



6. RESOLUTION authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a ten year **lease extension agreement** with **S Properties LLC** for approximately 13,000 square feet of warehouse and office space at 49-04 19th Avenue/19-10 49th Street, Astoria, New York **to house Correctional Health Services administrative functions** at an initial rent of \$364,000 per year or \$28.00 per square foot to be escalated by 2.75% per year for years 1-5 and 3.0% for years 6-10 a total of \$4,141,546 over the ten year term.  
(Capital Committee – 11/08/2017)

Mr. Page

7. RESOLUTION adopting a **Third Revised Statement of Board Policy for the Review and Authorization of Procurement Matters** by the Board of Directors of New York City Health and Hospitals Corporation (the “System”) in the form attached that shall be effective as of December 1, 2017 and that shall enable the President of the System to prepare and adopt a revision of **Operating Procedure 100-06** to implement such Policy.  
(Capital Committee – 11/08/2017)

Mr. Page

**Committee Reports**

- Capital
- Community Relations
- Equal Employment Opportunity
- Finance
- Information Technology
- Med & Professional Affairs

Ms. Youssouf  
Mrs. Bolus  
Mr. Nolan  
Mr. Rosen  
Ms. Youssouf  
Dr. Calamia

**Subsidiary Board Reports**

- HHC Accountable Care Organization (HHC | ACO)
- HHC Insurance Company / Physicians Purchasing Group

Mr. Brezenoff  
Mr. Brezenoff

**Executive Session | Facility Governing Body Report**

- NYC Health + Hospitals | Harlem  
**Semi-Annual Governing Body Report (Written Submission Only)**
- NYC Health + Hospitals | Metropolitan

>>Old Business<<  
>>New Business<<

**Adjournment**

Mr. Campbell

## NYC HEALTH + HOSPITALS

A meeting of the Board of Directors of NYC Health + Hospitals was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 26th day of October 2017 at 3:06 P.M. pursuant to a notice which was sent to all of the Directors of NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

Mr. Gordon J. Campbell  
Mr. Stanley Brezenoff  
Ms. Helen Arteaga Landaverde  
Dr. Gary S. Belkin  
Josephine Bolus, R.N.  
Dr. Vincent Calamia  
Mr. Robert Nolan  
Mr. Mark Page  
Mr. Bernard Rosen  
Ms. Emily A. Yousouf

Karen Lane was in attendance representing Commissioner Steven Banks, and Deborah Brown was in attendance representing Dr. Herminia Palacio, each in a voting capacity. Mr. Gordon Campbell 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 September 29, 2017 were presented to the Board. Then on motion made by Mr. Campbell and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on September 29, 2017, copies of which have been presented to this meeting, be and hereby are adopted.

**CHAIRPERSON'S REPORT**

Mr. Campbell thanked Mrs. Bolus for attending the Excellence in Nursing Award ceremony held at NYC Health + Hospitals/Jacobi. Senior Vice President and Corporate Chief Nursing Officer Kim Mendez, who also attended, thanked the awardees: Dorothy McIntosh-Waddy, Sea View; Esmie Morris-Taylor, North Central Bronx; Sabina Wood, Woodhull; Arturo Ceniza, Queens; Rosa Borges; and, John Huaylinos, Coney Island

Mr. Campbell updated the Board on approved and pending Vendex.

Upon Mr. Nolan's arrival, Mr. Campbell congratulated him on being reappointed as a Bronx City Council representative to the Board.

**PRESIDENT'S REPORT**

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

Mr. John Jurenko, Vice President, Intergovernmental Relations, updated the Board on legislative, budgetary and regulatory issues. He reported that New York State will release much of the money previously withheld of the disproportionate share of hospital funding.

ACTION ITEMS

## RESOLUTION

2. Adopting NYC Health + Hospitals' **Mission Statement and Performance Measures** for the Fiscal Year 2017 as required by the **Public Authorities Reform Act** of 2009, which requires a local public authority such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.

Mr. Campbell moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

## RESOLUTION

3. Adopting a Second Revised **Statement of Policy for the Review and Authorization of Procurement Matters** by the Board of Directors of New York City Health and Hospitals Corporation (the "System") and directing the President of the System to prepare a **revision of Operating Procedure 100-05** to implement such Statement of Policy.

Mr. Paul Albertson, Vice President, Supply Chain Services, updated the Board on the proposed revisions to the System's procurement policies, including standardizing goods and services, inventory management, as well as implementing changes to Operating Procedure 100-5.

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

## RESOLUTION

4. Authorizing NYC Health + Hospitals ("NYC Health + Hospitals") to execute a revocable five year **license agreement** with the **New York City Department of Health and Mental Hygiene** for use and occupancy of approximately 1,437 square feet of space and 1,305 square feet of space at NYC Health + Hospitals/**Metropolitan** and NYC Health + Hospitals/**Woodhull** respectively, for the operation of the **New York City Nurse-Family Partnership program** at the rate of \$45 per sq. ft. for an annual occupancy fee of \$64,665 for Metropolitan and \$58,725 for Woodhull for a five year total of

\$323,325 for Metropolitan and \$293,625 for Woodhull.

At this juncture, Dr. Belkin, Deputy Executive Commissioner for the Division of Mental Hygiene of the NYC Department of Health and Mental Hygiene, recused himself by leaving the room.

Mr. Page moved the adoption of the resolution which was duly seconded and unanimously adopted by the remaining Board members, after which Dr. Belkin returned to the meeting.

#### RESOLUTION

5. Authorizing the New York City Health and Hospitals ("NYC Health + Hospitals) to execute a revocable **license agreement** with the **New York City Police Department** for its continued use and occupancy of space of 50 square feet of space on the roof of the "N" Building to operate radio communications equipment at NYC Health + Hospitals/**Queens** with the occupancy fee waived.

Mr. Page moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

#### RESOLUTION

6. Authorizing the New York City Health and Hospitals Corporation (the "System") to **procure and outfit such ambulances** in the System's name on behalf of the **Fire Department of the City of New York** ("FDNY") through **City-wide Requirements Contracts** as are, from time to time, requested by FDNY provided that the System receives the required City of New York capital funding explicitly provided for such purchases; such authorization to remain in effect until withdrawn.

Mr. Page moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

#### RESOLUTION

7. Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year

revocable license agreement with T-Mobile Northeast LLC to operate a cellular communications system in approximately 200 square feet of space on the roof of the "A-C" Building at **Coler Rehabilitation and Nursing Care Center** at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.

Mr. Page moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

#### RESOLUTION

8. Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with 2017 **ESA Project Company, LLC, a Bloom Energy affiliate** ("Bloom") to construct four fuel cell co-generation servers (the "Servers") at the locations on the campus of NYC Health + Hospitals/**Kings County** and NYC Health + Hospitals/**Dr. Susan Smith McKinney** shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities' demand; provided that the use of the Servers requires the System to obtain natural gas from the local utility at an estimated cost of approximately \$18.3 million for a combined total cost of approximately \$57.5 million over fifteen years, all on the terms outlined in the Statement of Economic Terms attached hereto.

Mr. Page moved the adoption of the resolution which was duly seconded and adopted by the Board by a vote of eleven in favor with Ms. Youssouf abstaining.

#### SUBSIDIARY AND BOARD COMMITTEE REPORTS

Attached hereto is a compilation of reports of the NYC Health + Hospitals Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by Mr. Campbell at the Board meeting.

**FACILITY GOVERNING BODY/EXECUTIVE SESSION**

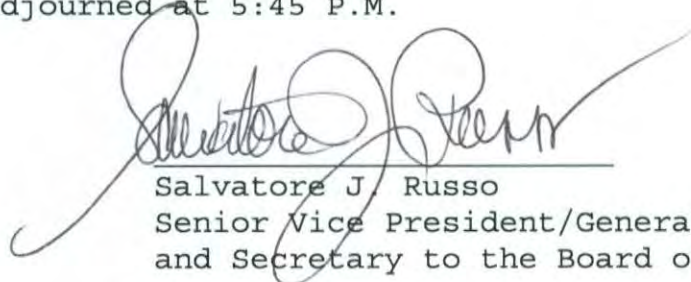
Mr. Campbell received the Board's approval to convene an Executive Session to discuss matters of quality assurance, potential litigation and personnel.

The Board convened in Executive Session. When it reconvened in open session, Mr. Campbell reported that, (1) the Board of Directors, as the governing body of NYC Health + Hospitals/Coney Island and NYC Health + Hospitals/SeaView, received their oral governing body submissions and reviewed, discussed and adopted the facilities' reports presented; (2) as the governing body of NYC Health + Hospitals/Coler and NYC Health + Hospitals/Carter, the Board reviewed and approved their semi-annual written reports.

The Board also received and approved the 2016 performance improvement plan and evaluation for NYC Health + Hospitals/Renaissance/Gotham Health.

**ADJOURNMENT**

Thereupon, there being no further business before the Board, the meeting was adjourned at 5:45 P.M.



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



# COMMITTEE REPORTS

**Audit Committee – October 25, 2017**

**As reported by Ms. Emily Youssouf**

**Committee Members Present: Emily Youssouf, Mark Page, Josephine Bolus, RN, Stanley Brezenoff, Gordon Campbell**

Ms. Youssouf introduced the information item regarding the Fiscal Year 2017 Draft Financial Statements and Related Notes.

Mr. PV Anantharam, Senior Vice President, Finance, stated that the Corporation had successfully completed its financial statements, and proceeded to thank members of his department and the staff of KPMG.

Mr. Jay Weinman, Corporate Comptroller, was introduced by Mr. Anantharam to provide the Committee with a brief overview of the Corporation's financial performance for the fiscal year ended June 30, 2017.

Mr. Weinman stated that:

- KPMG has completed its audit of the System's 2017 financial statement and will be issuing an unmodified opinion. An unmodified opinion states that the financial statements are presented fairly in all material respects.
- Health + Hospitals implemented a new accounting rule, GASB 75 for OPEB that required a restatement of the 2016 financial statements. The new accounting pronouncement allows for certain changes in actuarial assumptions to be amortized over 7 years which was previously reported in the current year.
- Overall, Health + Hospitals' net loss for the year was \$233 million in 2017 and MetroPlus' gain was \$40 million, for a total net loss of \$193 million.

## **Income Statement - (Statement of Revenues, Expenses and Changes in Net Position)**

### **Operating Revenue**

- A. Net patient service revenue – Net patient service revenue decreased by \$201 million as a result of a 3% decrease in DSH revenue. DSH revenue in 2016 included \$277 million for prior years, which is non-recurrent in 2017.
- B. Appropriations from the City of New York – Appropriations from the City was \$723 million, and reflects a decrease from the prior year. The changes are due to an increase to the 2016 subsidies that were originally planned for 2017. The City's assistance to the System is reflected in different places and depends on the kind of assistance they provide. The local shares of DSH and UPLs are reflected in patient care revenue and some others are reflected in the Grants section. Overall, the City's financial assistance to the System has increased substantially.
- C. Grants revenue – increased \$502 million due to additional grant funding consisting of city and federal funds for:
  - \$140 million DSRIP (\$74 million to \$214 million)
  - VBP/QIP - \$240 million
  - CREPS \$163 million

### **Operating Expenses**

- D. Personal services – remained relatively flat from year to year with a slight decrease of \$1 million. This is due to head count (full-time equivalents / employees) control efforts. PS has increased over the past 3 years by 4.5% on average.
- E. Other than personal services – increased \$89 million or 5% and remains consistent with increases from previous years. (Note: The increase from 2015 to 2016, increased \$192 million or 12%.)
- F. Pension – decreased \$76 million as calculated by the New York City Office of the Actuary.
- G. Postemployment benefits, other than pension (OPEB) – decreased \$159 million as calculated by the New York City Office of the Actuary and reflects the amortization of any changes in actuarial assumptions. The 2016 expenses have been adjusted retroactively and restated in these statements.
- H. Operating (loss) income -2017 is a loss of \$273 million compared to \$19 million.
- I. Increase (Decrease in Net Position) - Health + Hospitals had a decrease in Net Position of \$233 million as compared to an increase in Net Position of \$57 million in 2016.

## **MetroPlus**

### **Operating Revenue**

AA Premium Revenue – increased \$238 million (8.5%). About half of the increase is due to an increase in member months (5.8 million to 6.1 million) and half due to premium rate increases.

