will be made to other HHC facilities.
- ❖ Transfers and referrals to non-HHC facilities will only be made with the approval of the Executive Director or his/her designee and if an agreement with the receiving facility is in place.
- ❖ Transfer and referral activity will be monitored monthly.

Other Relevant Terms and Conditions

- ❖ The Affiliate will make all reasonable efforts to ensure that physician providers are culturally and linguistically competent to serve the diversified patient population at EHC and QHC.
- ❖ The Affiliate, Medical Director and Executive Directors shall jointly evaluate contract services at least once a year.
- ❖ The Affiliate will ensure that contract providers meet the academic requirements of supervising residents per state regulations and national accreditation standards for compliance with both work hour coverage and attending supervision requirements.
- ❖ The Affiliate will ensure compliance with all Health Insurance Portability and Accountability Act ("HIPAA") regulations and amendments.
- ❖ The Affiliate will work with the Network to reduce length of stay and third party payer denial rates and collaborate on other Network and breakthrough projects geared towards efficiency and collecting revenue.
- ❖ JOC will conduct a focused review each quarter of selected departmental budgets when there are changes of greater than 5% in expenses, staffing or utilization (i.e., discharges, outpatient visits, ER visits, ambulatory surgery visits, average length of stay, acuity- case mix index).

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with the Center for Comprehensive Health Practice (the "Licensee" or "CCHP") for use and occupancy of space to operate a diagnostic and treatment center at Metropolitan Hospital Center (the "Facility").

WHEREAS, in May 2006 the Board of Directors of the Corporation authorized the President to execute a license agreement with the Licensee which by its terms expired December 31, 2011; and

WHEREAS, the Licensee is a community based not-for-profit corporation licensed by the New York State Department of Health as an Article 28 diagnostic and treatment center serving patients with behavioral health and/or substance abuse issues who also require primary care medical services; and

WHEREAS, the Facility continues to have space available to accommodate the Licensee's programmatic needs; and

WHEREAS, the Facility, its patients and the surrounding community derive substantial benefits from the operation of the Licensee's programs.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") be and hereby is authorized to execute a revocable license agreement with the Center for Comprehensive Health Practice (the "Licensee") to operate a diagnostic and treatment center at Metropolitan Hospital Center (the "Facility").

The Licensee shall be granted the continued use and occupancy of approximately 8,000 and 9,000 square feet of space on the 9th floor and the 12th floors respectively of the Facility's Mental Health Pavilion (the "Licensed Space") for operation of its program. The Licensee shall be responsible for cleaning, telephone, security, general maintenance and removal of its waste to the Facility's designated disposal area. The Facility shall provide utilities, waste removal from its designated area and heating, ventilation and air-conditioning (HVAC) services and maintenance.

The Licensee shall pay an occupancy fee of \$459,000 per year, or \$27 per square foot for the Licensed Space. The occupancy fee shall be escalated by 3% prior to the commencement of the fourth year of the agreement.

The Licensee shall be required to indemnify and hold harmless the Corporation and the City of New York for any and all claims arising out of its use of the Licensed Space and shall provide appropriate insurance naming the Corporation and the City of New York as additional insureds.

The license agreement shall be revocable by either party on ninety (90) days prior written notice. The license agreement shall not exceed five (5) years without further authorization from the Corporation's Board of Directors.

RESOLUTION

Ratifying the actions of the Capital Committee of the Corporation's Board of Directors (the "Capital Committee") in approving work orders involving expenditures by the New York City Economic Development Corporation ("EDC") in connection with its management and design of the Goldwater North Project (the "Project") totaling \$246,777,768 and authorizing the Capital Committee to approve on behalf of the Corporation's Board of Directors future work orders for EDC on the Project.

WHEREAS, on July 13, 2010 the Strategic Planning Committee of the Corporation's Board of Directors received a informational briefing regarding the plans for the development of Goldwater North; and

WHEREAS, the President signed the MOU with EDC as of November 1, 2010, an amendment dated July 7, 2011 and a further amendment dated October 26, 2011; and

WHEREAS, the Corporation's Board of Directors received a further informational briefing on October 31, 2011 by Senior Vice President LaRay Brown on the Project; and

WHEREAS, on May 26, 2011 the Corporation's Board of Directors approved a resolution authorizing the President to enter into a long-term lease for the former North General Hospital Building and to acquire the adjacent parking lot for the purpose of developing both properties into Goldwater North; and

WHEREAS, the Capital Committee has approved work orders for EDC in respect to the Project on November 10, 2010, February 10, 2011, December 6, 2011 and on February 9, 2012 in the total amount of \$246,777,768; and

WHEREAS, the Corporation's program of modernizing, renovating and constructing its health care facilities conducted since 1996 has been largely carried out with the Dormitory Authority of the State of New York ("DASNY") acting as the Corporation's construction manager and with the Capital Committee authorized to act on behalf of the Corporation's Board of Directors to authorize work orders issued to DASNY; and

WHEREAS, in the interest of good governance, it is appropriate for the Corporation's Board of Directors to explicitly ratify the Capital Committee's resolutions approving EDC work orders and to also explicitly authorize the Capital Committee to approve future EDC work orders for the Project, as was done with DASNY projects in the past, on the conditions set forth below.

NOW THEREFORE, be it

RESOLVED, that the actions of the Capital Committee of the Corporation's Board of Directors (the "Capital Committee") taken to approve work orders on November 10, 2010, February 10, 2011, December 6, 2011 and on February 9, 2012 in the total amount of \$246, 777,768 approving work orders

for EDC in respect to the Project in the form attached be and the same hereby are ratified and approved and adopted as the actions of the Corporation's Board of Directors. It is further

RESOLVED, that in the future, the Capital Committee shall be authorized on behalf of the Corporation's Board of Directors to approve work orders for EDC in respect of the Project provided, that the Capital Committee shall provide to the Board of Directors copies of all resolutions adopted in this regard and provided further that the Board of Directors reserves the possibility of modifying this resolution so as to require that any work orders for EDC be brought before the Board of Directors for approval from and after any such modification of this resolution.

**CAPITAL COMMITTEE'S AUTHORIZATION OF
EDC WORK ORDERS**

EXECUTIVE SUMMARY

Both DASNY and EDC, acting as construction managers for HHC projects, use the Work Order authorization process. These third party administrators procure the various professionals and contractors needed to complete projects and the Corporation makes all payments for such projects through the third party administrator. The Work Order process requires the third party administrator to obtain sequential approvals for funding in advance as the work progresses. Since 1996 when HHC started working with DASNY on its construction projects, the Capital Committee has been given the authority on behalf of the full Board to approve DASNY Work Orders. The current resolution explicitly gives the Capital Committee the same authority with respect to EDC Work Orders – an authority that the Capital Committee has already exercised in the same way that it has been exercising such authority over DASNY projects.

Other HHC construction projects that are not managed by DASNY or EDC do not use the Work Order process. Those projects are required to be brought before the Capital Committee and the full Board if the amount is \$3 million or more and the funding is approved in a single resolution. The professionals and contractors working on the project are procured under the HHC procurement rules involving competitive bidding and when any such contract is for \$3 million or more, they must also be approved by the Board.

APPROVED NEW YORK CITY HEALTH & HOSPITALS CORPORATION CAPITAL COMMITTEE

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION WORK ORDER APPROVAL

Date: November 10, 2010

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Construction of New Goldwater North Long Term Acute Care Hospital (LTACH)

Scope: Serving as managing agent, EDC shall cause to be provided all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation of the former North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).

Need: The existing Goldwater Hospital campus, located on Roosevelt Island, requires significant modification to meet current regulatory codes and long term care standards. Upgrading an existing, more modern facility is considered a cost effective opportunity.

Estimate of Cost:

	Previously Approved	Proposed	Budget
<i>Design and Planning</i>	0	\$2,000,000	\$3,024,000
<i>Construction</i>	0		47,401,104
<i>Construction Management</i>	0		1,778,000
<i>Other Costs</i>	0		1,000,232
<i>EDC Fee</i>	0		1,133,768
<i>Contingency</i>	0		7,114,000
<i>CON Additional Processing Fee</i>	0		354,896
Total	0	\$2,000,000	\$61,806,000

Funding:

<i>HEAL NY Phase 7</i>	0	\$2,000,000	\$8,530,000
<i>HEAL NY Phase 19</i>	0		0
<i>NYC General Obligation Bonds (pending)</i>	0		53,276,000
Total	0	\$2,000,000	\$61,806,000

CON Status:

End Date: LTACH March 2012

CON: Full Review

Filed: October 2010

Approval: Projected for December 2010

APPROVED

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH LONG TERM ADULT CARE HOSPITAL BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to execute a work order in the amount of two million dollars (\$2,000,000) to the New York City Economic Development Corporation (NYCEDC) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services for the renovation of the existing North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).
- NEED:** The existing Goldwater Hospital campus, located on Roosevelt Island, requires significant expenditure for modifications to meet current codes. It is more advantageous to renovate interior space for a new LTACH at the former North General Hospital rather than renovate and upgrade a significantly older and occupied campus at Goldwater (circa 1939).
- SCOPE:** NYCEDC will serve as managing agent, and will provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation at the former North General Hospital building into a new Long Term Acute Care Hospital (LTACH).
- TERMS:** The work order will be executed pursuant to a Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** \$2,000,000 in Work Order to EDC, \$61,806,000 in total project budget.
- FINANCING:** HEAL NY Phase 7 grant proceeds.
- SCHEDULE:** HHC expects NYCEDC to complete the LTACH by March 2012.

APPROVED

NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE

NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION
WORK ORDER APPROVAL

Date: February 10, 2011

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Construction of New Goldwater North Skilled Nursing Facility (SNF)

Scope: Serving as managing agent, EDC shall cause to be provided all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of a New Skilled Nursing Facility in the Parking Lot of the former North General Hospital building.

Need: Construction of a new SNF facility at this site meets three (3) strategic needs. 1) - HHC has received a HEAL -19 Grant to right size and restructure HHC services. 2) - In addition under the Road Ahead cost containment initiative the need for SNF bed reduction was identified. The number of Coler-Goldwater SNF beds will be reduced by 300 beds. 3) - Under the modernization program it was determined that the existing Goldwater Hospital campus, located on Roosevelt Island, requires significant modification to meet current regulatory codes and long term care standards. Building a new modern facility and vacating the Goldwater campus is considered a cost effective opportunity.

Estimate of Cost:

	Previously Approved	Proposed	Budget
Land Acquisition	0	0	5,660,000
Design and Planning	0	5,800,000	9,732,507
Construction	0	1,750,000	94,100,461
Construction Management	0	3,000,000	3,000,000
Other Costs	0	0	0
EDC Fee	0	250,000	1,864,365
Contingency	0	0	14,142,947
Fixed Equipment	0	0	3,184,253
Moveable Equipment & Telecom.	0	0	11,223,664
Total Project Cost	0	0	\$ 142,908,197
CON Additional Processing Fee	0	0	860,467
Total Project Cost w/CON Fee	0	\$ 10,800,000	\$ 143,768,664

Funding:

HEAL NY Phase 19	0	10,800,000	13,000,000
Federal Grant (pending)	0	0	13,000,000
NYC General Obligation Bonds (pending)	0	0	117,768,664
Total	0	\$ 10,800,000	\$ 143,768,664

End Date: November 2014

CON: Full Review

Filed: October 2010

Approval: December 2010

APPROVED

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH SKILLED NURSING FACILITY BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to execute a work order in the amount of ten million, eight hundred thousand dollars. (\$10,800,000) to the New York City Economic Development Corporation (NYCEDC) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital .
- NEED:** Construction of a new SNF facility at this site meets three (3) strategic needs. 1) - HHC has received a HEAL -19 Grant to right size and restructure HHC services. 2) - In addition under the Road Ahead cost containment initiative the need for SNF bed reduction was identified. The number of Coler-Goldwater SNF beds will be reduced by 300 beds. 3) – Under the modernization program it was determined that the existing Goldwater Hospital campus, located on Roosevelt Island, requires significant modification to meet current regulatory codes and long term care standards. It is more advantageous to construct a new building rather than renovate and upgrade a significantly older and occupied campus at Goldwater (circa 1939).
- SCOPE:** NYCEDC will serve as managing agent, and will provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of the New Skilled Nursing Facility to be built in the parking lot of the former North General Hospital.
- TERMS:** The work order will be executed pursuant to a Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** \$10,800,000 in Work Order to EDC, \$143,768,664 in total project budget.
- FINANCING:** HEAL NY Phase 19 grant proceeds.
- SCHEDULE:** HHC expects NYCEDC to complete the SNF by November 2014.