### **Operating Expenses**

BB Other than personal services - increased \$169 million (6.2%), primarily due to an increase in its members.

### **Balance Sheet (Statement of Net Position)**

The balance sheet represents a statement of our worth at a point in time as of June 30 and is a summary of our assets and liabilities.

#### **Assets**

- A. Cash and Cash Equivalents – Health + Hospitals ended the year with a balance of \$610 million or 30 days cash on hand.
- B. Patient accounts receivable, net – decreased \$99.4 million and 9 days due to additional reserves for long-term in-house patients (\$36 million), and the impact of reduced inpatient discharges of 2.6%.

#### **Liabilities**

- C. Accrued salaries, fringe benefits, and payroll taxes – decreased \$34 million and is consistent with 2016, however a portion of the annual and sick leave accrual has been reclassified to long-term based on generally accepted accounting principles.

Ms. Maria Tiso, KPMG Engagement Partner, introduced the audit team members consisting of Mike Breen, Engagement Partner; Jim Martell, Partner and Joe Bukzin, Engagement Senior Manager. Ms. Tiso proceeded to summarize significant issues as provided within the **Overview of 2017 Audit Results & Required Communications**, a required communication to the Audit Committee.

Ms. Tiso validated earlier statements of the Corporate Comptroller with respect to the Corporation's receipt of an unqualified opinion, the highest level of assurance; and that the financial statements are free of material misstatement. In order to render such an opinion, KPMG conducted a review of internal controls which found no significant deficiencies or material weaknesses. Although KPMG does not opine on the effectiveness of such controls (a disclaimer to that effect included in its opinion), it will prepare a Management Letter with recommendations for improvements based upon auditor observations. The Management Letter is expected for release in December 2017.

Ms. Tiso discussed KPMG's consideration of fraud in their audit work, anticipated 2017 audit issues; audit resources allotted to the audit engagement; the use of KPMG subject matter professionals to provide enhanced expertise in key audit areas, especially in the areas of reimbursement, tax, information technology, and post-employment benefits.

Mr. Joe Bukzin reviewed significant estimates and transactions within the audit process, where management develops methodologies to estimate Patient Accounts Receivables and Third Party reimbursements. KPMG developed an independent assessment of the revenue and receivables cycles to compare against those provided by management, and found management's assessment as reasonable.

Mr. Bukzin reiterated the information surrounding GASB 56, Codification of Accounting and Financial Guidance Contained in the AICPA Statements on Auditing Standards requires that financial statement prepared have a responsibility to evaluate whether there is substantial doubt about government's ability to continue as a going concern for 12 months beyond the financial statement date.

The following areas include some liquidity considerations:

- Transforming Health + Hospitals report (one New York: Healthcare for Our Neighbors)
- Fiscal 2017 budget to actual results (reliability of budgeting process)
- Financial Plan approved by the City
- Continued support from the City of New York
- The Mayor's commitment through the Transaction Plan as well as the City of New York's commitment for the success of NYC Health + Hospital through its flexibility and historical support through its appropriations of funds, contribution for capital, forgiveness of obligations, and timing of requesting payment of certain obligations demonstrates the continued commitment to delivering the best care to New York City.

As such, based on the facts noted above, the engagement team and management concluded that there was not substantial doubt about NYC Health + Hospitals ability to continue as a going concern.

*Other Related Communications* - Mr. Mike Breen stated that there were no major issues discussed prior to retaining KPMG nor any serious difficulties encountered during the audit. Management was fully cooperative and all books and records were accessible, and there were no disagreements with management.

Mr. Breen stated that KPMG is not aware of any relationship between KPMG and HHC that would affect its independence. There were three written communications relating to the audit:

- The Engagement Letter
- Management Representation Letter, and

- Management Letter

Mr. Anantharam sought and received the unanimous Audit Committee approval of the Financial Statements, the Related Notes and Audit/Report/Opinion thereto.

**Capital Committee – October 11, 2017**

**As reported by Mr. Mark Page**

**Committee Members Present: Mark Page, Josephine Bolus, RN, Gordon Campbell, Stanley Brezenoff**

**Vice President’s Report**

Ms. Weinstein explained that the first resolution, a license agreement for cellular communications equipment on the roof of Coler, would likely be the last of its kind to come before the Committee for approval. Changes to Operating Procedure 100-05 were being drafted to allow for similar agreements to be made without the need to present to the Capital Committee and full Board of Directors. They will be reported as information items, to keep the Board informed, but will not require Board approval.

Ms. Weinstein advised that the second resolution, seeking approval to construct cogeneration plants at NYC Health +Hospitals / Kings and NYC Health + Hospitals / McKinney, were related to the systems efforts to be more energy independent. She noted that discussion of this resolution had sparked a question from Mr. Page regarding the mission of the system, and how efforts in this field tied into broader missions for the system and its self-sufficiency. In response, Ms. Weinstein stated that she was to present at the November Capital Committee meeting an outline and detailed response to those concerns. Mr. Page said he was particularly concerned with back-up service, the cost of that back-up, and the entire package.

That concluded her report.

**Action Items**

*Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five year revocable license agreement with T-Mobile Northeast LLC (the “Licensee”) to operate a cellular communications system in approximately 200 square feet of space on the roof of the “A-C” Building at Coler Rehabilitation and Nursing Care Center (the “Facility”) at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.*

Dion Wilson, Director of Real Estate, Office of Legal Affairs, read the resolution into the record on behalf of Robert Hughes, Chief Executive Officer, Coler Rehabilitation and Nursing Care Center.

Mr. Wilson noted that this request was for extension of an existing agreement, and was the second agreement of the sort with T-Mobile, to be presented to the Committee this year. In January, the Committee approved equipment on the “A” building of the facility. The proposed occupancy fee was approximately 4% higher than the prior rate, and all equipment complied with FCC regulations and posed no risk to patients or staff.

Josephine Bolus asked if there had been any questions or complaints from patients, staff or community about the equipment, or with the vendor. Ms. Weinstein said no.

There being no further 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 New York City Health and Hospitals Corporation (the “System”) to execute an agreement with 2017 ESA Project Company, LLC, a Bloom Energy affiliate (“Bloom”) to construct four fuel cell co-generation servers (the “Servers”) at the locations on the campus of NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the “Facilities”) shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities and to obligate the System to purchase from Bloom all of such energy for a term of fifteen years at a total projected cost not to exceed \$39.1 Million on the terms outlined in the Statement of Economic Terms attached hereto.*

Sheldon McLeod, Chief Operating Officer, NYC Health + Hospitals / Kings County, read the resolution into the record. Mr. McLeod was joined by Cyril Toussaint, Director, Office of Facilities Development. .

Mr. Toussaint explained that this project was indeed related to the systems desire to be more self-sufficient with regards to energy. There were two co-dependent energy goals; 1) to have a reliable alternative source of energy for the system; and, 2) to meet the Mayor's mandate to reduce greenhouse gas emissions by 80% by 2050. The Kings County and McKinney facilities were both located in a Central Brooklyn neighborhood where the Consolidated Edison (Con Ed) electrical grid was overly taxed. Con Ed had approached Health + Hospitals with the opportunity to lower costs, reduce demand on the community's electrical grid, and achieve the Mayor's mandate to lower their carbon footprint by soliciting companies to submit proposals of alternative, reliable sources for electricity. Con Ed selected Bloom Energy.

Bloom Energy develops, builds and installs servers, which are fuel cell generators that use natural gas, that combine with other electrochemical reaction to create electricity. The proposal of a 3.1 megawatt server will provide 40% of the facility's total electrical needs. This agreement would supply those needs for 15 years. Bloom Energy would cover all costs for construction and maintenance of the server. Estimated savings over 15 years was \$5 million, based on rate projections.

Jeremy Berman, Deputy Counsel asked for an overview of the term negotiations. Mr. Toussaint explained that negotiations with Con Ed and Bloom began approximately a year ago. The initial proposal was for 13 cents per kilowatt hour, and Con Ed offered an incentive of \$2 million. Negotiations resulted in an escalation of the Con Ed incentive, to \$5 million, and rates of 8 cents per kilowatt hour.

Mr. Page asked if the Con Ed subsidy resulted in the lower kilowatt rate because they would benefit from the lightened load on the grid. Mr. Toussaint said yes. Mr. Berman agreed, and added that there were ongoing discussions to further increase the subsidy from Con Ed, which would in turn lower the kilowatt hour rate. Mr. Berman said it would be possible that those decisions may be made prior to the upcoming Board meeting. Mr. Page concurred.

Mr. Page said that when a 15 year forecast was being performed, he was confident that there was inaccuracy in the numbers as the ability to predict the future is impossible. He appreciated that the estimated savings of \$5 million was a strong savings, and he understood the desire to be self-sufficient when it came to energy, he believed the cost of power was also a significant goal, but was having difficulty understanding if the effort to "go-green" was practical. While it was desirable, under the circumstances it was the need to decrease drain on the grid that was behind this, any options (new or old) would rely on Natural Gas and so he was not sure this option would make us any "greener" than other projects.

Mr. Page said he had asked a number of questions about how this would be different than co-generation, another avenue for independence, green-ness, and savings, but understood that when you include the financing costs, the expected cost of power between a co-generation plant and the units associated with this project were more or less comparable.

Mr. Toussaint agreed that Mr. Page was making relevant comments. He added that analysis of cogeneration projects had shown increased savings but installation of the system was very lengthy, with 3-4 years of construction required prior to benefits being recognized.

Ms. Weinstein noted that the cogeneration project at Kings County would be active in May, 2018, and at that time the system would be able to see actual savings. One of the benefits of the project was that it would allow us to recapture the heat and provide hot water at a lower cost. Cogeneration may be the more efficient way to go but those projects involve longer lead time and dollars are required for construction, etc. This alternative allows us to see benefits within months and savings much faster.

Mrs. Bolus asked for a more clear understanding of the differences between the cogeneration projects and the project being presented. Ms. Weinstein explained that the previously approved project, when complete, would provide 20% of required energy for the facility, and this newly proposed project with Bloom energy would provide 40% of the required energy, so combined, the facility would be able to operate with 60% of the electrical services off the grid. If we were to wait, and do another cogeneration project, we would be waiting way longer to see benefits.

Mr. Page said that one way of looking at this was; there is potential to reduce our cost of energy, by cogeneration, which is known to work very well, but requires a greater investment of time and dollars; or, this more immediate option that requires less input on behalf of the system. Mrs. Bolus asked how. Mr. Page said that another cogeneration project would require purchasing the machine and finding appropriate space for the machine, along with construction.

Mrs. Bolus said she recalled the original project, and thought it was underway and asked what else needed to be done. Ms. Weinstein explained that in order to be totally self-sufficient the system would need a larger cogeneration unit. Ms. Weinstein said that Kings County does have a large campus, which would make it an ideal space. Mr. Page added, that a project of that type would

require approximately four (4) years to see results, as well as funding for construction, while this new option involves units being delivered and just hooked-up, pre-fabricated, and financed.

Mrs. Bolus asked about vandalism. Mr. Page asked how exposed these units would be. Mr. Toussaint said they would be fenced in for protection. Louis Iglhaut, Assistant Vice President, Office of Facilities Development, said that the cases would be locked and alarmed, and there has been discussion about whether to construct perimeter fencing that would limit access to only Bloom Energy and Health + Hospitals staff.

Mr. Page said that taking advantage of this opportunity, including finance, fabrication, etc., was likely a good idea. He added that Bloom was obligated to rotate new units as existing units aged, and would likely be replaced three to four times over the course of the agreement.

Mrs. Bolus asked if the neighborhood would utilize the energy from the units. Ms. Weinstein said no, it allows us to lighten the load on the grid and therefore makes energy more available to the community. Mr. Page added that Con Edison was in favor of the project.

Mrs. Bolus said her main concern was the length of time, 15 years, and asked if other, better options would be presented over the course of that time, and if we would be left behind. Ms. Weinstein said she understood the concerns, and in turn we had to be aware and flexible and be able to find additional funding for future projects, which we were always doing, in an effort to more self-sufficient.

Mrs. Bolus said she recalled recommending plug-ins for electrical cars in the newer garages, and it wasn't done and now it was an issue, and so she wanted to be sure that her concerns were heard and noted. Mr. Page said that it was possible that the system could pull out of the arrangement prior to the 15 years, with a minimal penalty, and that penalty cost went down if one could prove a better alternative was available.