APPROVED

NEW YORK CITY HEALTH & HOSPITALS CORPORATION CAPITAL COMMITTEE

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION WORK ORDER APPROVAL

Date: February 10, 2011 (revised)

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Renovation and Construction of New Goldwater North Long Term Acute Care Hospital (LTACH)

Scope: Serving as managing agent, EDC shall cause to be provided all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation of the former North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).

Need: Renovation of the existing North General building into an LTACH meets three (3) strategic needs. 1) - HHC has received a HEAL -7 Grant to right size and restructure HHC services. 2) - In addition under the Road Ahead cost containment initiative the need for LTACH bed reduction was identified. The number of Coler-Goldwater LTACH beds will be reduced by 136 beds. 3) – Under the modernization program it was determined that the existing Goldwater Hospital campus, located on Roosevelt Island, requires significant modification to meet current regulatory codes and long term care standards. Upgrading a new modern facility and vacating the Goldwater campus is considered a cost effective opportunity.

Estimate of Cost:

	Previously Approved	Presented for Capital Committee Approval 2/10/2011	New Approval Level	Budget
<i>Design and Planning</i>	2,000,000	3,024,000	5,024,000	3,024,000
<i>Construction</i>	0	0	0	47,401,104
<i>Construction Management</i>	0	1,778,000	1,778,000	1,778,000
<i>Other Costs</i>	0	0	0	1,000,232
<i>EDC Fee</i>	0	250,000	250,000	1,133,768
<i>Contingency</i>	0	0	0	7,114,000
Total Project Cost	0	\$ 5,802,000	\$ 5,802,000	\$ 61,451,104
<i>CON Additional Processing Fee</i>	0	0	0	354,896
Total Project Cost w/CON Fee	\$ 2,000,000	\$ 5,802,000	\$ 7,802,000	\$ 61,806,000
Funding:				
<i>HEAL NY Phase 7</i>	2,000,000	5,802,000	7,802,000	8,530,000
<i>NYC General Obligation Bonds (pending)</i>	0	0	0	53,276,000
Total	\$ 2,000,000	\$ 5,802,000	\$ 7,802,000	\$ 61,806,000

End Date: March 2012

CON: Full Review

Filed: October 2010

Approval: December 2010

APPROVED

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH LONG TERM ADULT CARE HOSPITAL BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to execute a work order in the amount of two million dollars (\$2,000,000) to the New York City Economic Development Corporation (NYCEDC) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services for the renovation of the existing North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).
- NEED:** Renovation of the existing North General building into an LTACH meets three (3) strategic needs. 1) - HHC has received a HEAL -7 Grant to right size and restructure HHC services. 2) - in addition under the Road Ahead cost containment initiative the need for LTACH bed reduction was identified. The number of Coler-Goldwater LTACH beds will be reduced by 136 beds. 3) - Under the modernization program it was determined that the existing Goldwater Hospital campus, located on Roosevelt Island, requires significant modification to meet current regulatory codes and long term care standards. Upgrading a new modern facility and vacating the Goldwater campus is considered a cost effective opportunity. It is more advantageous to renovate interior space for a new LTACH at the former North General Hospital rather than renovate and upgrade a significantly older and occupied campus at Goldwater (circa 1939).
- SCOPE:** NYCEDC will serve as managing agent, and will provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation at the former North General Hospital building into a new Long Term Acute Care Hospital (LTACH).
- TERMS:** The work order will be executed pursuant to a Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** \$5,802,000 in Work Order to EDC, \$61,806,000 in total project budget.
- FINANCING:** HEAL NY Phase 7 grant proceeds.
- SCHEDULE:** HHC expects NYCEDC to complete the LTACH by March 2012.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease with NGHP Holding Corporation, ("NGHP Holding"), a New York public benefit corporation, a subsidiary of the New York State Dormitory Authority ("DASNY"), for the Corporation's use and occupancy of the 10-story, 270,000-square-foot North General Hospital Building (the "Hospital Building") for renovation and operation by Coler-Goldwater Specialty Hospital and Nursing Facility ("Coler-Goldwater") as a long term acute care facility ("LTACH") and to conclude the purchase free and clear of all liens and encumbrances from DASNY or NGHP Holding of the parking lot adjacent to the Hospital Building (the "Parking Lot") for a price of \$2.5M, for the construction of a Skilled Nursing Facility ("SNF"). The two facilities will together be known as "Goldwater North."

WHEREAS, the Goldwater portion of the Coler-Goldwater Specialty Hospital and Nursing Facility ("Goldwater") is urgently in need of alteration and upgrades to bring it into compliance with applicable fire safety codes and current standards for patient care at long term care facilities; and

WHEREAS, work required to bring Goldwater in compliance with fire safety requirements is estimated to cost approximately \$200 million and remaining costs associated with the layout is cost prohibitive to effectuate a desired standard of care; and

WHEREAS, The Corporation executed a Memorandum of Understanding (the "MOU") among Corporation, the City of New York (the "City"), DASNY, the New York State Department of Health ("DOH") and North General Hospital, Inc. ("NGH") by which the Building is to be leased by DASNY to HHC for a period of time after which the Building is to be sold to the Corporation for \$1.00 and the Parking Lot is to be sold by DASNY to the Corporation for its appraised value under the condition that it is to be used only as a skilled nursing facility; and

WHEREAS, both the Hospital Building and the Parking Lot are owned by NGH as a debtor-in-possession under Title 11 of the United States Code in the proceeding pending in the Southern District of New York titled, In Re: North General Hospital et al., No. 10-13553 (SCC); and

WHEREAS, DASNY is holder of various mortgages and liens on the Hospital Building and the Parking Lot; and

WHEREAS, the MOU anticipates that the Hospital Building and the Parking Lot will be conveyed to DASNY in satisfaction of its secured claims; and

WHEREAS, a Plan of Reorganization has been filed with the Bankruptcy Court that includes the lease of the Hospital Building and the conveyance of the Parking Lot as described in the MOU as essential elements; and

APPROVED

Page Two – Resolution North General Hospital Building Lease

WHEREAS, although there continues to be uncertainties about the bankruptcy process, it is likely that in or around early June 2011 a Plan of Reorganization will be confirmed by the Court that results in DASNY taking title to both properties for the purpose of carrying out the transactions with the Corporation required by the MOU and described below; and

WHEREAS, DASNY has formed NGHP Holding for the limited purpose of holding title to the Hospital Building and the Parking Lot, leasing the first to the Corporation and selling the later to the Corporation; and

WHEREAS, under the terms of the MOU, the Corporation will renovate the Hospital Building into a long term acute care hospital ("LTACH") and move the Goldwater patients that require such care to the Hospital Building; and

WHEREAS, under the terms of the MOU, the Corporation will construct on the Parking Lot a new skilled nursing facility ("SNF") and move the Goldwater patients that require the care of a skilled nursing facility into the new building to be constructed;

WHEREAS, the transactions described require the Bankruptcy Court to confirm the Plan of Reorganization that has been presented in the NGH bankruptcy and that embodies the terms of the MOU.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and he hereby is authorized execute a lease with NGHP Holding Corporation, ("NGHP Holding"), a New York public benefit corporation, a subsidiary of the New York State Dormitory Authority ("DASNY"), for the Corporation's use and occupancy of the 10-story, 270,000-square-foot North General Hospital Building (the "Hospital Building") for renovation and operation by Coler-Goldwater Specialty Hospital and Nursing Facility ("Coler-Goldwater") as a long term acute care facility ("LTACH") and to conclude the purchase free and clear of all liens and encumbrances from DASNY or NGHP Holding of the parking lot adjacent to the Hospital Building (the "Parking Lot") for a price of \$2.5M, for the construction of a Skilled Nursing Facility ("SNF"). The two facilities will together be known as "Goldwater North."

The rent payable by the Corporation to NGHP Holding for the Hospital Building shall be equal to the amount the Corporation receives from the New York State Department of Health ("DOH") as part of its reimbursement for patient care provided at the Hospital Building to the extent that such reimbursement is attributable to the historic capital costs of the Hospital Building. Any amounts that the Corporation or the City of New York spends to improve the Hospital Building will increase the DOH reimbursement to the Corporation for patient care but will not increase the rent payable to NGHP Holding.

Currently the first floor of the Hospital Building is rented to the Institute for Family Health ("IFH") that is operating a Federally Qualified Health Center ("FQHC") licensed by DOH. The

APPROVED

Page Three -- Resolution North General Hospital Building Lease

Corporation's lease for the Hospital Building initially will not include the space IFH occupies. The IFH lease will expire on June 30, 2013. At that time, the Corporation's lease will include the entire Hospital Building. The method for calculating the rent will not change once the Corporation is the sole tenant, i.e., the rent will reflect the amount paid to the Corporation for patient care rendered in the Hospital Building to the extent attributable to historic capital costs. During the period of IFH's tenancy, IFH will pay rent to NGHP Holding. The Corporation will receive a credit against its rent payable to NGHP equal to 9.6% of the costs to operate the Hospital Building.

During the period of the Corporation's lease for the Hospital Building, the Corporation will be responsible for all aspects of the maintenance and operation of the Hospital Building including the cost of any capital improvements and the cost of providing services to IFH during the term of the IFH lease. The Corporation will indemnify and hold harmless DASNY and NGHP Holding. Among the costs of operating the Hospital Building will be a charge to the Corporation to obtain the benefits of a blanket insurance policy maintained by DASNY that will include the Hospital Building and on which the Corporation and the City will be named as additional insureds.

On or about 2025 the historic capital costs of the NG Hospital will have been fully amortized. At that time, the Corporation will receive no further reimbursement from DOH on account of historic capital costs. At that time, NGHP will convey the Hospital Building to the Corporation for \$1 and the Corporation will have no further obligations to NGHP or to DASNY with respect to the Hospital Building. The Hospital Building will be conveyed free and clear of all liens and encumbrances.

The Parking Lot shall be the site of the construction of a new skilled nursing facility to house the skilled nursing patients of the Goldwater portion of Coler-Goldwater Specialty Hospital and Nursing Facility. The new building will be 12 stories of which 10 floors will be residential. The 12th and Penthouse floors will house mechanical equipment. It is contemplated that the first floor will be a lobby that connects to the Hospital Building, and the second floor will house community amenities for the residents such as a library, music room, exercise room and the like. The new building is expected to house 276 residents.

APPROVED

NEW YORK CITY HEALTH & HOSPITALS CORPORATION CAPITAL COMMITTEE

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION WORK ORDER APPROVAL

Date: December 6, 2011

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Renovation and Construction of New Goldwater North Long Term Acute Care Hospital (LTACH)

Scope: Serving as managing agent, EDC will cause to provide all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation of the former North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).

Need: Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 136. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) 7 grant which targets rightsizing and restructuring of HHC services.

Estimate of Cost:

	Previously Approved 2/10/2011	Proposed Authorization Increase	New Authorization Level	Budget
<i>Design and Planning</i>	5,024,000	1,861,056	6,985,056	6,985,056
<i>Construction</i>	0	73,788,942	73,788,942	121,204,536
<i>Construction Management</i>	1,778,000	7,170,726	8,948,726	8,948,426
<i>Other Costs</i>	0	619,804	619,804	882,735
<i>EDC Fee</i>	250,000	500,000	750,000	2,657,000
<i>Contingency</i>	0	815,528	815,528	11,935,636
Total Project Cost	\$ 7,052,000	\$ 84,853,056	\$ 91,905,056	\$ 152,813,389
<i>CON Additional Processing Fee</i>	0	0	0	354,886
<i>VE Services</i>	0	0	0	231,715
Total Project Cost w/CON Fee	\$ 7,052,000	\$ 84,853,056	\$ 91,905,056	\$ 153,200,000
Funding:				
<i>HEAL NY Phase 7</i>	7,052,000	183,056	7,235,056	8,530,000
<i>NYC General Obligation Bonds</i>	0	84,670,000	84,670,000	111,961,000
<i>NYC General Obligation Bonds (pending)*</i>	0	0	0	32,709,000
Total	\$ 7,052,000	\$ 84,853,056	\$ 91,905,056	\$ 153,200,000

End Date: November 2013

CON: Full Review

Filed: October 2011 Approval: December 2011 (Pending)

* Pending General Obligation (GO) Bonds: New City GO Bonds are expected to be added in the January 2012 Commitment Plan.

APPROVED

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH LONG TERM ADULT CARE HOSPITAL BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to increase EDC's work order threshold by eighty four million, eight hundred fifty three thousand, and fifty-six dollars (\$84,853,056) to ninety one million, nine hundred and five thousand, and fifty-six dollars (\$91,905,056) for the New York City Economic Development Corporation (NYCEDC) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).
- NEED:** Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 136. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) 7 grant which targets rightsizing and restructuring of HHC services.
- SCOPE:** NYCEDC is serving as managing agent and is contracted to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation at the former North General Hospital building into a new Long Term Acute Care Hospital (LTACH).
- PRIOR AUTHORIZATION:** Previous work order for \$7,052,000 was approved by the Capital Committee on February 10, 2011 (attached). At that time the preliminary budget was \$61,806,000. Since then the budget has increased by \$91,394,000.
- TERMS:** The work order is to be executed pursuant to an existing Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** \$91,905,056 in Work Order to EDC, \$153,200,000 in total project budget.
- FINANCING:** \$8,530,000 in HEAL NY Phase 7 grant proceeds and \$144,670,000 in New York City General Obligation Bonds (pledged and pending*).
- SCHEDULE:** Substantial completion is expected by 10/1/2013. Occupancy is expected by 11/1/2013.

* Pending General Obligation (GO) Bonds: New City GO Bonds are expected to be added in the January 2012 Commitment Plan.

APPROVED

NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE

NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION
WORK ORDER APPROVAL

Date: February 9, 2012

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Renovation and Construction of New Goldwater North Long Term Acute Care Hospital (LTACH)

Scope: Serving as managing agent, EDC will cause to provide all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation of the former North General Hospital building into a new Long Term Acute Care Hospital building (LTACH).

Need: Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 216. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) New York Phase 7 grant which targets rightsizing and restructuring of HHC services.

Estimate of Cost:

	Previously Approved 12/6/2011	Proposed Authorization Increase	New Authorization Level	Budget
<i>Planning & Design Services</i>	6,985,056	499,762	7,484,818	7,484,818
<i>Construction</i>	73,786,242	19,475,274	93,261,516	93,261,516
<i>Construction Management</i>	8,948,426	10,317,300	19,265,726	19,265,726
<i>Other Costs</i>	619,804	251,758	871,562	871,562
<i>EDC Fee</i>	750,000	2,150,000	2,900,000	2,900,000
<i>Contingency</i>	815,528	3,841,629	4,657,157	6,464,956
<i>Fixed Equipment</i>	0	0	0	2,316,890
<i>Moveable Equipment</i>	0	0	0	12,500,000
<i>Telecom Equipment</i>	0	0	0	6,210,191
Total Project Cost	\$91,905,056	\$36,535,723	\$128,440,779	\$151,275,659
<i>Land Acquisition</i>	0	0	0	2,510,453
<i>Planning & Design Services</i>	0	0	0	712,515
<i>VE Services (City G.O. Bonds)</i>	0	0	0	231,715
<i>VE Services (HEAL 7)</i>	0	0	0	160,503
<i>CON Additional Processing Fee</i>	0	0	0	810,608
Total Project Cost w/CON Fee	\$91,905,056	\$36,535,723	\$128,440,779	\$155,701,453
Funding:				
<i>HEAL NY Phase 7 *</i>	7,235,056	(388,682)	6,846,374	8,530,000
<i>HEAL NY Phase 19 **</i>	0	0	0	2,510,453
<i>NYC General Obligation Bonds</i>	84,670,000	36,924,405	121,594,405	144,661,000
Total	\$91,905,056	\$36,535,723	\$128,440,779	\$155,701,453

End Date: November 2013

CON: Full Review

Filed: October 2011

Approval: December 2011

* Decreased HEAL 7 grant funds from EDC's W.O. by \$388,682 to pay for the increase in additional CON processing fees.

** Land Acquisition funded through HEAL NY Phase 19 grant proceeds through a re-allocation of funds from the original EDC SNF Work Order

APPROVED

EXECUTIVE SUMMARY

MAJOR MODERNIZATION PROJECT GOLDWATER NORTH LONG TERM ACUTE CARE HOSPITAL BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to increase New York City Economic Development Corporation's (NYCEDC) work order threshold by thirty six million, five hundred thirty-five thousand, seven hundred and twenty-three dollars (\$36,535,723) to one hundred twenty eight million, four hundred forty thousand, seven hundred and seventy-nine dollars (\$128,440,779) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).
- NEED:** Renovation of the existing North General building into a Long Term Acute Care Hospital (LTACH) addresses targeted initiatives to reduce beds by 216. Decision to proceed with this initiative occurred after preliminary reviews determined that the existing Goldwater Hospital campus required significant modification to meet current regulatory codes and long term care standards. Upgrading to a newer, more modern facility and vacating the Goldwater campus is considered the most cost effective opportunity. The bed reduction initiative is supported by HHC's receipt of a Health Care Affordability and Efficiency Law (HEAL) New York Phase 7 grant which targets rightsizing and restructuring of HHC services. The new building will be LEED certified.
- SCOPE:** NYCEDC is serving as managing agent and is contracted to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the renovation at the former North General Hospital building into a new Long Term Acute Care Hospital (LTACH).
- PRIOR AUTHORIZATION (Revised 2/8/12):** Previous work order for \$91,905,056 was approved by the Capital Committee on December 6, 2011 (attached). The previously authorized funds, as of 12/31/12, have been expended in the amounts identified below for the following goods or services: \$1,926,000 has been paid out to Array Architects for all due diligence, baseline environmental studies, existing conditions reports, and schematic design. \$2,770,251 (of which \$827,180 was for existing building maintenance) has been paid out to Gilbane/McKissack for preconstruction services including planning, creation of a co-location site and estimating. \$666,135 has been paid out to Gilbane/McKissack for trade work in this period which includes interior demolition. The budget was previously increased to \$153,200,000 and adjusted to \$155,701,453 to account for the land acquisition.
- TERMS:** The work order is to be executed pursuant to an existing Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** Current projected costs of \$128,440,779 via Work Order to EDC, exclusive of land acquisitions costs, planning and design services, Value Engineering and CON additional processing fees to the New York State Department of Health. Total project budget is \$155,701,453.
- FINANCING:** \$8,530,000 in HEAL NY Phase 7 grant proceeds; \$2,510,453 in HEAL 19 grant proceeds; and \$144,661,000 in New York City General Obligation Bonds.
- SCHEDULE:** Completion: November 2013.

NEW YORK CITY HEALTH & HOSPITALS CORPORATION CAPITAL COMMITTEE

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION WORK ORDER APPROVAL

Date: February 9, 2012

In accordance with a Memorandum of Understanding by and between HHC and the New York City Economic Development Corporation (NYCEDC), the President of HHC respectfully submits for approval by the Capital Committee, the following Work Order to be issued to NYCEDC:

Facility: North General Hospital, also known as "Goldwater North"

Title: Construction of New Goldwater North Skilled Nursing Facility (SNF)

Scope: Serving as managing agent, EDC shall cause to be provided all architectural, engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of a New Skilled Nursing Facility in the Parking Lot of the former North General Hospital building.

Need: Construction of a new SNF facility at this site meets three (3) important strategic needs. 1) Achieves right sizing of HHC services through use of a New York State HEAL 19 grant; 2) Implements HHCs cost containment initiatives identified through the Road Ahead study which reduces the number of certified Coler-Goldwater SNF beds to 979, 164 of which will be located in the new building; 3) Recognizes a cost effective opportunity to build a new LEED certified facility and avoid extensive renovation costs necessary to renovating the existing Goldwater campus.

Estimate of Cost:

	Previously Approved 2/10/2011	Proposed Authorization Increase	New Authorization Level	Budget
<i>Planning & Design Services</i>	5,800,000	3,505,327	9,305,327	9,305,327
<i>Construction</i>	1,750,000	72,340,195	74,090,195	74,090,195
<i>Construction Management</i>	3,000,000	16,804,946	19,804,946	19,804,946
<i>Other Costs</i>	0	4,800,390	4,800,390	4,800,390
<i>EDC Fee</i>	250,000	2,094,526	2,344,526	2,344,526
<i>Contingency</i>	0	7,991,605	7,991,605	7,991,605
<i>Fixed Equipment</i>	0	0	0	930,589
<i>Moveable Equipment</i>	0	0	0	4,232,392
<i>Telecom Equipment</i>	0	0	0	4,026,250
Total Project Cost	\$10,800,000	\$107,536,989	\$118,336,989	\$127,526,220
<i>Additional Closing Costs to No. Gen'l</i>	0	0	0	120,000
<i>Planning & Design Services</i>	0	0	0	69,967
<i>VE Services (HEAL 19)</i>	0	0	0	213,893
<i>CON Additional Processing Fee</i>	0	0	0	860,467
Total Project Cost w/CON Fee	\$10,800,000	\$107,536,989	\$118,336,989	\$128,790,547
Funding:				
<i>HEAL NY Phase 19 *</i>	10,800,000	(2,224,780)	8,575,220	9,839,547
<i>NYC General Obligation Bonds</i>	0	109,761,769	109,761,769	118,951,000
Total	\$10,800,000	\$107,536,989	\$118,336,989	\$128,790,547

End Date: November 2013

CON: Full Review

CON: Full Review

Filed: Original filed October 7, 2010

Filed: Original filed October 7, 2010

Approval: Original Approved December 2, 2011

Amended approval anticipated February 2012

* Decreased HEAL 19 funding from EDC's Work Order by \$2,224,780 in HEAL 19 funds to partially offset the cost of the Land Acquisition to pay for the parking lot and associative closing costs at a cost of \$2,510,453. Land Acquisition funds reallocated to the LTACH project budget.