There being no further 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 Technology (IT) Committee – October 11, 2017**

**As reported by Ms. Emily Youssouf**

**Committee Members Present: Emily Youssouf, Josephine Bolus, RN, Barbara Lowe, Gordon Campbell, Stanley Brezenoff, Karen Lane (Representing Commissioner Steven Banks)**

Ms. Youssouf said that because the information is so critical, at each monthly IT Committee meeting, we will be taking an in-depth dive into individual programs. Today will be an overview.

#### **Chief Information Officer Report**

Sal Guido pointed out that the committee members have the CIO Report to review but we will forego reviewing it altogether in order to focus on some of our critical programs. The CIO Report had updates on Delivery System Reform Incentive Payment (DSRIP) Program, EMR GO Program, Enterprise Resource Planning (Project Evolve), Meaningful Use and Quadramed 6.2 Upgrade, and Radiology McKesson Project.

#### **Information Item**

##### *Information Technology Committee Report Out*

Pamela Saechow and David Starr gave a review of the GO program. They spoke to a presentation that included Executive Summary – GO Program, Revenue Cycle Update, Revenue Cycle Applications Listing, and Transformation Activities. They reported on the Revenue Cycle Third-Party Applications; specifically, which applications would be replaced in order to consolidate, standardize, and simplify processes.

Janet Karageozian talked about Enterprise Resource Planning (ERP), also known as Project Evolve. She spoke to ERP Wave Deployment Approach and gave an ERP Program Executive Summary.

Mr. Guido indicated that other topics would be covered in the next IT Committee meeting.

**Strategic Planning Committee – October 11, 2017****As reported by Mr. Gordon Campbell****Committee Members Present: Gordon Campbell, Stanley Brezenoff, Robert Nolan, Mark Page****Other Board Members Present: Barbara Lowe, RN, Josephine Bolus, RN****Action Item**

Resolution - NYC Health + Hospitals Mission Statement and Performance Measures for FY 2017

Salvatore J. Russo, Senior Vice President, General Counsel

NYC Health + Hospitals is required to adopt and to report to the New York State Office of the State Comptroller’s Authority Budget Office (“ABO”) each year a mission statement and performance measures to assist the system in determining how well it is carrying out its mission.

The following resolution was moved and adopted by unanimous vote:

*Adopting NYC Health + Hospitals’ Mission Statement and Performance Measures for fiscal year 2017 as required by the Public Authorities Reform Act of 2009 which require a local public authority such as NYC Health +Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.*

Mr. Campbell informed the Committee that the list of performance measures use the same indicators in the Mayor’s Management Report and will be revisited for the next yearly submission. The performance measures should reflect the definitions in the revised System Scorecard.

**Informational Items**

Revised Systems Scorecard - Ross Wilson, MD, Senior Vice President, Chief Transformation Officer

The revised System Scorecard, reflecting the Strategic Plan for NYC Health + Hospitals, was received with minor revisions. There was agreement to close out the current System Scorecard. It should be noted that the previous scorecard is off-target for “unique patients being treated.” All other items are on target or trending toward target.

The development of the new System Scorecard was led by NYC Health + Hospitals Executive Sponsors. Each Executive Sponsor identified key metrics that reflect performance on their respective strategies. Metrics were discussed and agreed upon with the Chair of the Board. Further, the operational scorecards will reflect the Strategic Plan and cascade from the System Scorecard.

Intergovernmental Affairs Update - John Jurenko, Vice President, Government, Community Relations, Planning

NYC Health + Hospitals is actively trying to delay DSH cuts. An amendment was included in the Child Health Insurance Program (CHIP) reauthorization bill to delay DSH cuts. The DSH cuts State timeline was shared with the Board. The NYS Medicaid Redesign Team (MRT) indigent care technical work group was assembled; P.V. Anantharam will represent the NYC Health + Hospitals. The MRT workgroup will meet in October, November, and December and recommendations would be released in mid-January with final adoption by April 1, 2018 with changes to how DSH funds are disbursed in State if Congress does not act.

## SUBSIDIARY BOARD REPORT

**MetroPlus Health Plan, Inc. – October 24, 2017****As reported by Mr. Bernard Rosen****Chairperson’s Remarks**

Mr. Rosen welcomed everyone to the MetroPlus Board of Director’s meeting of October 24th, 2017. Mr. Rosen stated that the meeting would consist of the Executive Directors report presented by Dr. Arnold Saperstein, followed by the Medical Directors report presented by Dr. Talya Schwartz and ending with a presentation regarding the Ending the Epidemic initiative.

## **Board Committee Reports**

The reports were received by Mr. Rosen at the Board meeting.

### **Executive Session**

Mr. Rosen received the Board's approval to convene an Executive Session to discuss matters of potential litigation. The Board of Directors, including Mr. Stanley Brezenoff, President of NYC Health + Hospitals, convened in Executive Session.

When the meeting reconvened in open session, Mr. Rosen asked Dr. Saperstein to present the Executive Directors report.

### **Executive Director's Remarks**

Dr. Saperstein reported that the Plan's Finity Rewards Program is now fully implemented and off to a strong start. Finity is a loyalty program that rewards members who take healthy actions with points. Those points can then be redeemed for prizes. Examples of actions that MetroPlus has incentivized through the program include new member visits to their primary care physician, a well-baby or well-child checkup for one's child, a colon cancer or breast cancer screening or a HbA1c test for diabetes. The program is designed to both encourage healthy behavior and help retain members. Many of the measures coincide with the Plan's State and CMS quality indicators.

MetroPlus began implementing the program in January with initial outreach material and through the year have made additional features of the program available such as enrolling on its website, receiving rewards points, and, most recently, being able to redeem those points for prizes. Members have shown great interest in the program. The rewards program website has had almost 400,000 visits with 57% of those visits coming from a mobile device and 35% from a desktop. To date, nearly 200,000 or about 35% of eligible MetroPlus members have done an activity that has earned at least one reward. The Plan has only recently begun the redemption process and nearly 1,200 people have redeemed with the top items including an art set and a basketball. Based on a recent survey, about 95% of Plan members report they are satisfied with the program and even more importantly, 96% report the program led them to make healthier choices.

MetroPlus will continue to work to expand the rewards program in the months ahead. The Plan has filmed testimonials with 15 individuals who participated in the program and received rewards. Dr. Saperstein then presented the four-minute film containing the testimonials for the Board of Directors.

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

Dr. Schwartz reported that MetroPlus has received its preliminary HEDIS scores for measurement year 2016. The Plan has surpassed the State benchmark in Viral Load Suppression in the HIV population and will qualify for the quality incentive. This is the first year where viral load suppression is the only qualifying metric for the Special Needs Plan population. MetroPlus is also seeing very strong preliminary results for its HEDIS measure for measurement year 2016.

In its strive to achieve a four Star rating, MetroPlus is in the home stretch, dedicating all relevant efforts to be in the best possible position to achieve this goal. The Plan has contracted with a new IPA- MedXM, who performs home visits by Nurse Practitioners. This provider will be visiting all Plan Medicare members in their homes in the next nine weeks trying to address all remaining gaps in care, except for prescriptions. To address adherence measures, which have higher weight, MetroPlus' three pharmacists and pharmacy technician are currently reaching out to every non-adherent Medicare member, pharmacy and provider to make sure that appropriate medications are filled in a timely fashion.

The Plan has submitted its pre-audit materials for Article 44, which will be happening the week of November 13th. In preparation for the audit more than 100 policies and procedures were reviewed and updated. The Plan expects a very thorough audit.

Dr. Schwartz stated that the Plan has completed the first draft of the Children's Carve In submission, which is due on 10/31. This program will be bringing children with behavioral health issues, medically fragile and children in the foster care system into managed care. As of now the state has not yet released the volume of children anticipated and the proposed premiums.

MetroPlus has been participating in the stakeholder's meetings with the NYS Department of Health and CMS to design The Future of Integrated Care, the sequel to the Fully Integrated Duals Advantage (FIDA) program, which will be ending in 2019. The initial proposed design is of a concern as it has incorporated limited amount of lessons learned from the FIDA experience and at this stage

is very administratively burdensome. The current planning directive is to include all duals in this program, not only the members who are currently enrolled in FIDA.

Dr. Schwartz reported that as a part of the Medical Directors report there would be a presentation discussing the design and outcomes of the Plan's End the Epidemic Grant work.

**Information Item**

Dr. Ross Hewitt, Associate Medical Director of MetroPlus' Special Needs Plan presented a PowerPoint entitled, "Ending the Epidemic Comprehensive Viral Suppression & Care Connection Pilot Program."

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



**Stanley Brezenoff**  
**NYC HEALTH + HOSPITALS**  
**INTERIM PRESIDENT AND CHIEF EXECUTIVE OFFICER**  
**REPORT TO THE BOARD OF DIRECTORS**  
**October 26, 2017**

**Federal Report**

With the Trump administration's decision to eliminate Cost Sharing Reductions (CSR), the fate of this key Affordable Care Act mechanism for maintaining affordability of insurance plans purchased on state exchanges is now up to Congress. Currently, neither the Alexander-Murray compromise bill (which would extend CSR for two years in exchange for greater flexibility on the part of states to discontinue some Affordable Care Act mandates) nor other legislative "fixes" to the ACA appear to have sufficient traction for Congressional passage. Elimination of CSRs are projected to cause loss of Essential Plan coverage for a substantial number of Metro Plus members.

**Resolution of DSH Dispute with State**

Today I am pleased to formally inform the board that our dispute with New York State over the withholding of \$380 million in Disproportional Share Hospital (DSH) dollars has been resolved.

The State will process the Federal and City matching funds to reimburse our health care system for most of these funds in three separate payments over the next few months and the rest will be paid during our fiscal year.

With the mutually agreeable resolution between the State and NYC Health + Hospitals, we are now able to resume filling vacancies at a rate of 50 percent of the number of staff members who separate from our health care system each month. Even with this resolution, NYC Health + Hospitals continues to provide care for our Medicaid and uninsured patients that will not be reimbursed.

These are uncertain times for the health care industry. And that uncertainty, especially in terms of policy at the federal level, is likely to persist for some time. Now, however, the State, the City, and NYC Health + Hospitals will turn our collective attention to fight the battle against DSH reductions in Washington—together.

I want you to know how appreciative I am for the solidarity and support we have received from employees, labor partners, community allies, and elected officials in standing up for what is right when it comes to funding our essential health care system. Your commitment speaks to the enormity of our mission and to our obligation to fight harder than ever for every precious dollar needed to continue achieving it.

**NYC Health + Hospitals ACO Among Top Performers Nationally for 4th year**

I am pleased to bring to the Board's attention the fact that for the fourth year in a row NYC Health + Hospitals' Accountable Care Organization (ACO) has achieved impressive results in lowering the cost of providing care for Medicare patients, while achieving a quality score in the 90th percentile nationally. Our ACO—the only Medicare Shared Savings program in the country led by a public hospital system—saved \$3.6 million in 2016 and earned nearly \$1.6 million in shared savings, according to results released recently by CMS. Ours is the only ACO program in New York State to earn shared savings for four years in a row. We achieved this despite the fact that requirements implemented by CMS this year made it harder to achieve shared savings.

**Support for Greater Access to Health Insurance Coverage**

Open Enrollment season is nearly upon us, and I'd like to use this opportunity to call the Board's attention to a wide range of activity occurring at the State, City and organizational levels to better connect New Yorkers with health insurance coverage. Our work stands in opposition to concerted efforts by the Trump administration and Congressional Republicans to roll back successes achieved over the past seven years in covering more Americans. One clear example of the divergent Federal path is the slashing by half—to just six weeks—of the open enrollment period for the Federal Health Insurance marketplace. This contrasts with New York State's 2018 open enrollment period, which will be three months long, from December 1 2017 through January 31, 2018. Each of us at NYC Health + Hospitals can take a measure of pride in the work we are doing as in partnership with the City to expand access to care.

- We are developing and rolling out new workflows to streamline referrals to financial counseling in order to ensure that uninsured patients are screened for eligibility and enrolled in insurance at every opportunity.

- We are leveraging the availability and expertise of MetroPlus insurance representatives on site at our facilities including in outpatient clinic areas, in order to enroll more of our patients, and members of the communities we serve.
- And we are partnering with the City's GetCovered campaign to conduct outreach to uninsured patients, including targeted outreach to inpatient short stayers.

We will continue to fight for access to care because doing so represents both a strategic priority, and a core principle of our mission to provide care for any New Yorker in need.

### **NYC Health + Hospitals Celebrates Nursing Excellence Award Winners and Nominees**

Once a year, our annual Nursing Excellence Awards offer an opportunity to celebrate the unwavering dedication that NYC Health + Hospitals nurses demonstrate to our patients, thousands of times each day, in every corner of our essential health care system. Over 8,000 nurses work at NYC Health + Hospitals, advancing values of accountability, collaboration, respect for the patient's unique voice and viewpoint, altruism and compassion. No one champions or embodies these values more than the Nursing Excellence nominees and winners we celebrate. The Awardees in six different categories were announced at a truly inspiring ceremony this week at NYC Health + Hospitals/Jacobi. Those recognized were:

**Esmie Taylor RN, MSN, GNP-BC, from NYC Health + Hospitals/North Central Bronx  
for excellence in Management**

**Dorothy Mcintosh-Waddy, RN, CRRN, from NYC Health + Hospitals/Sea View  
for excellence in Inpatient Clinical Nursing**

**Sabina Wood, RN, MSN, from NYC Health + Hospitals/Woodhull  
for excellence in Education and Mentorship**

**Rosa Borges BSN, RN, of NYC Health + Hospitals/Metropolitan,  
for excellence in Home, Community, or Ambulatory Nursing**

**John Huaylinos, RN-INC, CCM, of NYC Health + Hospitals/Coney Island,  
for excellence in Volunteerism and Service**

**Arturo E. Ceniza, BSN, RN, from NYC Health + Hospitals/Queens,  
for excellence in Advancing and Leading the Profession**

Congratulations to each of them, and to their nursing colleagues for the skill, professionalism, caring and compassion they provide for our patients every day.

### **NYC Health + Hospitals/Bellevue Unveils 3D Breast Imaging**

Earlier this month we announced the addition of new, 3D breast imaging equipment at NYC Health + Hospitals/Bellevue. Staff and patients gathered for a ribbon-cutting ceremony at Bellevue's Rita J. Kaplan Breast Imaging Center for the unveiling of two new Hologic 3D Selenia Dimensions mammography units, one of which features an Affirm 3D stereotactic biopsy device. This state-of-the-art equipment will produce enhanced imagery resulting in increased early detection of breast cancer, and greater treatment options for patients.

The new equipment allows the medical team to perform minimally invasive biopsies on a wide range of patients. Additionally, a 3D Prone Breast Biopsy system has also been added, which will increase comfort for patients by allowing them to lie flat while undergoing the procedure. The new 3D mammography equipment is expected to serve more than 10,000 patients a year, allowing radiologists to view multiple imaging "slices", with more accurate visualization of fine details, and improved biopsy specificity. These enhancements will reduce the number of patients who are unnecessarily called back for additional pictures, relieving patients of a degree of unnecessary anxiety, increasing our efficiency, and helping us deliver the best possible care for our patients.

### **NYC Health + Hospitals/Elmhurst Salutes First Responders at "Red, White, and Blue" Tribute**

NYC Health + Hospitals/Elmhurst honored first responders from local NYPD precincts, FDNY companies, and EMS stations at the hospital's first Annual Red, White, and Blue Tribute on September 27—a recognition and awards ceremony for their outstanding commitment to protecting the community and assisting the hospital in its mission to provide high-quality health care to the residents of Queens.

NYC Health + Hospitals/Elmhurst leadership and staff were joined by several local elected officials, including New York State Assembly Members Brian Barnwell and David Weprin, and New York State Senator José Peralta. Elmhurst CEO Israel Rocha explained that the event offered a formal opportunity to show the appreciation that we feel for our first responder partners every day, stating, “we are continuously inspired by these extraordinary men and women and their unwavering dedication to our community”. First responders who received awards were:

- **Chief Edward Baggott, FDNY Queens Borough Commander**
- **Police Officer Daniel Carter, NYPD, Transit District 20**
- **Joseph Fox, Chief of Transit, NYPD EMT**
- **Eric Feng #2246, FDNY EMS Station 46**
- **EMT Alex Gonzales #2353, FDNY EMS Station 46**
- **Assistant Chief Juanita Holmes, NYPD Borough Commander, Queens North**
- **Kubrat Hristoff, Director, Hospital Police 6th Division, NYC Health + Hospitals/Elmhurst**
- **Police Officer Thomas Imperatore, NYPD, 110th Precinct**
- **Special Officer Iana Isaacs, Hospital Police, NYC Health + Hospitals/Elmhurst**
- **Special Officer Christopher Labella, Hospital Police, NYC Health + Hospitals/Elmhurst**
- **Battalion Chief Frank Leeb, FDNY, Battalion 46**
- **EMT Gerald Lenox III #3922, FDNY EMS Station 46**
- **Christine M. Mazzola, Division Commander, FDNY**
- **Paramedic Jose Mendoza #4241, FDNY EMS Station 46**
- **EMS Division 4 Captain Denis Mullaney, Commanding Officer, NYPD, Transit District 20**
- **EMT Michael Rojas #1925, FDNY EMS Station 46**
- **Captain Thomas Schulz, Commanding Officer, FDNY EMS Station 46**
- **Captain Michael Sitler, FDNY/Eng 287**
- **Special Officer Anthony Stephens, Hospital Police, NYC Health + Hospitals/Elmhurst**
- **Police Officer Althea Thomas, NYPD, Transit District 20**
- **Detective Brian Timmons, NYPD, 110th Precinct**
- **Nicola Ventre, Deputy Inspector, NYPD, 110th Precinct**
- **Special Officer Jefferson Yagual, Hospital Police, NYC Health + Hospitals/Elmhurst**

### **NYC Health + Hospitals Urges New Yorkers Not to Delay Getting the Flu Vaccine This Season**

Last week we announced the availability of flu vaccine at locations across New York City and urged New Yorkers six months and older to get vaccinated early in the season. We are emphasizing that protection against the flu is not fully effective for up to 10 days after getting vaccinated, so delaying vaccination until flu season is declared may put individuals and those around them at risk of illness. The flu is a serious, highly contagious, and sometimes deadly disease, and the severity of each season is unpredictable, making annual vaccination the best defense against illness.

One indication that experts use in predicting the upcoming flu season is to look at the Southern Hemisphere, where winter and the flu season has just concluded. In Australia, the number of patients with flu was nearly double that of the preceding winter, making the importance of vaccination here this year even greater.

### **System Hosts Health Insurance Seminars to Prep New Yorkers for Open Enrollment**

At NYC Health + Hospitals we strongly believe that knowledge about insurance empowers our patients. That’s why we have made it a practice for the past six years to sponsor free seminars NYC Health + Hospitals in partnership with the Centers for Medicare & Medicaid Services (CMS) to help community partners, faith-based partners, caregivers, and community members understand health insurance options available to them during the open enrollment periods for Medicare and New York State of Health, the State’s official online marketplace. The next open enrollment period for New York State of Health, when residents will be able to change their insurance plan or enroll in health insurance for the first time, will take place from November 1, 2017, through January 31, 2018. For people with Medicare, the annual enrollment period begins October 15, 2017, and ends December 7, 2017. During this time, people with Medicare can select a Medicare Advantage plan or prescription drug plan, or they can switch plans if they are already enrolled.

At these seminars, health insurance specialists from CMS will provide updates on Medicare (Parts A, B, C, and D) and Medicaid programs, information about health care reform initiatives, and guidance on how to select and purchase affordable insurance on New York State of Health. CMS will also provide information about what to expect as new Medicare cards are issued in 2018,

including information about protecting patients from fraud and abuse. The seminars are open to the public and will be held at NYC Health + Hospitals/Kings County (Brooklyn), NYC Health + Hospitals/Lincoln (Bronx), and NYC Health + Hospitals/Bellevue (Manhattan). Caregivers, patients, community providers, NYC Health + Hospitals staff nearing age 65, and individuals who work with seniors, are all encouraged to attend to receive information about:

- The benefits of Medicare and how to apply
- The parts of Medicare – Part A: hospital insurance; Part B: medical insurance (outpatient visits, lab work, preventive services); Part C: health plans; and Part D: prescription drug coverage
- The Medicare appeals process
- The Medicare programs in place for people with limited income and resources
- Medicaid basics
- Updates on New York State of Health
- Enrollment resources for the uninsured

### **City Hall in Your Borough/Brooklyn - System Announces Wide Ambulatory Expansion**

As discussed in previous versions of my report to the Board, Mayor de Blasio has sponsored “City Hall in Your Borough” weeks throughout 2015. Each has offered an opportunity for NYC Health + Hospitals to partner with the Mayor’s office and city agencies to highlight improvements to the city’s health care landscape. At a ribbon-cutting earlier this week celebrating an upgraded community health center in Bushwick, Brooklyn, NYC Health + Hospitals announced system-wide ambulatory care access expansion in underserved communities in four boroughs. Collectively, when all the facilities achieve their expected growth, they will serve approximately 42,000 more patients than before the enhancements.

The Bushwick site is one of five NYC Health + Hospitals/Gotham Health community health centers that have been refurbished and reopened better than ever. Renovated with more than \$10 million in funding from New York City’s Caring Neighborhoods Initiative, these five health centers will offer an improved patient experience and access to more patients. The five sites are in Brooklyn (in Bushwick, Crown Heights, and Brownsville), the Bronx (Tremont), and Queens (Jackson Heights).

In addition, two completely new sites, Bedford in Brooklyn and Clifton in Staten Island, are scheduled to open this winter. The creation of the Bedford health center is supported with \$1.4 million in Caring Neighborhoods Initiative funding. Funding for the creation of the Staten Island health center includes \$20 million from New York City’s Primary Care Expansion Initiative and \$8 million from the New York City Council. While services available at the sites differ, all seven will offer behavioral health care, which community assessments consistently show is needed.

Other City Hall in Your Borough (Brooklyn) activities supported this week by NYC Health + Hospitals included:

- **Hearst Foundation Grant**  
NYC Health + Hospitals/Coney Island will receive a \$100,000 Addiction Medicine Research Grant From the Hearst Foundation. The grant proceeds will go to Michael Stavros Radoes, MD, MPH, associate chairman and director for Quality Improvement for the Department of Emergency Medicine, and Sassan Naderi, MD who will join NYC Health + Hospitals/Coney Island’s faculty as the director for In-service Education. Drs. Radoes and Naderi are the first Hearst Scholars in Addiction Medicine at NYC Health + Hospitals/Coney Island. The two addiction medicine research scholars seek to develop a better understanding of the social and medical complications of addiction. Over the course of 2018, the researchers will focus on the approximately 17,000 emergency department visits annually by patients with substance use disorders who present at NYC Health + Hospitals/Coney Island.
- **Heart Health Center ribbon cutting at NYC Health + Hospitals/Kings County**  
Earlier this week NYC Health + Hospitals launched the Heart Health Center at NYC Health + Hospitals/Kings County, a community based facility bringing together a spectrum of care and services including same day echocardiograms. It will be staffed by a full service heart health team including, cardiac specialists, psychologists, psychiatrists, nurse practitioners, nutritionists, pharmacists, and social workers in anticipation of the interrelated challenges heart failure patients face.

This center’s innovative and convenience-oriented approach departs from the standard three- to four-week series of appointments for heart failure patients. Patients can walk in, meet with a doctor, be tested, and have the same doctor make a

treatment decision based on the results, all with the goal of reducing hospitalizations, readmissions, and emergency room visits while lowering costs. Equipment and renovations for the Heart Health Center were made possible by a \$50,000 grant from Council Member Mathieu Eugene.

### **New leadership – NYC Health + Hospitals/Kings County**

Earlier this month we announced the appointment of Sheldon McLeod as Interim Chief Executive Officer at NYC Health + Hospitals/Kings County effective November 17. Sheldon will take on this interim post as we bid farewell to Ernest Baptiste who is leaving NYC Health + Hospitals after more than five years of distinguished service to take on a new challenge as CEO of Stony Brook University Hospital. Under Ernest’s leadership, NYC Health + Hospitals/Kings County has achieved numerous milestones, including the development of a world-class model of mental health services and the successful transition of Behavioral Health Services from DOJ oversight, and the US News & World Report designation as best hospital for heart failure and COPD care. We are grateful for Ernest’s service and thank him for his commitment to our health system, our patients and staff. We wish him well in his new post. Sheldon McLeod has served as Chief Operating Office at NYC Health + Hospitals/Kings County since 2014. I thank Sheldon for taking on this new role and responsibility, and am confident that he will advance our health system’s transformation agenda and champion the staff and patients of NYC Health + Hospitals/Kings County.