APPROVED

EXECUTIVE SUMMARY
MAJOR MODERNIZATION PROJECT
GOLDWATER NORTH SKILLED NURSING FACILITY
BY NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

- OVERVIEW:** The President seeks authorization to increase the New York City Economic Development Corporation's (NYCEDC) work order threshold by one hundred seven million, five hundred thirty-six thousand, nine hundred eighty-nine dollars (\$107,536,989) to one hundred eighteen million, three hundred thirty-six thousand, nine hundred eighty-nine dollars (\$118,336,989) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital .
- NEED:** Construction of a new SNF facility at this site meets three (3) important strategic needs. 1) Achieves right sizing of HHC services through use of a New York State HEAL 19 grant; 2) Implements HHC's costs containment initiatives identified through the Road Ahead study which reduces the number of Coler-Goldwater SNF beds to 979, 164 of which will be located in the new building; 3) Recognizes a cost effective opportunity to build a new LEED certified facility and avoid extensive renovation costs necessary to renovating the existing Goldwater campus. It is more advantageous to construct a new building rather than renovate and upgrade a significantly older and occupied campus at Goldwater (constructed circa 1939) to meet new code requirements. The bed count on the facility has been reduced from 276 beds to 164 beds.
- SCOPE:** NYCEDC will serve as managing agent, and will cause to provide all architectural and engineering design services, pre-construction, construction, construction management and project management services necessary for the Construction of the New Skilled Nursing Facility to be built in the parking lot of the former North General Hospital.
- PRIOR AUTHORIZATION (Revised 2/8/12):** Previous work order for \$10,800,000 was approved by the Capital Committee on February 10, 2011 (attached). The previously authorized funds, as of 12/31/12, have been expended in the amounts identified below for the following goods or services: \$2,254,535 has been paid out to Array Architects for all due diligence, baseline environmental studies, existing conditions reports, and schematic design. \$1,323,696 has been paid out to Gilbane/McKissack for preconstruction services including planning and estimating. No trade costs have been paid out to Gilbane/McKissack for trade work in this period. No cost has been paid out to EDC for its management costs for this period. Subsequent registrations for EDC fee in this period will be fourth coming once OMB provides the proper information to allow for encumbrance. The previously reported budget for \$143,768,664 has been revised to \$128,790,547, \$2,510,453 of which has been reallocated to the LTACH project budget to cover land acquisition costs.
- TERMS:** The work order will be executed pursuant to a Memorandum of Understanding (MOU) by and between the Corporation and NYCEDC.
- COST:** Current projected cost of \$118,336,989 via Work Order to NYCEDC, exclusive of land acquisition costs, planning and design services, Value Engineering and CON additional processing fees to the New York State Department of Health. Total budget is \$128,790,547.
- FINANCING:** \$9,839,547 in HEAL NY Phase 19 grant proceeds; \$118,951,000 in New York City General Obligation Bonds.
- SCHEDULE:** Completion: November 2013.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a management contract with Johnson Controls, Inc. ("JC Inc") to manage the Corporation's plant maintenance operations for each HHC facility. The contract will be for a term of nine years in a total amount not to exceed \$363,191,470.

WHEREAS, given the projected financial position of the Corporation and the need to close a substantial deficit in the Corporation's budget the Corporation's Restructuring Leadership Committee identified Plant Maintenance operations management as a source of substantial savings; and

WHEREAS, a Request for Proposals ("RFP") was issued on September 9, 2010, seeking a plant maintenance company to enter into a contract with the Corporation to manage the full extent of the Corporation's plant maintenance operations; and

WHEREAS, a selection committee using criteria specified in the RFP determined that JC Inc, an entity whose core business is plant maintenance, had the highest rating of all of the proposers and will best meet the Corporation's requirements; and

WHEREAS, the JC Inc contract is estimated to save the Corporation \$127,992,493 which includes the corporation's labor force savings (see attachment A) over the contract's nine year term; and

WHEREAS, the Corporation's Restructuring Leadership Committee has reviewed and approved JC Inc's assumption of the Corporation's plant maintenance managerial function; and concluded that JC Inc's expert management will improve patient care, patient safety and assure substantial savings to the Corporation; and

WHEREAS, the Executive Vice President/COO shall be responsible for the overall management, monitoring and enforcement of the contract.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to negotiate and execute a management contract with Johnson Controls, Inc. ("JC Inc") to manage the Corporation's plant maintenance operations for each facility. The contract will be for a term of nine years in an amount not to exceed \$363,191,470.

Executive Summary

The Current Situation:

The Corporation's total cost for plant maintenance management, personnel services, and "Other than Personnel Services" (OTPS) expenses related to plant maintenance in fiscal year 2012 are projected to be \$153.2 million. The Corporation's projected expenditures over the next nine years will total \$1,497,591,217 if the Corporation does nothing.

The Solution – Competitive Solicitation to Attract Expert Management:

The Corporation, as part of its Restructuring Plan, issued a Request for Proposal on September 9, 2010 with the following objectives: attract the most experienced and largest providers of healthcare plant maintenance management services; improve patient care; improve patient safety; improve the quality of plant maintenance services through management controls; reduce the Corporation's costs; and increase productivity to achieve maximum efficiencies.

The Results:

As a result of the Request for Proposal, the Corporation wishes to enter into a contract with Johnson Controls, Inc., who has provided contract guarantees. These guarantees include capped expenditures within the current scope of work for the following: Group 12 Personnel Services; OTPS; Overtime; and Management Fees. The management agreement with Johnson Controls, Inc., for the nine year term of the contract includes an average savings to the corporation of \$14.2 million per year, or a total of \$127.9 million in savings including improvement in patient safety and the quality of plant maintenance operations. Johnson Controls, Inc. will also conduct a "Life Cycle" assessment of all of the Corporation's facility capital assets. The assessment will help the Corporation prioritize its facility capital improvements. Johnson Controls, Inc. will maintain a facility capital asset inventory throughout the term of the contract.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Plant Maintenance Management
Project Title & Number: DCN# 1922
Project Location: Corporate-wide
Requesting Dept.: Office of Operations

Successful Respondent: Johnson Controls, Inc.

Contract Amount: Not to exceed \$362,733,198 for the full 9 years

Contract Term: 9 years

Number of Respondents: 3
(If sole source, explain in Background section)

Range of Proposals: \$ 362.7 million to \$ 401.1 million

Minority Business Enterprise Invited: Yes

Funding Source: General Care

Method of Payment: Time and Rate

EEO Analysis: Yes

Compliance with HHC's McBride Principles? Yes

Vendex Clearance Yes

(required for contracts in the amount of \$50,000 or more awarded pursuant to an RFP or as a sole source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

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

The Corporation's total cost for plant maintenance management, personnel services, and OTPS expenses related to plant maintenance in fiscal year 2012 is projected to be \$153.2 million. The Corporation's projected expenditures over the next nine years will total \$1.497 Billion if the Corporation does nothing.

The Corporation, as part of its Restructuring Plan, issued a Request for Proposal on September 9, 2010 with the following objectives: attract the most experienced and largest providers of healthcare plant maintenance management services; improve patient care; improve patient safety; improve the quality of plant maintenance through management controls; reduce the Corporation's costs; and increase productivity and quality throughout the Corporation's plant maintenance operation to achieve maximum efficiencies.

As a result of the Request for Proposal, the Corporation wishes to enter into a contract with Johnson Controls, Inc., who has provided contract guarantees. These guarantees include capped expenditures within the current scope of services for the following: Group 12 Personnel Services; OTPS; Overtime; and Management Fees. The management agreement with Johnson Controls, Inc., for the nine year term of the contract includes an average savings to the Corporation of \$14.2 million per year, or a total of \$127.9 million in savings including improvement in patient safety and the quality of plant maintenance operations.

CONTRACT FACT SHEET (continued)

Contract Review Committee

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

Yes. January 25, 2012.

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:

The timetable, budget, contract deliverables and accountable person have not changed since the presentation to the CRC in September of 2010.

CONTRACT FACT SHEET (continued)

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

The Plant Maintenance Management Vendor selection process was an evaluation conducted by a committee process. The selection committee was comprised of both HHC Central Office and facility representatives.

Selection Committee Members:

Antonio Martin, Sr. Network VP Executive Administration - Central Brooklyn
Neil Agovino, AED Operations – South Manhattan
Diane Carr, Deputy Executive Director Operations/CIO – NBHN
Nancy Doyle, AVP Workforce Planning & Development – Central Office
Kevin Fehily, AED Materials Management – South Brooklyn
Tracy Green, AED Finance – Bellevue Hospital
Julian John, CFO – Kings County Hospital Center
Martin Levine, Sr. AED Network Administration – Generations +
Dean Mihaltses, AED Support Services - QHN
Joseph Quinones, AVP Contract Administration & Control – Central Office
Roslyn Weinstein, Chief Operating Officer – Kings County Hospital

List of Proposers:

Crothall, Inc.
Johnson Controls, Inc.
Sodexo, Inc

Scope of work and timetable:

Based on their review, their knowledge of our business, locations and information provided in the RFP, Johnson Controls, Inc. projected a timetable for implementing Plant Maintenance Operations for HHC is 120 days.

CONTRACT FACT SHEET (continued)

Costs/Benefits:

Benefits:

The management agreement with Johnson Controls, Inc., for the 9 year term of the contract includes an average savings to the Corporation of \$14.2 million per year, or a total of \$127.9 million in savings including improvement in patient safety, quality of plant maintenance operations and a "Life Cycle" assessment of all the facility capital assets to determine its useful life schedule for replacement.

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

The work can be performed by the Corporation's staff, but it is not a core service of the Corporation and is inefficient and significantly more costly. The Corporation can no longer absorb this expense. The savings must be achieved in accordance with the Corporation's Restructuring Plan.

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

No.


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

Antonio Martin, Executive Vice President and COO

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

manasses.williams@nychhc.org

TO: Joseph Quinones, JD
Assistant Vice President, Contract Administration & Control
Division of Operations

FROM: Manasses C. Williams 

DATE: January 31, 2012

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Johnson Controls, Inc., has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Environmental and Plant
Maintenance Management Services

Submitted by: Office of Facilities Development

EEO STATUS:

1. Approved
2. Approved with follow-up review and monitoring
3. Not approved

COMMENTS:

MCW:srf

Cc: Alfonso C. Pistone, AVP Facilities Development

Office of Legal Affairs

MEMORANDUM

To: Joseph Quinones
Contract Administration & Control

From: Karen Rosen *KB*
Assistant Director

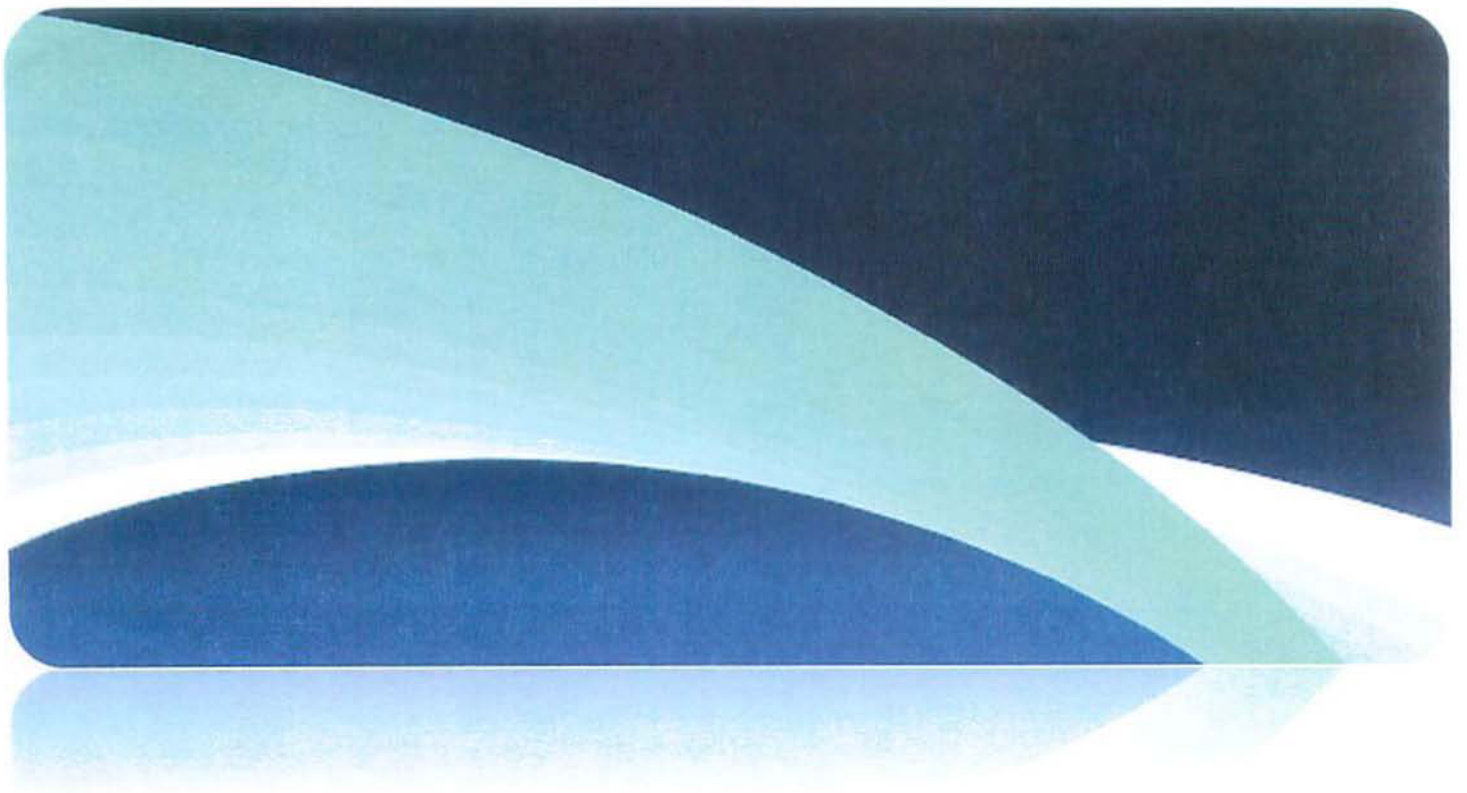
Date: February 1, 2012

Subject: VENDEX Approval

For your information, on February 1, 2012 VENDEX approval was granted by the Office of Legal Affairs for the following company:

Johnson Controls, Inc

cc: Norman M. Dion, Esq.