### **Adolescent Health Conference**

NYC Health + Hospitals is at the forefront of innovative services and programming designed to better address the health care needs of younger New Yorkers. Yesterday, we sponsored a conference at Baruch University titled *Adolescent Sexual and Reproductive Health: A New Direction*, attended by clinicians and youth health experts from inside and outside our system. A wide range of panel discussions were held on topics such as, Long Acting Reversible Contraception (LARC), Pre-Exposure Prophylaxis (PrEP) Implementation Models for Youth, Comprehensive Health Care for Transgender and Gender Non-Conforming Youth, Adolescent Male Sexual and Reproductive Health, Minors’ Rights to Confidential Health Care in New York and Implementing Youth Health Clinic Standards. We thank the event organizers for a thoughtful and progressive program.

### **OneCity Health Update**

OneCity Health progressed with plans for the next phase of DSRIP – and beyond.

- OneCity Health plans to cement its future relationship with DSRIP partners, and better enable them to improve patient outcomes, by contracting through the remainder of performance year 2020. The OneCity Health Executive Committee approved these parameters for the next phase of contracting, which begins January 1, 2018.
- OneCity Health submitted its Gap Analyses for the Care Restructuring Enhancement Pilots (CREPs) Program to Fidelis Care, the program administrator, and the NYSDOH for both the Behavioral Health Home and Community Based Services (BH-HCBS) Pilot and the Managed Long Term Managed Long-Term Care (MLTC) Workforce Pilot on September 15. These Gap Analyses required conducting a current state evaluation of the demographics, health needs and service gaps of the targeted populations and determining areas for future training. Both were approved for payment, totaling \$66.68M.
- NYC Health + Hospitals continues its longstanding partnership with the NY Legal Assistance Group (NYLAG). OneCity Health has been coordinating a number of September and October trainings for NYC Health + Hospitals and community partners to enhance their ability to screen and refer for legal needs, including trainings focused on immigration, palliative care, housing, and behavioral health. Additionally, beginning in April 2017, OneCity Health began coordinating with NYLAG to enhance the collection of data on the services. From April-August 2017, NYLAG served 378 clients covering 425 legal matters, over half of which related to immigration.

[In an August report](#), “*An Emerging Approach to Payment Reform: All-Payer Global Budgets for Large Safety-Net Hospital Systems*,” the Commonwealth Fund highlighted transformation activities underway at NYC Health + Hospitals through OneCity Health and the Delivery System Reform Incentive Payment (DSRIP) program to help illustrate how global budgeting might be applied in an urban area.

## **RESOLUTION**

Adopting NYC Health + Hospitals' Mission Statement and Performance Measures for Fiscal Year 2017 as required by the Public Authorities Reform Act of 2009 which require a local public authority such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.

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

**WHEREAS**, the Office of the State Comptroller's Authorities Budget Office (ABO) requires reporting of NYC Health + Hospitals' mission and performance measures, as well as responses to certain additional questions, on a form provided by that office and requires that the Board of Directors read and understand the mission statement and read and understand the responses provided to the ABO; and

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

**WHEREAS**, NYC Health + Hospitals keeps extensive data on numerous performance measures for internal monitoring and external reporting which is included each year in the Mayor's Management Report; and

**WHEREAS**, the attached "Mission Statement and Performance Measures" uses the same indicators as reflected in the Mayor's Management Report;

**NOW, THEREFORE**, be it

**RESOLVED** that the attached "Mission Statement and Performance Measures" is hereby adopted, as required by the Public Authorities Reform Act of 2009, which requires a local public authority such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.

**Authority Mission Statement and Performance Measurements**

**Name of Public Authority:**

New York City Health and Hospitals Corporation (“NYC Health + Hospitals”)

**Public Authority's Mission Statement:**

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

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

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

**Date Adopted:** October 26, 2017

**List of Performance Measurements:**

	<b>Indicator</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Desired direction</b>
1	Eligible women receiving a mammogram screening (%)	76.4%	75.4%	Up
2	Emergency room revisits for adult asthma patients (%)	6.2%	6.9%	Down
3	Emergency room revisits for pediatric asthma patients (%)	3.2%	3.6%	Down
4	Adult patients discharged with a principal psychiatry diagnosis who are readmitted within 30 days (%)	6.8%	7.1%	Down
5	Inpatient satisfaction rate (%)	62.0%	61.0%	Up
6	Outpatient satisfaction rate (%)	77.8%	81.3%	Up
7	Hospital-acquired Central Line-acquired Bloodstream Infection (CLABSI) rate	n/a	1.438	Down
8	HIV patients retained in care (%) (annual)	85.7%	83.5%	Up
9	Calendar days to third next available new appointment - adult medicine	23.0	18.6	Down
10	Calendar days to third next available new appointment - pediatric medicine	5.0	5.1	Down
11	Patient Cycle Time - Adult Medicine	88	79	Down
12	Patient Cycle Time - Pediatrics	70	70	Down
13	Patient Cycle Time - Women's Health	76	88	Down
14	Prenatal patients retained in care through delivery (%)	87.0%	86.1%	Up
15	General care average length of stay (days)	5.2	5.4	Down

Note: Due to change in reporting methodology, CLABSI FY 2016 is not available.

Approved: October 26, 2017

## **RESOLUTION**

Adopting a Second Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors (“Board”) of New York City Health and Hospitals Corporation (the “System”) and directing the President of the System to prepare a revision of Operating Procedure 100-05 to implement such Statement of Policy.

**WHEREAS**, at its September 22, 2011 meeting, the Board adopted a Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors; and

**WHEREAS**, the current Revised Statement of Policy and Operating Procedure reflects a decentralized, network model, containing processes and roles that are no longer present in the System; and

**WHEREAS**, since such September 22, 2011 the functions of procurement have been centralized into the division of Supply Chain Services; and

**WHEREAS**, the Board wishes to provide for further efficiencies in the System’s procurement functions to ensure its financial wellbeing; and

**WHEREAS**, the Second Revised Statement of Policy maintains the Board’s oversight of the System’s significant contracting activity, and requires its authorizations for certain procurement transactions before they are concluded; and

**WHEREAS**, the New York State Public Authorities Accountability Act requires that entities such as the System have in place written policies regulating its procurement activities and the Board intends that the adoption of the Second Revised Statement of Policy and Operating Procedure 100-05 be in satisfaction of such requirement.

**NOW THEREFORE**, be it

**RESOLVED**, that the Board hereby adopts the Second Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors, in the form attached hereto that shall be binding upon all employees and officers of the System. The Second Revised Statement of Policy shall be effective as of October 1, 2017. The President shall cause a revision of Operating Procedure 100-05 to be adopted.



**STATEMENT OF POLICY**  
**FOR THE REVIEW AND AUTHORIZATION OF PROCUREMENT**  
**MATTERS BY THE BOARD OF DIRECTORS OF**  
**NEW YORK CITY HEALTH AND HOSPITALS CORPORATION**

**I. POLICY PURPOSES AND GOALS**

This Statement of Policy sets forth the requirements of the Board of Directors (the “Board”) of New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) for those procurement matters of NYC Health + Hospitals that must receive prior Board authorization. This statement of policy shall be binding upon all officers and employees of NYC Health + Hospitals.

In adopting this Statement of Policy, the Board wishes to preserve NYC Health + Hospitals’ financial wellbeing while maintaining its efficient operations. The intent of this Statement of Policy is to ensure that the Board is informed of the Corporation’s significant contracting activity and that it reviews and authorizes certain procurement transactions before they are concluded.

**II. GENERAL STATEMENT**

In general, and subject only to the specific exceptions noted below, any financial commitment by NYC Health + Hospitals in excess of \$5 million for the procurement of goods or services, including affiliation contracts under which NYC Health + Hospitals will pay for others to provide clinical services, requires the Board’s prior authorization regardless of the procurement method used. Further, the following require the Board’s prior approval regardless of the amount of money involved: (a) all leases, licenses and other agreements for the disposition or acquisition of real property rights; and (b) all contracts for the services of auditors engaged to report on any aspect of the conduct of the business of NYC Health + Hospitals. This Statement of Policy shall not be interpreted to relieve NYC Health + Hospitals from making presentations to the Board and, when appropriate receiving the approval of, or authorization from, the Board regarding non-procurement related matters such as those pertaining to strategic planning, medical and professional affairs, etc. consistent with NYC Health + Hospitals’ past practice and existing Operating Procedures. The Board acknowledges that MetroPlus Health Plan, Inc.’s certificate of incorporation imposes certain requirements for the approval by NYC Health + Hospitals’ Board of certain contracts and it is not intended that this Statement of Policy alter in any way such requirements.

In adopting this Statement of Policy, the Board intends to change the current practices of the Corporation in three ways. First, the threshold for the requirement for Board approval for general contracts is increased from \$3 million to \$5 million. Second, the structure for reporting on contracts below the threshold for presentation to the Board is strengthened. Third, this Statement of Policy, recognizing the centralization of the procurement function within the Office of Supply Chain Services and the increased professionalism of the operation, leaves to the oversight of the President and the Vice

President responsible for Supply Chain Services the task of adopting suitable rules and procedures for the procurement of those goods and services below the threshold for presentation to the Board rather than directing them here.

### **III. PROCUREMENT MATTERS NOT REQUIRING ANY APPROVAL OF THE BOARD**

The procurement matters not requiring prior authorization by the Board are: (i) grant-funded contracts under which the entity providing the goods or services is specified in the grant by the funder; (ii) purchases of goods (such as medical/surgical supplies, pharmaceuticals, all manner of supplies and equipment and utilities used in the ordinary course of the Corporation's business) regardless of the dollar value of such purchases; and (iii) contracts for the maintenance of NYC Health + Hospitals' equipment or related components when the contract is a renewal or replacement of an existing contract with the same vendor and for a scope of maintenance services substantially the same as in the previous contract.

### **IV. PROCUREMENT MATTERS REQUIRING ONLY THE BOARD'S PRIOR AUTHORIZATION FOR THE RIGHT TO EXPEND FUNDS BUT NOT FOR THE ACTUAL CONTRACT**

Construction contracts governed by the New York State General Municipal Law for "Construction Projects" that will cost more than \$5 million require prior authorization of the Board only for the right to expend the needed funds. Once the Board has approved the right to expend the funds, Board authorization shall not be required for the awarding of a contract, selection of the contracting party or any aspect of the procurement process.

For the purposes of this Statement of Policy, a "Construction Project" shall refer to the totality of the work and materials needed to complete a capital improvement or addition to one of the Corporation's facilities and shall include all elements that are planned, budgeted or contracted together. The object of such definition is to afford the Board the opportunity to consider such projects as a single endeavor and determine if the overall effort is worthy and properly funded. That a single entity will oversee or coordinate the entire effort will render the entire effort a single Construction Project. The President shall make such additional related rules regarding Construction Projects as necessary through a revised Operating Procedure 100-5 to be adopted.

Requests to the Board for authorization to expend funds for procurement purposes under this Section IV, shall set forth the spending authority requested, the purpose for which the expenditure is to be made, the procurement method to be used and the source of the funds to be expended.

## **V. CONTRACT REVIEW COMMITTEE**

The Contract Review Committee (CRC) shall be a management committee constituted by the President with one voting member appointed by the Chairperson of the Board. The CRC shall review all contracts that require Board authorization prior to the award of a contract except for leases, licenses and other agreements for the disposition or acquisition of real property rights.

## **VI. OPERATING PROCEDURE**

The President shall adopt a revised Operating Procedure 100-5 to provide a consistent method for ensuring compliance with this Statement of Policy and with best practices with regard to procurement contracts and authorizations of the right to expend funds for procurement purposes in cases where the authorization of the Board is not required by this Statement of Policy.

## **VII. CONTRACT REPORTS**

The President shall provide the Board with reports and such reports shall include matters that the President deems appropriate as well as those matters requested by the Board. The Board believes that the development of an effective reporting structure is an essential tool to assure effective Board governance especially for matters that will not be presented to the Board for authorization.

The Board may select any contract or vendor for review in the course of its duties regardless of whether such contract is subject to Board approval under this Statement of Policy.