ATTACHMENT "A"

Attachment 'A'
Plant Operations & Maintenance

Current State										
Cost Description	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
OTPS Expense	29,524,631	30,410,370	31,322,681	32,262,362	33,230,233	34,227,140	35,253,954	36,311,572	37,400,820	299,943,882
Average Group (Grp) 12 Salary	74,795	74,795	74,795	75,730	76,877	77,835	78,805	79,588	80,583	
Number of Grp 12 Employees	918	918	918	918	918	918	918	918	918	
Sub-Total Grp 12 PS Expense	68,661,810	68,661,810	68,661,810	69,520,083	70,369,084	71,268,947	72,159,809	73,061,807	73,975,079	638,360,238
Projected Grp 12 Benefit Rate	44.06%	45.77%	48.49%	50.74%	52.40%	53.60%	55.13%	56.62%	58.20%	
Projected Grp 12 Benefit Expense	30,252,393	31,426,510	33,294,112	35,274,490	36,893,880	38,200,156	39,781,703	41,367,595	43,053,496	329,534,335
Projected Grp 12 Overtime Expense	17,056,638	17,056,638	17,056,638	17,269,848	17,485,719	17,704,291	17,925,594	18,149,684	18,378,535	158,081,563
Projected Grp 12 Overtime Benefit Rate	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	
Projected Grp 12 Overtime Expense	3,750,755	3,750,755	3,750,755	3,797,839	3,845,110	3,893,173	3,941,838	3,991,111	4,041,000	34,762,136
Projected Grp 11 Salary Expense	2,857,903	2,857,903	2,857,903	2,893,627	2,929,797	2,966,420	3,003,500	3,041,044	3,079,057	26,487,153
Projected Grp 11 Benefit Rate	40.36%	41.78%	44.19%	46.16%	47.53%	48.44%	49.68%	50.89%	52.18%	
Projected Grp 11 Benefit Expense	1,153,450	1,194,032	1,262,907	1,335,698	1,392,533	1,436,934	1,492,139	1,547,587	1,606,652	12,421,931
HHC Expense less Utilities	153,257,580	155,358,018	158,208,806	162,353,744	166,156,354	169,697,060	173,558,536	177,470,380	181,532,738	1,487,591,217
Proposed / Future State - Comparison										
Cost Description	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
OTPS Expense	29,524,631	29,524,631	29,524,631	29,524,631	29,524,631	30,115,124	30,717,426	31,331,775	31,956,410	271,745,892
Average Group (Grp) 12 Salary	74,795	74,795	74,795	75,730	76,877	77,835	78,805	79,588	80,583	
Number of Grp 12 Employees	883	811	787	787	787	787	787	787	787	
Sub-Total Group 12 PS Expense	64,542,094	60,669,575	58,803,685	59,599,461	60,344,454	61,098,760	61,882,494	62,635,775	63,418,723	553,035,001
Projected Grp 12 Benefit Rate	44.06%	45.77%	48.49%	50.74%	52.40%	53.60%	55.13%	56.62%	58.20%	
Projected Grp 12 Benefit Expense	28,437,247	27,768,465	28,542,991	30,240,766	31,820,494	32,748,835	34,104,793	35,464,376	36,909,697	285,837,704
Projected Grp 12 Overtime Expense	16,374,372	15,621,151	15,056,638	15,056,638	15,056,638	15,056,638	15,056,638	15,056,638	15,056,638	137,391,990
Projected Grp 12 Overtime Benefit Rate	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	21.99%	
Projected Grp 12 Overtime Expense	3,600,725	3,435,091	3,310,955	3,310,955	3,310,955	3,310,955	3,310,955	3,310,955	3,310,955	30,212,499
JCI Facility Manager Expense	4,351,227	4,182,880	4,308,469	4,437,723	4,570,855	4,707,980	4,849,220	4,994,696	5,144,537	41,547,688
JCI Facility Manager Benefit Rate	33.50%	33.50%	33.50%	33.50%	33.50%	33.50%	33.50%	33.50%	33.50%	
JCI Facility Manager Benefit Expense	1,457,661	1,401,288	1,443,337	1,486,637	1,531,238	1,577,173	1,624,489	1,673,223	1,723,420	13,918,476
JCI Direct Expenses	2,245,994	2,245,994	2,245,994	2,245,994	2,245,994	2,290,914	2,336,732	2,383,467	2,431,136	20,872,218
JCI SG&A / Management Fee	1,421,269	1,381,836	1,411,197	1,441,843	1,473,004	1,513,231	1,554,585	1,597,100	1,640,807	13,434,472
JCI One Time Start Up Expense	0	1,872,725	0	0	0	0	0	0	0	1,872,725
JCI Expense less Utilities	151,955,219	146,230,822	144,707,877	147,344,449	149,678,261	152,419,710	155,417,332	158,448,005	161,594,323	1,369,688,724
Annual Variance	1,302,361	9,127,196	13,498,929	15,009,295	16,478,094	17,277,350	18,141,204	19,022,374	19,938,415	127,922,493
Cumulative Variance	1,302,361	8,556,832	22,065,761	37,065,057	53,543,151	70,865,420	89,097,362	108,257,210	128,380,787	

JCI to keep OTPS expense flat through the first 5 years of the contract, years 6,7,8 JCI OTPS expense increases by 2% - HHC OTPS expense expected to increase by 3% annually - validated by NYCHHC Finance Division. Should OTPS expense be less than projected JCI will pay HHC the variance, annually.

Group 12 Staffing Targets to be achieved through attrition, attrition rate is calculated at 6% annually for this class of employee - validated by NYCHHC Finance Division.

Group 12 Benefit Rate and OT Benefit rate validated by NYCHHC Finance Division.

Group 12 Salary and Overtime Expenses are guaranteed.

Group 11 Salaries & Benefits validated by NYCHHC Finance Division.

Johnson Control Inc. Direct expenses held flat through year 5 with a 2% escalator in years 6 - 9.



Plant Maintenance Operations *Management Contract*

Presentation to the
Finance Committee of the
Board of Directors
February 7, 2012



Why HHC Needs a Vendor to Manage Plant Maintenance

- HHC is currently exposed to substantial rising costs in its Plant Maintenance Operations.
- Plant Maintenance includes the operation, repair and maintenance of HHC's facilities.
- Restructuring Leadership Committee identified Plant Maintenance as one of the 39 projects to achieve Corporate savings objectives.
- A management contract was needed to control and standardize costs throughout the enterprise.
- If HHC does not control rising costs by deploying the skills and experience of a vendor, HHC would have to allocate limited resources from patient care to cover increased costs in non-core goods and services.



Vendor Selection

- HHC issued an RFP in accordance with HHC's Operating Procedures.
- The RFP Selection Committee chose Johnson Controls, Inc, as the highest rated proposer (won on both cost and quality).
- HHC's proposed contract with the vendor will include multiple guarantees over nine years that clearly negates HHC's exposure.



Who is Johnson Controls, Inc.?

- Founded in 1885. The Building Efficiency Division, was established to address the need for a specialized, high quality, innovative, and responsive Plant Maintenance Company.
- Johnson Controls', Building Efficiency business unit, services over 3,500 healthcare customers in the US and Canada, including over a dozen acute-care hospitals where full service plant maintenance is provided.
- JCI has a presence in more than 40% of North American healthcare facilities.
- 15,000 employees maintaining 17,000 buildings, 1.5 billion square feet across 90 countries.
- JCI's client retention rate is 90%.
- JCI has earned the following distinctions:
 - Top 100 Best Managed Companies – “Industry Week”
 - Top 100 Best Corporate Citizens – “Business Ethics Magazine”
 - Ranked #2 Greenest Company – “Newsweek”
 - Corporate Diversity Award – World Diversity Leadership Council



Sample of Current Contracts

- Department of Defense and Department of Energy
 - Hanford
 - Camp LeJune, NC

- County Governments
 - Fulton County, GA
 - Washington County, WI
 - Los Angeles County, CA

■ Select Healthcare Facilities	Bed Size	Location
□ Phoenix Children's Hospital	450	Phoenix, AZ
□ Methodist La Bonheur Healthcare	1,731	Memphis, TN
□ McGill Hospital	500	Montreal, ON
□ Abbotsford Hospital and Cancer Centre	300	Abbotsford, BC
□ Niagara Health System	375	St. Catherines, ON
□ Bridgepoint Health Centre	472	Toronto, ON
□ North Bay Regional Health Centre	388	North Bay, ON

- Johnson Controls, Inc. currently employs approximately 7500 union employees represented by 56 bargaining units nation-wide.



Contracts with NYS and NYC Agencies

- **New York City Health and Hospitals Corp.**
 - JCI has performed maintenance / repair / refurbishment work in virtually all HHC facilities over the last 10 years
- **Empire State Building**
 - Currently performing a \$50 million energy performance contract at the Empire State Building. The retrofit program will reduce the Empire State Building's energy use by 38% per year, placing it in the top 10% of all U.S. office buildings in terms of energy efficiency.
- **CUNY**
 - Chosen as an energy service provider to CUNY through the DASNY contract. In process of providing energy studies on CUNY campuses.
- **DASNY / NYS OGS**
 - Approved contractor to provide equipment installation, maintenance and energy services



Vendor Responsibilities

■ Johnson Controls, Inc. will:

- Hire existing management staff to oversee HHC's plant maintenance services staff
- Train staff to improve performance
- Buy supplies out of the contract payments at optimal cost
- Provide software for repair/maintenance work order tracking
- Provide necessary repair/maintenance tools
- Deploy the best methods across the enterprise to improve satisfaction
- Control Personal Services, Overtime and OTPS costs
- Maintain equipment deemed to have exceeded 'useful life.'