## **VIII. PRESIDENT'S AUTHORITY**

The procedures outlined in this Statement of Policy shall be followed in all but exceptional cases, such as emergencies, where the President, or his/her designee, determines in writing to make an exception from the established procedure. The President shall report any such exception to the Board at the meeting immediately following such exception when the exception concerns a matter that would otherwise have been subject to Board approval under this Statement of Policy. The President may take to the Board for prior authorization or as an informational item, any transaction or expenditure that, irrespective of this Statement of Policy, the President determines merits the attention of the Board.

## RESOLUTION

Authorizing NYC Health + Hospitals (“NYC Health + Hospitals”) to execute a revocable five year license agreement with the New York City Department of Health and Mental Hygiene (the “Licensee”) for use and occupancy of approximately 1,437 square feet of space and 1,305 square feet of space at NYC Health + Hospitals/Metropolitan and NYC Health + Hospitals/Woodhull (the “Facilities”), respectively for the operation of the New York City Nurse-Family Partnership program (the “Program”) at the rate of \$45 per sq. ft. for an annual occupancy fee of \$64,665 for Metropolitan and \$58,725 for Woodhull for a five year total of \$323,325 for Metropolitan and \$293,625 for Woodhull.

**WHEREAS**, the Program is an evidenced-based community healthcare program that seeks to improve the health, well-being and self-sufficiency of low-income first-time mothers and their children by partnering them with nurses who provide home visits; and

**WHEREAS**, the operation of the Program will be administered through the Licensee and the Licensee will fund and staff the Program; and.

**WHEREAS**, at its May 25, 2017 meeting the Board of Directors authorized the execution of a License Agreement between NYC Health + Hospitals and the Licensee for the Licensee to take over NYC Health + Hospitals’ operation of a Program site at NYC Health + Hospitals/Harlem; and

**WHEREAS**, the proposed license agreement will enable the Licensee to establish sites for the Program at the Facilities where there currently are no such operations; and

**WHEREAS**, the proposed license agreement will be administered by the Executive Directors of each of the two Facilities.

**NOW THEREFORE**, be it

**RESOLVED**, that NYC Health + Hospitals be and hereby is authorized to execute a revocable five year license agreement with the New York City Department of Health and Mental Hygiene for the use and occupancy of approximately 1,437 square feet of space and 1,305 square feet of space at NYC Health + Hospitals/Metropolitan and NYC Health + Hospitals/Woodhull, respectively for the operation of the New York City Nurse-Family Partnership program at the rate of \$64,665 for Metropolitan and \$58,725 for Woodhull for a five year total of \$323,325 for Metropolitan and \$293,625 for Woodhull.

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a revocable license agreement with the New York City Police Department (the “NYPD” or “Licensee”) for its continued use and occupancy of space of 50 square feet of space on the roof of the “N” Building to operate radio communications equipment at NYC Health + Hospitals/Queens (the “Facility”) with the occupancy fee waived.

**WHEREAS**, in November 2012, the Board of Directors authorized the President to enter into a license agreement with the Licensee; and

**WHEREAS**, the Licensee desires to continue to operate radio communications equipment at the Facility, and the Facility has the space to accommodate the NYPD communications system; and

**WHEREAS**, the Licensee’s radio communications system shall not compromise the Facility’s operations, and it 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 (“NYC Health + Hospitals”) be and hereby is authorized to execute a revocable license agreement with the New York City Police Department (“NYPD” or “Licensee”) for its continued use and occupancy of 50 square feet of space on the roof of the “N” Building to operate radio communications equipment at NYC Health + Hospitals/Queens (the “Facility”) with the occupancy fee waived.

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to procure and outfit such ambulances in the System's name on behalf of the Fire Department of the City of New York ("FDNY"), through City-wide Requirements Contracts as are, from time to time requested by FDNY provided that the System receives the required City of New York capital funding explicitly provided for such purchases; such authorization to remain in effect until withdrawn.

**WHEREAS**, on January 19, 1996, the System and the City of New York (the "City") executed a Memorandum of Understanding (the "MOU") allowing the transfer of the System's Emergency Medical Service ("EMS") ambulance and pre-hospital emergency medical service functions to FDNY to be thereafter managed by FDNY for the benefit of the City; and

**WHEREAS**, to maintain an appropriate ambulance and pre-hospital emergency medical service, vehicles in the ambulance fleet must be periodically replaced when they have exceeded their useful life; and

**WHEREAS**, at least annually since 1996 and often more frequently, the System's Board of Directors has been asked to approve resolutions authorizing the System to purchase vehicles to be added to FDNY's active fleet of ambulances using City capital funds explicitly earmarked for this purpose; and

**WHEREAS**, given that the System's role is to serve as the purchasing agent for FDNY using only City funds explicitly earmarked for the purchases;; and

**WHEREAS**, it appears to be more efficient for the System's Board of Directors to approve a standing authorization for the System to continue to function at FDNY's direction as its purchasing agent such that ambulances may be purchased whenever requested provided that City capital funding is provided explicitly for such purpose.

**NOW, THEREFORE**, be it

**RESOLVED**, that the New York City Health and Hospitals Corporation (the "System") be and it hereby is authorized to procure and outfit such ambulances in the System's name on behalf of the Fire Department of the City of New York ("FDNY"), through City-wide Requirements Contracts as are, from time to time requested by FDNY provided that the System receives the required City of New York capital funding explicitly provided for such purchases; such authorization to remain in effect until withdrawn.

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with T-Mobile Northeast LLC (the "Licensee") to operate a cellular communications system in approximately 200 square feet of space on the roof of the "A-C" Building at Coler Rehabilitation and Nursing Care Center (the "Facility") at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.

**WHEREAS**, the Licensee currently operates a cellular communications system on rooftop space on the "A-C" Building on the Facility's campus pursuant to a resolution adopted by the NYC Health + Hospitals' Board of Directors in September 2012; and

**WHEREAS**, the Licensee desires to continue its operation of such cellular communications system at the Facility and 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 New York City Health and Hospitals Corporation be and hereby is authorized to execute a five year revocable license agreement with T-Mobile Northeast LLC (the "Licensee") to operate a cellular communications system in 200 square feet of space on the roof of the "A-C" Building at Coler Rehabilitation and Nursing Care Center (the "Facility") at an annual occupancy fee of approximately \$309 per square foot or \$61,814 per year to be escalated by 4% per year for a five year total of \$334,805.

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with 2017 ESA Project Company, LLC, a Bloom Energy affiliate ("Bloom") to construct four fuel cell co-generation servers (the "Servers") at the locations on the campus of NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the "Facilities") shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities and to obligate the System to purchase from Bloom all of such energy for a term of fifteen years at a total projected cost not to exceed \$39.1 Million to meet approximately 40% of the Facilities' demand; provided that the use of the Servers requires the System to obtain natural gas from the local utility at an estimated cost of approximately \$18.3 Million for a combined total cost of approximately \$57.5 Million over fifteen years, all on the terms outlined in the Statement of Economic Terms attached hereto.

**WHEREAS**, the Facilities currently obtain electricity for their operations entirely from Consolidated Edison ("Con Ed"), the projected cost of 40% of which over the next fifteen years would be approximately \$62.8 Million assuming annual 2% increases over June 1, 2018 rates, when the Servers will be on line; and

**WHEREAS**, because peak energy demand in Central Brooklyn strains the capacity of Con Ed, the Public Service Commission required Con Ed to provide subsidies to encourage the construction of energy co-generation plants and energy saving measures by customers in Central Brooklyn; and

**WHEREAS**, Bloom was selected by Con Ed by a competitive selection process involving a demand response auction to provide fuel cell co-generation facilities to the Facilities as well as other proximate locations including Downstate Medical Center with a subsidy from Con Ed; and

**WHEREAS**, Bloom, with the Con Ed subsidy, will provide electrical energy generated by the Servers to the Facilities at \$0.08/Kilowatt Hour which rate will increase by 3.25% annually; and

**WHEREAS**, the System will need to purchase natural gas from the local utility – currently National Grid, to operate the Servers; and

**WHEREAS**, the System's cost of energy from Bloom plus the anticipated cost of natural gas is expected to be approximately \$535,317 per year less than the anticipated cost of energy from Con Ed; and

**WHEREAS**, by using the Servers, the System will be able to supply approximately 40% of the total energy needs of the Facilities without relying on the electrical grid thereby increasing the energy security of the Facilities; and

**WHEREAS**, previously authorized gas turbine co-generation facilities will supply approximately 20% of the Facilities' demands thus bringing the Facilities' total co-generation capacity to approximately 60% of total demand; and

**WHEREAS**, by using the Servers, the System will be able to reduce the System's carbon footprint by the use of energy substantially cleaner than that which would otherwise be provided by Con Edison; and

**WHEREAS**, the proposed contract will be managed by the Vice President for Facility Operations.

**NOW THEREFORE BE IT:**



**RESOLVED**, that New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute an agreement with 2017 ESA Project Company, LLC, a Bloom Energy affiliate ("Bloom") to construct four fuel cell co-generation servers (the "Servers") at the locations on the campus of NYC Health + Hospitals/Kings County and NYC Health + Hospitals/Dr. Susan Smith McKinney (the "Facilities") shown on the attached site map and to maintain the same, both at the sole cost and expense of Bloom and to sell its entire electrical energy output to the System for use by the Facilities and to obligate the System to purchase from Bloom all of such energy for a term of fifteen years at a total projected cost not to exceed \$39.1 Million to meet approximately 40% of the Facilities' demand; provided that the use of the Servers requires the System to obtain natural gas from the local utility at an estimated cost of approximately \$18.3 Million for a combined total cost of approximately \$57.5 Million over fifteen years, all on the terms outlined in the Statement of Economic Terms attached hereto.

**FINANCIAL TERMS/FINANCIAL ANALYSIS  
POWER PURCHASE AGREEMENT WITH  
2017 ESA PROJECT COMPANY, LLC ("BLOOM")**

**Summary Model**

	Electricity Cost	Bloom Energy
40% KCHC Annual Elec. Use - Kilowatt hours (kWh)	25,798,200.00	25,798,200.00
Cost per kWh	\$ 0.141 <sup>1</sup>	\$ 0.08
Cost of KCHC 40% Electricity Consumption	\$ 3,629,806.74	\$ 2,063,856.00
Total Cost of Natural Gas to KCHC & DSSM	\$ -	\$ 1,030,634.00 <sup>2</sup>
Cost of 40% of Electricity Consumed by KCHC & DSSM	\$ 3,629,806.74	\$ 3,094,490.00
Projected Annual Electricity Cost Savings	\$535,316.74	

**Notes:**

(1) NYPA and CON Edison have received rate increases on supply and delivery of service for 2018.

(2) Using National Grid anticipated new rate (\$0.55) based of service classification for distributed generation systems.

**Efficiency Guaranty:** The project will not hit its financial targets if the system does not perform as promised. To protect against this, Bloom guaranties the efficiency of the system. The benchmark efficiency is that which is necessary to produce the electrical output modeled above. If the system falls below that output with the amount of gas modeled, then Bloom issues a payment to NYC H+H of the amount projected to make up for the energy not produced.

**Maintenance:** All maintenance is performed by Bloom. Apart from purchasing the natural gas to run the system, NYC H+H has no operational expenses whatsoever.

**Option to Purchase:** NYC H+H will have an option to purchase the servers or any of them at its FMV. The purchase price is to be negotiated by the parties based on the value of the income stream to Bloom, the condition of the Servers and current market conditions. If the parties do not reach agreement the price is to be set by binding arbitration.

**Termination:** NYC H+H can terminate the Agreement without cause if it makes a Termination Payment as per the next page keeping in mind that the capacity of the system is 3,100 kW.

## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to renew for a three-year term of January 1, 2018 to December 31, 2020 (“Renewal Term”), the 20 requirements contracts previously awarded in July 2015 for a two-year term with three one-year options, for health information related professional consultant services on an as needed basis to meet the System’s needs for professional services, primarily consisting of staff augmentation, to enable the System to meet its information technology needs, with all necessary funding deriving from previously approved program budgets.