Plant Maintenance Cumulative Savings and Costs for 9 Years

(In Millions)							
	<u>Contract Fees</u>	<u>OTPS</u>	<u>Mgmt Salary</u>	<u>PS</u>	<u>OT</u>	<u>Fringe</u>	<u>Total</u>
9 Year Projection HHC	\$0.00	\$299.94	\$38.90	\$636.36	\$158.08	\$364.29	\$1,497.59
9 Year Projection Contract	\$35.97	\$271.74	\$55.46	\$553.03	\$137.39	\$316.00	\$1,369.66
Variance / Savings	(\$35.97)	\$28.20	(\$16.56)	\$83.33	\$20.69	\$48.25	\$127.92

CONTRACT COSTS BREAK DOWN	
OTPS Expense	\$271,745,892
JCI Management & Fringe Benefit	\$55,466,104
Direct Expense	\$20,672,218
Management Fee	\$13,434,472
Start Up Expense	\$1,872,785
Sub-Total Contract Costs	\$363,191,470
Non Johnson Controls Expenses	
Group 12 Wage Expense	\$690,426,992
Group 12 Benefit Expenses	\$316,050,262
Total Non Johnson Controls Expenses	\$1,006,477,254
Total Expenses	\$1,369,668,724

Plant Maintenance Annual Savings

(In Millions)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Total</u>
OTPS	\$ -	\$ 0.89	\$ 1.80	\$ 2.74	\$ 3.71	\$ 4.11	\$ 4.54	\$ 4.98	\$ 5.44	\$ 28.20
Contract Fees	\$(3.67)	\$(5.50)	\$(3.66)	\$(3.66)	\$(3.66)	\$(3.80)	\$(3.90)	\$(3.98)	\$(4.07)	\$(35.98)
HHC PS Group 12	\$ 4.12	\$ 7.99	\$ 9.80	\$ 9.92	\$10.04	\$10.17	\$10.30	\$10.43	\$10.56	\$ 83.33
HHC OT	\$ 0.68	\$ 1.44	\$ 2.00	\$ 2.21	\$ 2.43	\$ 2.65	\$ 2.87	\$ 3.09	\$ 3.32	\$ 20.69
HHC Group 12 Fringe	\$ 1.97	\$ 3.97	\$ 5.19	\$ 5.52	\$ 5.80	\$ 6.03	\$ 6.31	\$ 6.58	\$ 6.87	\$ 48.25
Mgmt Wage	\$(1.80)	\$(1.53)	\$(1.63)	\$(1.70)	\$(1.78)	\$(1.88)	\$(1.98)	\$(2.08)	\$(2.18)	\$(16.56)
Total	\$1.3	\$ 7.26	\$13.50	\$15.01	\$16.48	\$17.28	\$18.14	\$19.02	\$19.94	\$127.92



Inflationary Exposure

- HHC's Inflationary Exposure over the next 9 years:
 - FB: FY13 estimated to be 44.06%. By FY21, Fringe Benefits estimated to be in excess of 58%.
 - Personnel Services inflation factor in the current Financial Plan is zero salary increases for years 1-3 and 1.25% for years 4-9.
 - Total Group 12 PS cost is estimated to be \$636.36 million for an average cost of \$70.7 million per year.
 - OT cost is estimated to be \$158.08 million for an average cost of \$17.56 million per year.
 - OTPS Inflation factor is calculated to be 3%.
 - Total OTPS for routine plant maintenance costs will be \$299.9 million or an average cost of \$33.32 million per year.
 - If HHC did nothing, current Plant Maintenance Operations would incur PS and OTPS costs totaling approximately \$1.5 billion.



Mitigate Exposure

- How does HHC's proposed contract over the 9 year term mitigate exposure?
 - Group 12 PS Costs are capped at \$553.03 million (as compared to projected \$636.36 million).
 - OT Costs are capped at \$137.39 million (as compared to projected \$158.08 million).
 - OTPS Costs are capped at \$271.74 million (as compared to projected \$299.94 million).
 - Contract is firm for nine years.



Savings

- Savings over 9 year term of contract: \$127.9 million
 - Continuation with current Plant Maintenance Operations will incur PS, OT and OTPS costs of \$1.5 billion (annual average costs \$166M).
 - If Johnson Controls, Inc. manages the operation, PS, OT and OTPS costs will be \$1.37 billion (annual average costs \$152M).
 - Savings with Johnson Controls, Inc. will be \$127.9 million over nine years (annual average savings \$14.2M).
 - The current estimated salary increases at 0% for years 1-3 and 1.25% for years 4-9 may understate actual future CB increases, and if, for example, annual wage increases average 2% over the next 9 years, HHC savings would increase by \$22M for a total savings of \$150M.
 - Costs related to OTPS, PS and OT are Guaranteed.



Additional Benefits

- No union employee will be terminated as a consequence of outsourcing Plant Maintenance Operations.
- Current management employees shall have the opportunity to become employees of Johnson Controls, Inc.
- A Corporate-wide Life Cycle Assessment will be performed cataloguing and evaluating infrastructure equipment.
- A standardized approach to work order tracking will be implemented to monitor costs and productivity.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with T-Mobile Northeast, LLC, (the "Licensee"), for use and occupancy of space for the operation of a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility, Coler Campus (the "Facility").

WHEREAS, in July 2007 the Board of Directors of the Corporation authorized the President to execute a license agreement with the Licensee which by its terms expires on October 31, 2012; and

WHEREAS, the Licensee desires to continue to operate a cellular communications system at the Facility, and the Facility has space suitable for the Licensee's needs; and

WHEREAS, the Licensee's use of the rooftop space will not compromise Facility operations; and

WHEREAS, the Licensee's cellular communications system complies with applicable federal statutes governing the emission of radio frequency signals and therefore poses no health risk.

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 revocable license agreement with T-Mobile Northeast, LLC, (the "Licensee"), for use and occupancy of space for the operation of a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility (the "Facility").

The Licensee shall be granted the use and occupancy of approximately 200 square feet of space on the roof of the "A-C" Building on the Facility's Coler campus (the "Licensed Space") for the operation of a cellular communications base station and related antenna equipment and accessories. The Licensee shall be responsible for paying for electrical and telephone services.

The Licensee shall pay an annual occupancy fee of \$52,840 per year, with an annual increase of 4% on the anniversary of the commencement date, for its use and occupancy of the Licensed Space.

The Licensee shall 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, and shall provide appropriate insurance naming the Corporation and the City of New York as additional insureds.

The license agreement shall be revocable by either party on sixty (60) days prior notice. The term of this agreement shall not exceed five years without further authorization by the Board of Directors of the Corporation.

EXECUTIVE SUMMARY

LICENSE AGREEMENT T-MOBILE NORTHEAST, LLC.

COLER-GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY

The President seeks the authorization of the Board of Directors to execute a revocable license agreement with T-Mobile Northeast, LLC, ("T-Mobile"), for use and occupancy of space to operate a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility ("Coler-Goldwater").

T-Mobile will operate a base station, antennae and related equipment at Coler-Goldwater. The roof of the "A-C" Building on the Coler campus offers system performance advantages to T-Mobile, and the operation of the system does not interfere with the facility's telecommunications systems. The system complies with applicable federal statutes governing radio frequency emissions, and, therefore, poses no health risk.

T-Mobile will have use and occupancy of approximately 200 square feet of space on the roof of the "A-C" Building on the Coler campus. T-Mobile will pay an annual occupancy fee of \$52,840 per year, with an annual increase of 4% on the anniversary of the commencement date, for use and occupancy of the licensed space and will also be responsible for paying for electrical and telephone services.

T-Mobile 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, and shall provide appropriate insurance naming the Corporation and the City of New York as additional insureds.

The license agreement shall be revocable by either party on sixty (60) days prior notice. The term of this agreement shall not exceed five years without further authorization by the Board of Directors of the Corporation.

ANTENNA AGREEMENTS

Facility	Licensee	Occupancy Fee (\$)	Price/Square Foot (\$)	Board Approval
Coler-Goldwater	T-Mobile	52,840	200	TBD
Coler-Goldwater	T-Mobile	50,087	254	TBD*
Lincoln	Sprint-Spectrum	80,812	269	9/2011
Coler-Goldwater	Sprint-Nextel	31,200	125	6/2011
Sea View	U.S. Government	7,939	52	7/2010
NCB	NYPD	waived	n/a	10/2009
Coler-Goldwater	Metro PCS	90,360	226	6/2009
Harlem	Con Edison	23,996	480	3/2007
Coney Island	U.S. Government	6,919	46	7/2007
Coler-Goldwater	Omnipoint	41,760	209	7/2007
Coler-Goldwater	Nextel	43,443	272	10/2006
Lincoln	Sprint-Spectrum	45,000	150	7/2006
Sea View	Wireless Edge	55,500	21	10/2004

Explanation of Charges:

Government entities typically pay lower occupancy fees for the space their antenna equipment occupies. The fees paid by private firms are heavily influenced by the degree to which the equipment will enhance system coverage in the area. Carriers are willing to pay a higher rate for those antenna sites where the installation significantly improves signal coverage.

*Previous Omnipoint license agreement presented at Capital Committee on January 12, 2012, will also be presented to the Board of Directors on February 27, 2012, concurrently with current resolution to reflect recent Vendex completion.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with T-Mobile Northeast, LLC (the "Licensee") for use and occupancy of space for the operation of a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility, Goldwater Campus (the "Facility").

WHEREAS, in January 2007, the Board of Directors of the Corporation authorized the President to execute a license agreement with the Licensee which by its terms expires January 31, 2012; and

WHEREAS, the Licensee's use of rooftop space for its equipment will not compromise Facility operations; and

WHEREAS, the Licensee's cellular communications system complies with applicable federal statutes governing the emission of radio frequency signals, and therefore poses no health risk.

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 revocable license agreement with T-Mobile Northeast, LLC (the "Licensee") for use and occupancy of space for the operation of a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility, Goldwater Campus (the "Facility").

The Licensee shall be granted the continued use and occupancy of approximately 200 square feet of space on the roof of the "E" Building on the Facility's Goldwater campus (the "Licensed Space") for the operation of a cellular communications base station and related antenna equipment and accessories. The Licensee shall be responsible for paying for electrical and telephone services.

The Licensee shall pay an annual occupancy fee of \$50,807 per year, or approximately \$254 per square foot. The occupancy fee shall be escalated by 4% per year.

The Licensee shall 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, and shall provide appropriate insurance naming the Corporation and the City of New York as additional insureds.

The Goldwater facility will be vacated by late 2013. The license agreement may be terminated, prior to expiration of its five year term, with ninety (90) days prior notice to the licensee.

EXECUTIVE SUMMARY
LICENSE AGREEMENT
T-MOBILE NORTHEAST, LLC

COLER-GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY

The President seeks the authorization of the Board of Directors to execute a revocable license agreement with T-Mobile Northeast, LLC ("T-Mobile"), for its continued use and occupancy of space to operate a cellular communications system at Coler-Goldwater Specialty Hospital & Nursing Facility ("Coler-Goldwater").

T-Mobile has operated a base station, rooftop antenna and related equipment at Coler-Goldwater since 2003. The most recent agreement, approved by the Board of Directors in January 2007, expires January 31, 2012. The occupancy fee represents a 4% increase over the current rate. The roof of the "E" Building on the Goldwater's campus offers system performance advantages to T-Mobile, and the operation of the system does not interfere with the facility's telecommunications systems. The system also complies with applicable federal statutes governing radio frequency emissions, and, therefore, poses no health risk.

T-Mobile will have the continued use and occupancy of approximately 200 square feet of space on the roof of the "E" Building on the Goldwater campus. T-Mobile will pay an annual occupancy fee of \$50,807, or approximately \$254 per square foot. The occupancy fee will be escalated by 4% per year. T-Mobile will also be responsible for paying for electrical and telephone services.

T-Mobile 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, and shall provide appropriate insurance naming the Corporation and the City of New York as additional insureds.

The Goldwater facility will be vacated by late 2013. The license agreement may be terminated, prior to expiration of its five year term, with ninety (90) days prior notice to the licensee.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with Westat, Inc. (the "Licensee"), for a parcel of land for siting trailers in which the Licensee will conduct a U.S. Centers for Disease Control national health survey on the campus of Queens Hospital Center (the "Facility").

WHEREAS, in January 2007, the Board of Directors authorized the President to execute a license agreement with the Licensee which by its terms expired June 30, 2007; and

WHEREAS, the U.S. Centers for Disease Control (the "CDC") is engaged in an ongoing survey of national health conditions and desires to reestablish its program managed by the Licensee on the Facility's campus; and

WHEREAS, the Licensee, in cooperation with the New York City Department of Health and Mental Hygiene has conducted similar surveys in New York City including Queens County; and

WHEREAS, the Facility has land available suitable for siting the Licensee's trailers.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") be and is hereby authorized to execute a revocable license agreement with Westat, Inc. (the "Licensee"), for a parcel of land for siting trailers in which the Licensee will conduct a Centers for Disease Control national health survey on the campus of Queens Hospital Center (the "Facility").

The Licensee shall be granted the use and occupancy of a vacant parcel of land measuring approximately 8,000 square feet (the "Licensed Premises"). The Licensee shall pay an occupancy fee of \$3,000 per month. The term of the license agreement shall commence April 1, 2012 and end July 15, 2012.

The Licensee shall provide its own trailers and shall be responsible for all costs associated with the installation of the trailers and the operation of the survey program. The cost for all utilities shall be the responsibility of the Licensee. The Licensee shall also be responsible for providing its own security.

The Licensee shall take good care of the Licensed Premises, the curbs in front of, or adjacent to, the Licensed Premises, water sewer and gas connections, pipes and mains, and shall keep the Licensed Premises in good and safe order and condition, and shall make all repairs, interior and exterior, structural and nonstructural necessary to keep the Licensed Premises in good and safe order and condition.

At the end of the term of the License, the Licensee shall remove its trailers and restore the Licensed Premises to its condition prior to the term of the license.

**Page Two – Resolution
License Agreement – Westat, Inc.**

The Licensee shall keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances the sidewalks, grounds, parking facilities, plazas, common areas, vaults, chutes, sidewalk hoists, railings, gutters, alleys, curbs or any other space in front of, or adjacent to, the Licensed Premises.

The Licensee shall be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out the use of the Licensed Premises and shall provide adequate insurance naming the Corporation and the City of New York as additional insured parties.

The term of the license agreement shall not exceed one hundred and five (105) days without further authorization by the Board of Directors and shall be revocable by either party on fifteen (15) days prior notice.

**EXECUTIVE SUMMARY
LICENSE AGREEMENT
WESTAT, INC.**

QUEENS HOSPITAL CENTER

The President seeks the authorization of the Board of Directors of the Corporation to execute a revocable license agreement with Westat, Inc. ("Westat"), for a parcel of land for siting trailers in which Westat will conduct a U.S. Centers for Disease Control ("CDC") national health survey on the campus of Queens Hospital Center ("QHC").

For approximately four (4) months, beginning in March 2007, CDC conducted a survey of health conditions in Queens County managed by Westat, its contractor. CDC desires to resume the program and seeks a license agreement which will allow it to resume operations from trailers located on QHC's campus.

Westat will be granted the use and occupancy of a vacant parcel of land measuring approximately 8,000 square feet located on the northern portion of the QHC campus off 164th Street. Five (5) trailers will be located on the parcel. Westat will pay an occupancy fee of \$3,000 per month. The term of the license agreement will commence April 1, 2012 and terminate July 15, 2012.

Westat's efforts are a part of the National Health and Nutrition Examination Survey ("NHANES") program of studies designed to assess the health and nutritional status of adults and children. The survey combines interviews and physical examinations. NHANES is a major program of the National Center for Health Statistics ("NCHS"). NCHS is part of the Centers for Disease Control and Prevention ("CDC"), U.S. Public Health Service, and has responsibility for producing vital and health statistics for the United States. The survey team consists of a physician, a dentist, medical and health technicians, and dietary and health interviewers. Also, a staff of trained interviewers will conduct household interviews.

Queens County is one of fifteen (15) counties in the U.S. participating in the survey which will sample approximately 5,000 people nationally. Interviews will be given to participants in the survey which include demographic, socioeconomic, dietary, and health-related questions. The examination component consists of medical and dental examinations, physiological measurements and laboratory tests administered by medical personnel. Findings from the survey will be used to determine the prevalence of major diseases and risk factors, assess nutritional guidelines and their association with health promotion and disease prevention. NHANES findings are the basis for national standards for such measurements as height, weight and blood pressure. Data from the survey will be used in epidemiological and health sciences research and will help develop sound public health policy.

Westat will provide its own trailers and will be responsible for all costs associated with the installation of the trailers and the operation of the survey program. The cost for all utilities will be the responsibility of Westat. Westat will also be responsible for providing its own security.

Westat will take good care of the licensed premises, the curbs in front of, or adjacent to, the licensed premises, water sewer and gas connections, pipes and mains, and will keep the licensed premises in good and safe order and condition, and will make all repairs, interior and exterior, structural and nonstructural necessary to keep the licensed premises in good and safe order and condition. At the end of

**Page Two – Executive Summary
License Agreement – Westat, Inc.**

the term of the license, Westat will remove its trailers and restore the licensed premises to its condition prior to the term of the license.

Westat will keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances the sidewalks, grounds, parking facilities, plazas, common areas, vaults, chutes, sidewalk hoists, railings, gutters, alleys, curbs or any other space in front of, or adjacent to, the licensed premises.

Westat will be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out the use of the licensed premises and shall provide adequate insurance naming the Corporation and the City of New York as additional insured parties.

The term of the license agreement shall not exceed one hundred and five (105) days without further authorization by the Board of Directors and shall be revocable by either party on fifteen (15) days prior notice.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Tenant" or the "Corporation") to execute a lease agreement with Dr. Mikail Kantius (the "Landlord") for space at 79-18 164th Street, Borough of Queens, to house the Women, Infants and Children Program (the "WIC Program") operated by Queens Hospital Center (the "Facility").

WHEREAS, pregnant, breastfeeding and postpartum women, infants and children less than five years of age who are determined to be at nutritional risk are eligible for WIC Program services which include monitoring children's growth rates, nutrition education, breastfeeding support, and high risk counseling; and

WHEREAS, the WIC Program is currently located in a trailer on the Facility's campus and due to its lack of sufficient floor space, the program is unable to adequately service its existing caseload and will not be able to accommodate an anticipated caseload increase; and

WHEREAS, the additional floor area contained in the proposed 164th Street site will allow the program to better manage the current and future WIC caseload requirements.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Tenant" or the "Corporation") be and hereby is authorized to execute a lease agreement with Dr. Mikail Kantius (the "Landlord") for space at 79-18 164th Street, Borough of Queens, to house the Women, Infants and Children Program (the "WIC Program") operated by Queens Hospital Center (the "Facility").

The Tenant shall have use and occupancy of approximately 4,000 square feet of space on the ground floor of 79-18 164th Street (the "Demised Premises"). The initial term of the lease shall be three (3) years. The base rent shall be \$27.50 per square foot, or approximately \$110,000 per year. The base rent shall be escalated by 2.5% per year. In addition to the base rent, the Tenant shall pay its proportionate share of Common Area Charges ("CAM"), approximately \$2.50 per square foot and its proportionate share of real estate taxes, approximately \$4.50 per square foot. The lease term shall commence upon execution. The lease shall contain one (1) five-year option to renew exclusive to the Tenant.

The Landlord shall complete renovations to the Demised Premises in accordance with plans and specifications provided by the Tenant. The Landlord shall make renovations to the Demised Premises at an estimated cost of \$40,000. The Tenant shall reimburse the Landlord for the renovations when the work is substantially complete. Rent payments shall commence upon substantial completion of the Landlord's work.

The Landlord shall make all interior and exterior structural repairs to the Demised Premises, including repairs to the roof, infrastructure, window frames, plumbing, electrical, waste utility lines, common areas, curbs and sidewalks. The Tenant shall be responsible for non-structural repairs and maintenance.

Utilities including electricity, gas, and water shall be separately metered and payment shall be the responsibility of the Tenant.

EXECUTIVE SUMMARY

LEASE AGREEMENT WOMEN, INFANTS AND CHILDREN PROGRAM

QUEENS HOSPITAL CENTER

OVERVIEW: The President seeks authorization from the Board of Directors of the Corporation to execute a lease agreement with Dr. Mikail Kantius (the "Landlord") for space at 79-18 164th Street, Borough of Queens, to house the Women, Infants and Children Program (the "WIC Program") operated by Queens Hospital Center ("Queens").

**NEED/
PROGRAM:** Pregnant, breastfeeding and postpartum women, infants and children less than five years of age who are determined to be at nutritional risk are eligible for WIC Program services which include monitoring children's growth rates, nutrition education, breastfeeding support, and high risk counseling. Most program participants are of low income. The WIC Program is currently located in a trailer on the Facility's campus and due to its lack of sufficient floor space, the program is unable to adequately service its existing caseload and will not be able to accommodate an anticipated caseload increase. The additional floor area contained in the proposed 164th Street site will allow the program to better manage the current and future WIC caseload requirements.

UTILIZATION: The caseload per month consists of approximately 4,476 participants and is projected to increase to 5,000 per month.

TERMS: The Tenant will have use and occupancy of approximately 4,000 square feet of space on the ground floor of 79-18 164th Street (the "Demised Premises"). The initial term of the lease will be three (3) years. The base rent will be \$27.50 per square foot, or approximately \$110,000 per year. The base rent will be escalated by 2.5% per year. In addition to the base rent, the Tenant will pay its proportionate share of Common Area Charges ("CAM"), approximately \$2.50 per square foot and its proportionate share of real estate taxes, approximately \$4.50 per square foot. The lease term will commence upon lease execution. The lease will contain one (1) five-year option to renew exclusive to the Tenant.

The Landlord will complete renovations to the Demised Premises in accordance with plans and specifications provided by the Tenant. The Landlord shall complete renovations to the Demised Premises in accordance with plans and specifications provided by the Tenant. The Landlord shall make renovations to the Demised Premises at an estimated cost of \$40,000. The Tenant shall reimburse the Landlord for the renovations when the work is substantially complete. Rent payments shall commence upon substantial completion of the Landlord's work.

The Landlord will make all interior and exterior structural repairs to the Demised Premises, including repairs to the roof, infrastructure, window frames, plumbing, electrical, waste utility lines, common areas, curbs and sidewalks. The Tenant will be responsible for non-structural repairs and maintenance.

Page Two – Executive Summary
Queens Hospital Center WIC – 79-18 164th Street

Utilities including electricity, gas, and water will be separately metered and payment will be the responsibility of the Tenant.

FINANCING: NYSDOH grant (Rent and operating expenses are covered by the grant.)

SUMMARY OF ECONOMIC TERMS

SITE:	79-18 164th Street Borough of Queens
LANDLORD:	Dr. Mikail Kantius
SIZE:	4,000 square feet
INITIAL TERM:	Three (3) years
OPTION:	One (1) five-year. Option rent to be escalated by 2.5% per year.
RENT:	\$27.50 per square foot, or approximately \$110,000 per year.
ESCALATION:	2.5% per year
CAM:	Tenant's proportionate share, approximately \$2.50 per square foot
MAINTENANCE:	The Landlord is responsible for all structural maintenance and repairs. The Tenant is responsible for non-structural maintenance and repairs.
UTILITIES:	Utilities including electricity, gas, and water will be separately metered and payment will be the responsibility of the Tenant.
TAXES:	Tenant's proportionate share, approximately \$4.50 per square foot
LANDLORD'S WORK:	The Landlord will complete renovations in accordance with plans and specifications provided by the Tenant. The Landlord will make renovations to the Demised Premises at an estimated cost of \$40,000. The Tenant will reimburse the Landlord for the renovations when the work is substantially complete.