**WHEREAS**, in July 2015 the Board of Directors approved the award of 20 requirements contracts for the term of January 1, 2015 to December 31, 2017 with three one-year renewal options, such contracts resulting from a Request for Proposals for health information related services on an as-needed basis; and

**WHEREAS**, the use of the requirements contracts makes easily and promptly available to the System, IT staff with a wide range of experience and knowledge that is not available within the System, is not available in the necessary numbers or is not required on a long term basis, to support major software implementations, complete required milestones and deliverables, training, and maintenance activities where temporary skilled staff may be needed; and

**WHEREAS**, renewing the requirement contracts will help the System obtain continuity of services, avoid disruptions, delays, or gaps in service to both internal and external end users that rely on these critical systems; and

**WHEREAS**, funding for the professional services obtained under the requirements contracts derives from previously approved program budgets; and

**WHEREAS**, the System tracks the utilization and spending of the requirements contracts against the applicable funding source; and

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

**NOW THEREFOR, IT IS RESOLVED** that New York City Health and Hospitals Corporation be and hereby is authorized to renew for a three-year term of January 1, 2018 to December 31, 2020, the 20 requirements contracts previously awarded in July 2015 for a two-year term with three one-year options, for health information related professional consultant services on an as needed basis to meet the System’s needs for professional services, primarily consisting of staff augmentation, to enable the System to meet its information technology needs with all necessary funding deriving from previously approved program budgets.

## **Executive Summary**

### **EITS Professional Services Contracts**

In July 2015, the Board of Directors approved the award of 20 requirements contracts for Enterprise Information Technology Services (“EITS”) to obtain information technology professional services on an as-needed basis for a two-year term from January 1, 2016 to December 31, 2017 with three one-year options to renew. The contracts resulted from a Request for Proposals (“RFP”) seeking vendors that had expertise in healthcare information systems that would enable EITS to secure information technology (IT) services, primarily staff augmentation, with the necessary skillsets at the required times for a wide array of potential technological needs. The requirements contracts are expiring and EITS is seeking to renew the contracts for a three-year term of January 1, 2018 to December 31, 2020 to enable the System to meet its information technology needs, with all necessary funding deriving from previously approved program budgets.

While the abilities of current employees are being utilized, the requirements contracts has allowed the System to obtain short-term staff augmentation for necessary tasks in a timely and efficient manner. Over the course of the initial two-year term, the contracts offered multiple benefits, including, enabling the flexibility and agility needed to quickly align to changing technologies and respond to new business needs; the ability to ramp-up or scale back staffing to meet changing demands; the capability to acquire expertise, experience or knowledge not available within the System, not available in the necessary numbers, or that is not required on a long term basis. Renewing the contracts will help the System attain continuity of services and avoid disruptions, delays, or gaps in service to the internal and external end users that rely on these critical systems.

The actual services performed under the contracts will be governed by a written work order identifying the specific project, scope of work, hourly rate, period of performance and the not-to-exceed amount. Each work order for new consultant services will be issued on an as needed basis through a competitive process. Each request for new IT consultant services will be issued to the contractors, the System will evaluate the responses based on technical qualifications and price and will select the response that offers the most favorable combination of quality and price.

Payment is based on actual services performed pursuant to a work order issued by the System, the contracts do not guarantee a minimum payment to the Contractors.

# **EITS Requirements Contracts for IT Consulting Services**

## **Board of Directors' Meeting**

November 30, 2017

Sal Guido

Senior Vice President/Chief Information Officer  
Enterprise IT Services



# Request

- Renew the requirements contracts for a three-year term of January 1, 2018 to December 31, 2020
  - In July 2015, the Board of Directors approved contract awards to 20 vendors to provide IT consultants on an as-needed basis for the term of 2 years + 3 one-year renewals
  - Contracts resulted from a Request for Proposals
- Spending under these contracts derives from existing approved budgets, does not require increased or additional funding
- Contracts do not guarantee a minimal payment; only pay for actual service provided

# Benefits Associated with IT Consultant Requirements Contracts

- Requirement Contracts allow Health + Hospitals to achieve flexibility to quickly align with changing technologies and respond to new business needs in a cost effective manner:
  - No guarantee to vendors of a minimum payment
  - Payment is based on actual services performed pursuant to a work order signed by Health + Hospitals and vendor
  - Provides as-needed services for a wide array of potential technology consulting expertise needs in a timely and efficient manner – necessary IT skillsets at the required times for the required duration
  - Secure expertise, experience or knowledge that is either not available in Health + Hospitals or is not required on a long term basis
  - Allow for continuity of services, avoid disruptions and delays to on-going projects

# Work Order Assignment Process

- Each assignment will be governed by a written work order identifying the specific project, scope of work, hourly rate, period of performance and the total not-to-exceed amount
- Request for a Statement of Work sent to appropriate Contractors, describing the project, required services necessary to complete the statement of work, a schedule and completion date for the services
- Contractors will respond to the request with a timetable for implementing the Statement of Work, resumes of the proposed consultants, a proposed approach, if applicable and an hourly rate
- The proposed hourly rate can be less than the contract rates/cannot exceed contract rates
- Evaluate the responses and select the Contractor whose response provides the combination of quality and price most favorable to the Corporation



## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to take the necessary steps to implement an Enterprise Resource Planning (“ERP”) system at a cost not to exceed \$5 million in operating funds and \$5.3 million in capital funds, which are allocated in the City Capital Budget, over the next three years including procuring the necessary contracts for: staff augmentation to implement, configure and install the modules; the necessary hardware; software maintenance and subscriptions; hardware maintenance; and training services and facilities all of such procurement to be effected in conformity with the System’s Operating Procedure 100-5 but without further Board authorization provided that the System’s Enterprise Information Technology Services division (“EITS”) shall make regular periodic reports to the Board of Directors to detail such procurement and to report on the progress of the implementation program and track the same to the budget herein described.

**WHEREAS**, the System is implementing an ERP system to replace the current disparate business applications throughout the System including: financials, payroll, time & attendance, supply chain and nurse & physician scheduling to sit on one integrated platform for an overall budget of \$72,021,812; and

**WHEREAS**, in December 2015, the Board of Directors approved the purchase of multiple modules of the Oracle/PeopleSoft ERP software (Financials, Supply Chain and Payroll/Time and Attendance), and associated ancillary and support applications necessary to implement the ERP for an amount not to exceed \$31,301,712 for a five-year term with a five-year renewal; and

**WHEREAS**, in June 2016, the Board of Directors approved a contract award to Deloitte Consulting LLP to provide ERP software implementation, including project planning, design, management of interfaces and conversions, and planning for system maintenance for an amount not to exceed \$18,203,795; and

**WHEREAS**, at the time such approvals were obtained, the ERP project was at the stage of implementing and deploying the budget and supply chain modules but now the ERP project is moving forward with the implementation of the payroll/time and attendance, cost accounting and nurse & physician scheduling aspects of the project; and

**WHEREAS**, EITS will work with the Office of Supply Chain Services to procure contracts under Operating Procedure 100-5 with vendors that supply staff augmentation services, hardware, training and implementation services and will report to the Board of Directors the award of such contracts at regular periodic intervals; and

**WHEREAS**, the overall responsibility for managing the project and monitoring the contracts signed to further the project shall be under the Senior Vice President of Finance, the Vice President of Supply Chain and Senior Vice President/Corporate Chief Information Officer; and

**NOW THEREFOR, IT IS RESOLVED** that New York City Health and Hospitals Corporation be and hereby is authorized to take the necessary steps to implement a to implement an Enterprise Resource Planning System at a cost not to exceed \$5 million in operating funds and \$5.3 million in capital funds, which are allocated in the City Capital Budget, over the next three years including procuring the necessary contracts for: staff augmentation to implement, configure and install the modules; the necessary hardware; software maintenance and subscriptions; hardware maintenance; and training services and facilities all of

such procurement to be effected in conformity with the System's Operating Procedure 100-5 but without further Board authorization provided that the System's Enterprise Information Technology Services division shall make regular periodic reports to the Board of Directors to detail such procurement and to report on the progress of the implementation program and track the same to the budget herein described.

## EXECUTIVE SUMMARY

**Background:** NYC Health + Hospitals has embarked on implementing an Enterprise Resource Planning System (ERP) to replace the current disparate business applications throughout the System including: financials, payroll, time & attendance, supply chain and nurse & physician scheduling to sit on one integrated platform. The total five-year implementation costs is \$72 million which includes a 10% contingency. The goal is to standardize and reduce the number of separate financial systems currently in place to achieve enterprise-wide reporting, improve internal controls, ensure best practices, optimize budgeting and financial analysis with real-time data to improve decision making, reporting, forecasting, and planning.

An assessment was conducted to identify gaps, opportunities, and priorities for the back-office systems: Finance, Supply Chain, Budget, Grants, Time & Attendance, Payroll, Accounts Payable, Fixed Asset, Cost Accounting and General Ledger. The assessment determined that there are too many independent IT systems and that their architecture is not integrated. These disparate systems result in the overutilization of resources and manual data entries. The use of multiple system platforms drives up IT maintenance and support expenses with a diminishing business benefit due to the lack of integration.

At this time, we are seeking spending authority in the amount not to exceed \$5 million in operating funds and \$5.3 million in capital funds, of the \$72 million approved budget, to procure the services, software and hardware necessary to continue the deployment of ERP, implement Payroll/Time and Attendance and nurse & physician scheduling.

**Previous Approvals:** In December 2015, the Board of Directors approved the contract award to Mythics, Inc. to provide Oracle/Peoplesoft software (Financials, Supply Chain and Payroll/Time and Attendance), maintenance and training for a five-year term with one, five-year option to renew, with implementation costs of \$19.3 million and annual maintenance costs of \$2.3 million for a total ten-year cost of \$31.3 million.

In June 2016, the Board of Directors approved the contract award to Deloitte Consulting LLP for an amount not to exceed \$18,203,795 for a term of three years with two one-year options to renew, to support the business change processes, implementation of Oracle/PeopleSoft ERP, and associated ancillary and support applications, project planning, milestone setting, design, interfaces, conversions, and maintenance activities.

**Project Status:** Wave 1 (Central Office, EITS, and Correctional Health) and Wave 2 (East New York, Kings County, MetroPlus, and McKinney) went live on-time and on-budget. Wave 3 (Woodhull, Cumberland, Harlem Hospital, Henry J. Carter, Morrisania, Sydenham/Renaissance and Belvis) is scheduled to roll out in December 2017. Cost Accounting training is completed and the project team is currently working on the design of the system. Pre-Payroll tasks have been identified for Time & Attendance and Payroll and training has commenced.

**Procurement:**

The goods and services required for the proposed implementation will come from many vendors for additional services. Contracts for such goods and services will greatly range in value from hundreds of thousands of dollars to millions of dollars. All vendors will be procured in accordance with the procurement rules of NYC Health + Hospitals conducted in the normal course by the Office of Supply Chain Services. All contract will be reported to the IT Committee of the Board at regular periodic intervals with such detail and in such format as the Committee requests.

# Enterprise Resource Planning

## Board of Directors' Meeting

November 30, 2017

**Sal Guido**  
**Senior Vice President/Corporate Chief Information Officer**  
**Enterprise IT Services**

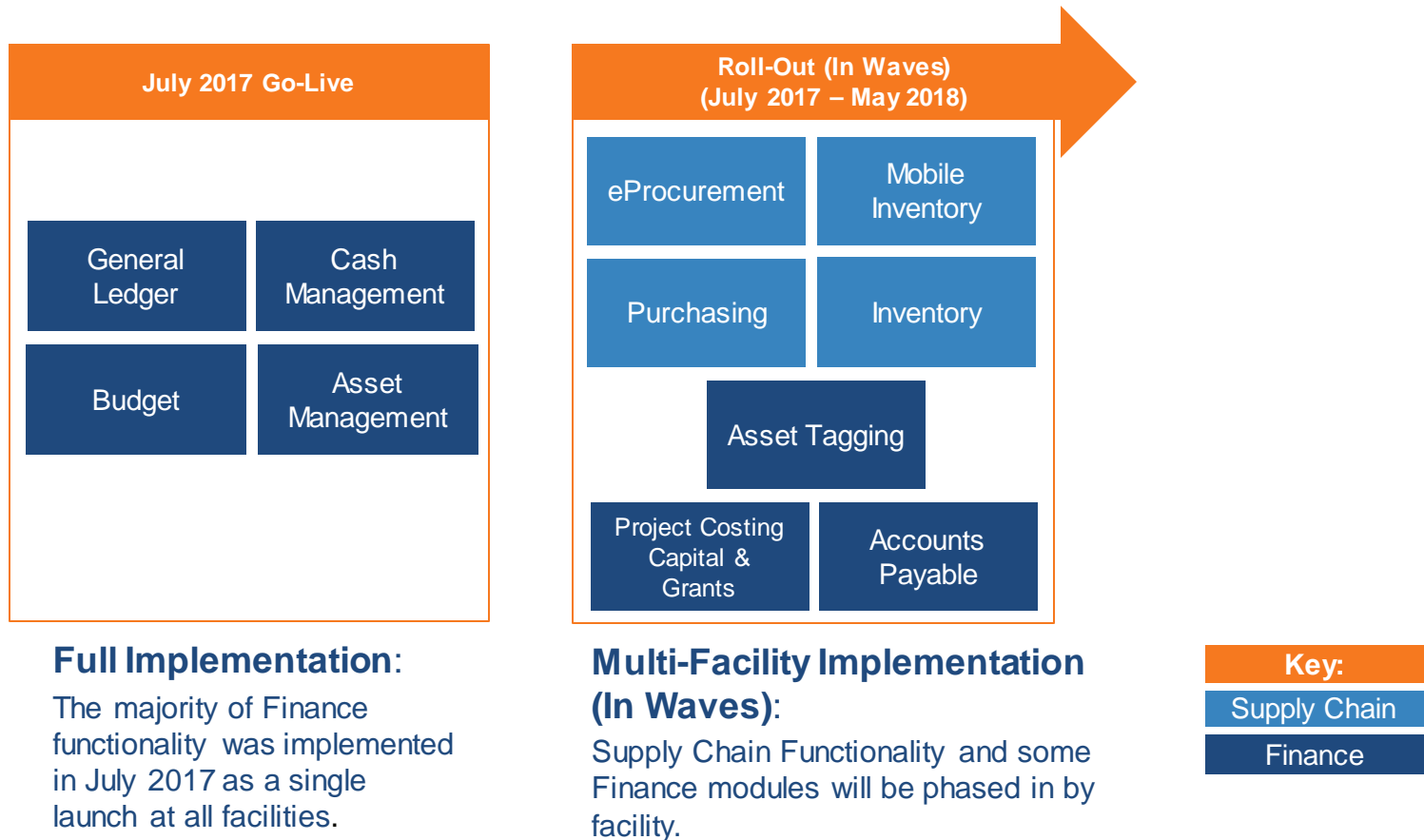


# ERP Waves

The ERP project name: *Project Evolve* seeks to identify and implement best practices in Finance and Supply Chain to further support the project's vision of:

- ✓ Updating technology to support transformative organizational change that is responsive and respectful of staff requirements
- ✓ Providing timely business performance reports that will drive strategic decisions at all levels of the system
- ✓ Generating cost savings through operational savings and staffing efficiencies

# Scope and Modules Roll-Out



# ERP Waves

July 2017	September 2017	December 2017	March 2018	May 2018
<p><b>Wave 1</b>  <i>*completed</i></p> <p><b>*Finance:</b> All Locations</p> <p><b>Supply Chain:</b></p> <p>Central Office</p> <p>Correctional Health</p> <p>Lincoln</p> <p>Queens</p>	<p><b>Wave 2</b>  <i>*completed</i></p> <p>Kings</p> <p>+ ENY</p> <p>+ McKinney</p> <p>MetroPlus</p>	<p><b>Wave 3</b>  <i>*in process</i></p> <p>Woodhull</p> <p>+Cumberland</p> <p>Carter</p> <p>Harlem</p> <p>+Belvis</p> <p>+Morrisania</p> <p>+Sydenham</p>	<p><b>Wave 4</b>  <i>*in process</i></p> <p>Gouverneur</p> <p>Elmhurst</p> <p>Bellevue</p> <p>Coler</p>	<p><b>Wave 5</b></p> <p>Coney Island</p> <p>+Mariner's Harbor</p> <p>+Stapleton</p> <p>Sea View</p> <p>NCB</p> <p>Jacobi</p> <p>Metropolitan</p>

\* General Ledger, Cash Management, Budget, and Asset Management modules in Wave 1.  
 Accounts Payable, Asset Tagging, and Project Costing Capital & Grants will be rolled-out in Waves.




# What has been Approved?

## Purchase of:

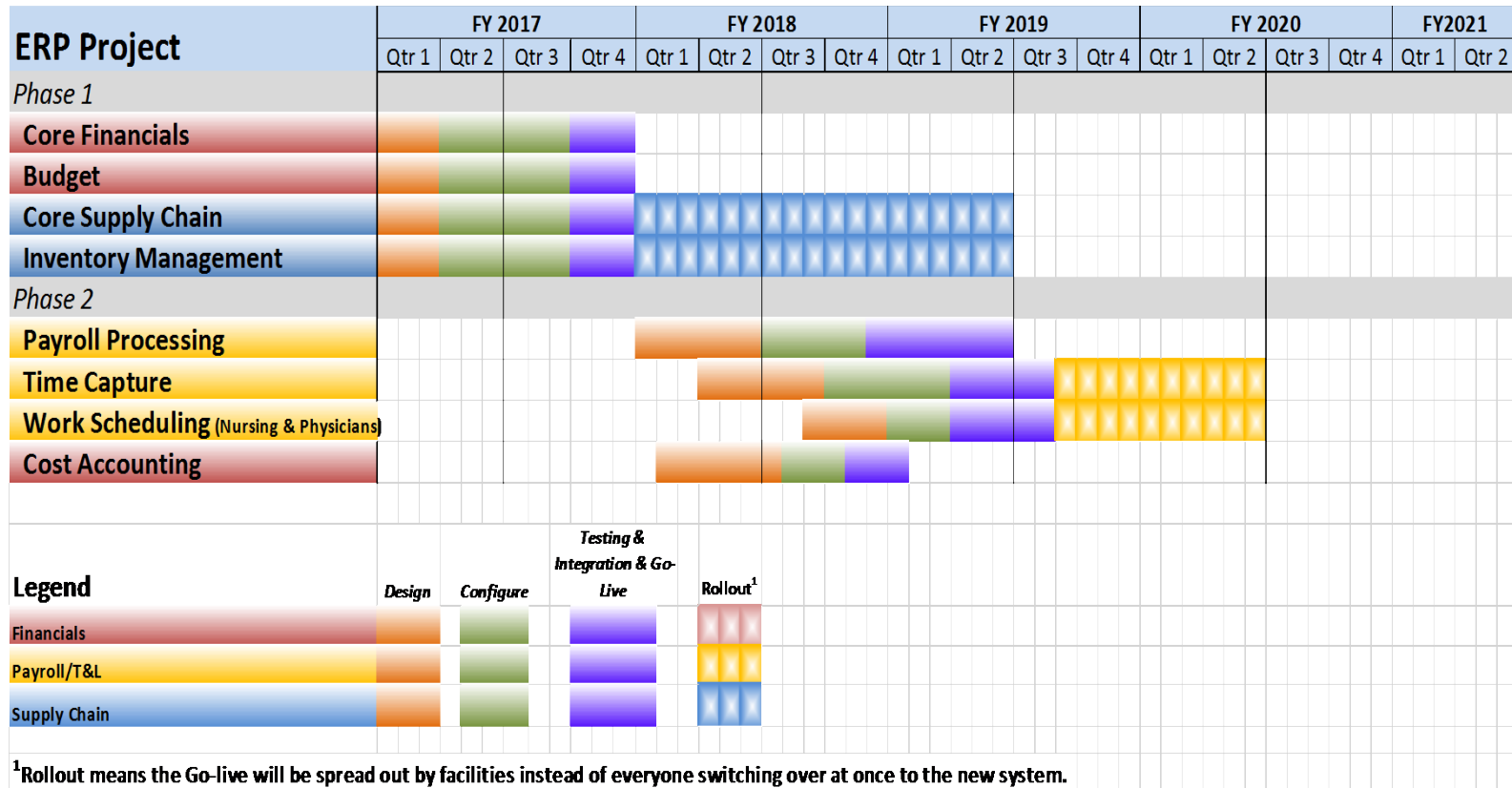
- PeopleSoft Financial / Supply Chain, PeopleSoft Payroll and Time & Labor, Clairvia Physician and Nurse Scheduling, Hyperion (Budget Cost Accounting),
- Application Maintenance
- Hardware Update and Maintenance
  - Servers for Data Center environment
- Deloitte implementation of ERP software (non-Clairvia)

FINANCE		SUPPLY CHAIN
■ Accounts Payable	■ Cost Accounting	■ Materials Management
■ Asset Management	■ General Ledger	■ Procurement
■ Budget	■ Payroll / Time and Labor	■ Purchasing
■ Cash Management / Treasury	■ Project Costing	

# Budget and Encumbered

Enterprise Resource Planning (ERP) Projected Expenses			Years 1 - 5	
Projected Expenses				
Item	Description	Implementation Budget (Years 1 - 5) FY 2016 - FY 2020	Encumbered/ Approved	Remaining Budget
<b>Software &amp; Maintenance (Mythics/Oracle Contract)</b>	Includes Software, Training, and Software maintenance.	\$19.2 million	\$19.2 million	\$0
<b>Hardware &amp; Maintenance</b>	Includes servers, storage, time capture devices, inventory handheld devices and maintenance fees.	\$5.8 million	\$2.1 million	\$3.7 million
<b>Implementation Support</b>	Third party vendor consulting & temporary agency staff, including IT, finance, supply chain and nurse/physician scheduling.	\$26.6 million	\$20 million	\$6.6 million
		<b>\$51.7 million</b>	<b>\$ 41.3 million</b>	<b>\$10.3 million</b>
<b>ERP Support Team</b>	New NYCH+H staff that will be used throughout the implementation period (including fringe benefits). These costs will become on-going after implementation.	\$ 20.4 million		
<b>Five Year Budget</b>		<b>\$ 72 million</b>		

# ERP Implementation Deployment Timeline



## Next Steps

- Select Time Capture Vendor/Devices
- Continue Deployment of Finance / Supply Chain Waves 3-5
- Continue Pre-Payroll Activities
- Cost Accounting Implementation
  - Go live – July 2018
- Begin Payroll and Time and Labor Implementation
  - Go-live Jan 2019
  - Roll-out Electronic Time Capture 2019

# Q&A



## RESOLUTION

Adopting a revised Policy and Guidelines governing Community Advisory Boards (CABs) in all NYC Health + Hospitals' facilities.

**WHEREAS**, the Board of Directors of NYC Health + Hospitals adopted Policy and Guidelines for CABs on January 7, 1982; amended such guidelines on July 16, 1987; February 27, 1992; and on March 26, 1992;

**WHEREAS**, the Board of Directors has recognized the need to update the Policy and Guidelines to meet current CAB and facility needs throughout NYC Health + Hospitals' system, especially pertaining to CAB membership terms, number of voting members, new background screening requirement for CAB applicants and members, and resolution of disputes;

**WHEREAS**, the Office of Government and Community Relations of NYC Health + Hospitals in consultation with the Community Relations Committee of the Board of Directors has been working on revising the Policy and Guidelines with extensive input from the CABs;

**NOW THEREFORE, BE IT RESOLVED**, that the revised Policy and Guidelines for Community Advisory Boards, dated November 30, 2017 (annexed hereto) be adopted as the Policy and Guidelines governing the Community Advisory Boards in all NYC Health + Hospitals' facilities, in accordance with McKinney's Unconsolidated Laws, Title 18, Section 7384.11.



## PROPOSED AMENDMENTS TO NYC HEALTH + HOSPITALS' POLICY AND GUIDELINES FOR COMMUNITY ADVISORY BOARDS

### EXECUTIVE SUMMARY

#### Overview

NYC Health + Hospitals' enabling statute calls for the establishment of Community Advisory Boards (CABs) to consider and advise the Corporation and its facilities on matters concerning the development of any plans or programs. CABs discuss and advise facility leadership on: the establishment of priorities in relationship to community health needs and /or plans; the allocation of funds within the facility's budget; quality of services which patients receive, and the mechanism for reporting problems or issues that develop; and the community's views on the delivery of patient care services. CABs represent the views of the community in the health care facility's decision-making process, they keep the community informed and serve as major advocates of NYC Health + Hospitals' goals and objectives within their communities.

NYC Health + Hospitals' CAB Policy and Guidelines governs the way that CABs operate in all NYC Health + Hospitals facilities. The current CAB Policy and Guidelines that is in effect was last amended on March 26, 1992, nearly 25 years ago. The process to amend the CAB Policy and