HHC WIC Sites

Bellevue Hospital Center managed sites

- 462 First Ave., NY, NY (Bellevue)
- 1901 First Ave., NY, NY (Metropolitan)
- 4902 Queens Blvd., Sunnyside, Queens
- 221-227 Canal St., NY, NY
- 41-43 Crescent St., LIC, NY

Coney Island Hospital managed sites

- 2201 Neptune Ave., Brooklyn, NY

East New York D&TC managed sites

- 2094 Pitkin Ave., Brooklyn, NY (ENY D&TC)

Elmhurst Hospital Center managed sites

- 79-01 Broadway, Elmhurst, NY (Elmhurst)

Gouverneur Healthcare Services managed sites

- 227 Madison Ave., NY, NY (Gouverneur)
- 125 Walker St., NY, NY

Harlem Hospital Center managed sites

- 506 Lenox Ave., NY, NY (Harlem)
- 175 Nagle Ave., NY, NY
- 3170 Broadway, NY, NY
- 115 W. 116th St., NY, NY
- 281 W. 127th St., NY, NY

Kings County Hospital managed sites

- 451 Clarkson Ave., Brooklyn, NY (Kings Cty.)
- 4302 Church Ave., NY

Lincoln Medical & Mental Health Center managed sites

- 234 Eugenio Maria de Hostos (149th St.), Bronx, NY (Lincoln)
- 545 E. 142nd St., Bronx, NY (Belvis D&TC)

Page Two – HHC WIC Sites

Morrisania D&TC managed sites

- 1225 Gerard Ave., Bronx, NY (Morrisania D&TC)

North Central Bronx Hospital managed sites

- 1400 Pelham Parkway, Bronx, NY (Jacobi)

Queens Hospital Center managed sites

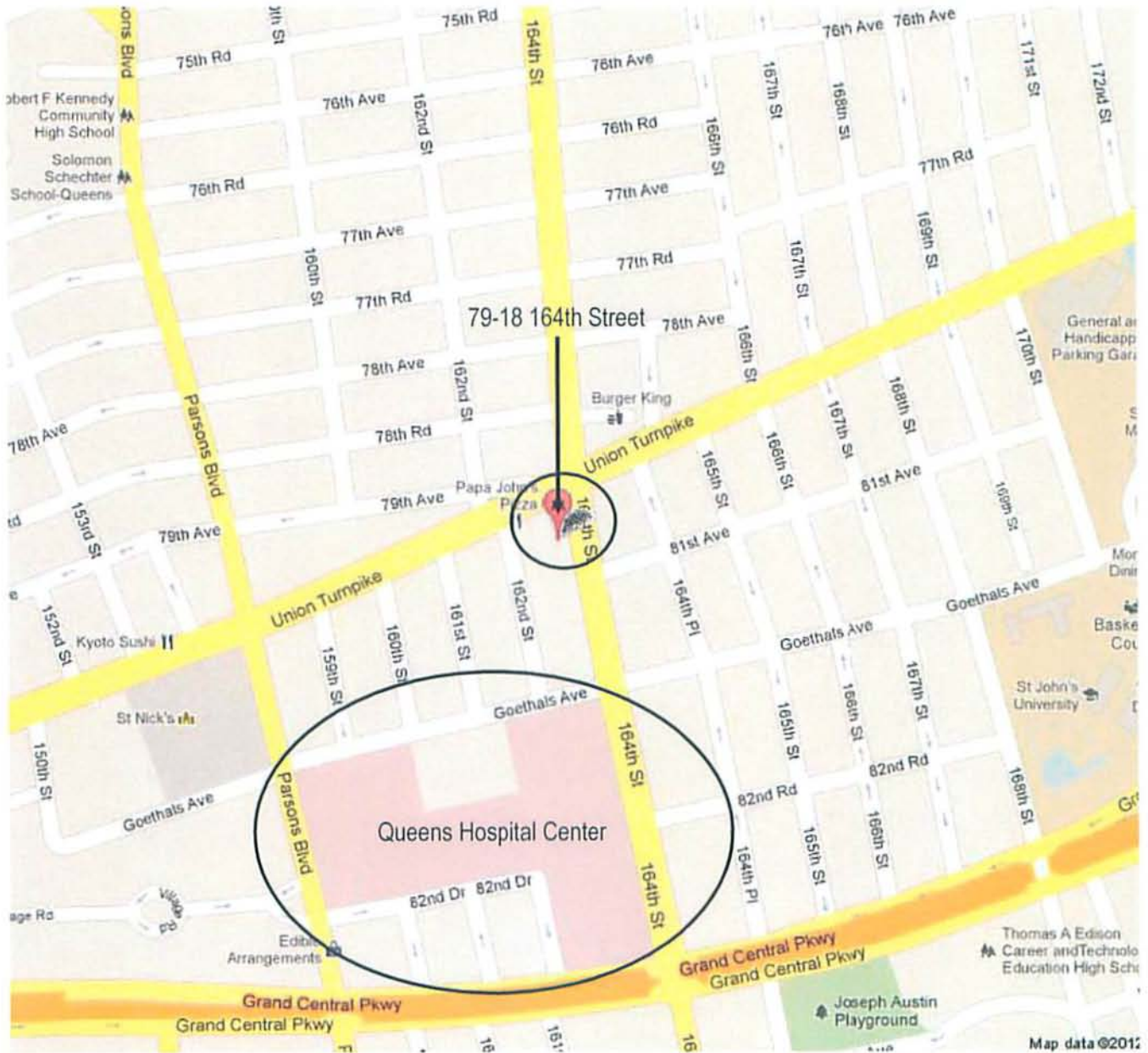
- 82-68 164th St., Jamaica, NY (Queens)
- 114-02 Guy Brewer Blvd., Queens, NY

Woodhull Medical & Mental Health Center

- 760 Broadway, Brooklyn, NY (Woodhull)
- 1420 Bushwick Ave., Brooklyn, NY
- 100 N. Portland Ave. (Cumberland)
- 875 Manhattan Ave., Brooklyn, NY

Women, Infants, and Children (WIC) Program
79-18 164th Street, Queens

Approximately 0.3 miles from the facility.



RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with the Richmond County Medical Society and the Academy of Medicine (the "Licensee") for use and occupancy of space to house administrative functions at the Sea View Hospital Rehabilitation Center and Home (the "Facility").

WHEREAS, in January 2007, the Board of Directors authorized the President of the Corporation to enter into a license agreement with the Richmond County Medical Society and the Academy of Medicine, which by its terms expires on February 29, 2012; and

WHEREAS, members of the Richmond County Medical Society and the Academy of Medicine, founded in 1806, include physicians who practice medicine in the Borough of Staten Island; and

WHEREAS, the Licensee's purpose is to extend medical knowledge and advance medical science; elevate the standards of medical education; secure the enactment of just medical and health laws; encourage dialogue among society members and fellow physicians; safeguard the professional and economic integrity of society members, maintain appropriate and equitable relationships with the public and healthcare organizations; and increase public awareness of all aspects of the field medicine; and

WHEREAS, the Facility has available space in the Administration Building to accommodate the Licensee's needs.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") be and hereby is authorized to execute a revocable license agreement with the Richmond County Medical Society and the Academy of Medicine (the "Licensee") for use and occupancy of space to house administrative functions at the Sea View Hospital Rehabilitation Center and Home (the "Facility").

The Licensee shall be granted the use and occupancy of approximately 350 square feet of space in the Administration Building (the "Licensed Space"), Monday through Friday, from 9:00 a.m. to 5:00 p.m. The Licensee shall pay an annual occupancy fee of \$7,308. The Licensee shall be responsible for the cost of maintenance, and housekeeping.

The Licensee shall be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of the use of the Licensed Space and shall provide appropriate insurance naming the Corporation and the City of New York as additional insured parties.

The license agreement shall not exceed five (5) years without further authorization by the Board of Directors of the Corporation and shall be revocable by either party on sixty (60) days prior notice.

EXECUTIVE SUMMARY

SEA VIEW HOSPITAL REHABILITATION CENTER AND HOME

RICHMOND COUNTY MEDICAL SOCIETY AND THE ACADEMY OF MEDICINE

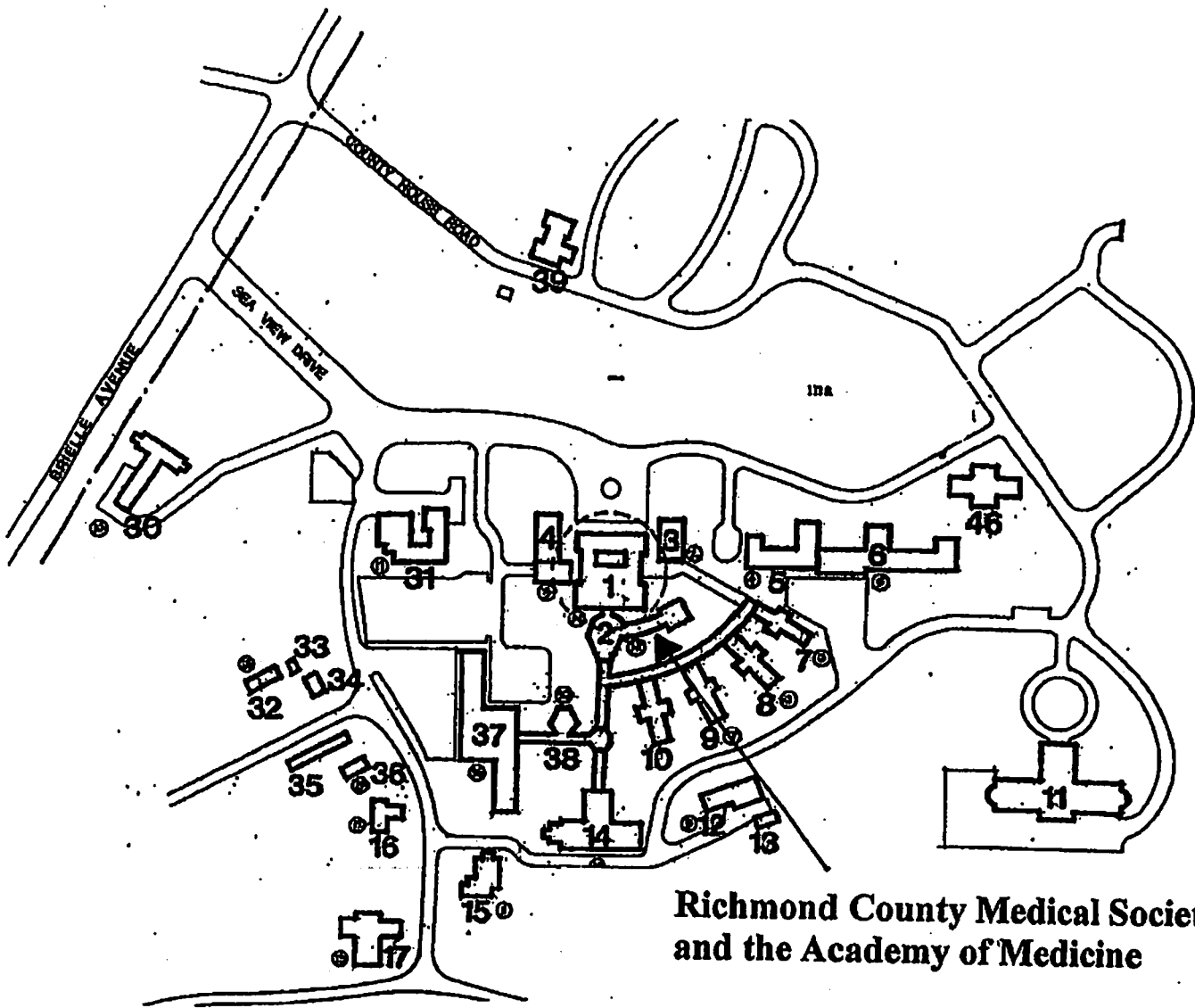
The President seeks the authorization of the Board of Directors of the Corporation to execute a revocable license agreement with the Richmond County Medical Society and the Academy of Medicine ("Richmond Medical") for use and occupancy of space to house administrative functions at Sea View Hospital Rehabilitation Center and Home ("Sea View").

Richmond Medical was founded in 1806. Its membership includes physicians who practice medicine in the Borough of Staten Island. The organization's purpose is to extend medical knowledge and advance medical science; elevate the standards of medical education; secure the enactment of just medical and health laws; encourage dialogue among society members and fellow physicians; safeguard the professional and economic integrity of society members, maintain appropriate and equitable relationships with the public and healthcare organizations; and increase public awareness of all aspects of the field medicine.

Richmond Medical will be granted the use and occupancy of approximately 350 square feet of space in the Administration Building and will pay an annual occupancy fee of \$7,308. Richmond Medical will have use of the space Monday through Friday, from 9:00 a.m. to 5:00 p.m. Richmond Medical will be responsible for the cost of maintenance, and housekeeping.

Richmond Medical will be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of the use of the licensed space and shall provide appropriate insurance naming the Corporation and the City of New York as additional insured parties.

The license agreement shall not exceed five (5) years without further authorization by the Board of Directors of the Corporation and shall be revocable by either party on sixty (60) days prior notice.



**Richmond County Medical Society
and the Academy of Medicine**

Sea View Hospital Rehabilitation Center & Home
460 Brielle Avenue, Staten Island, New York 10314

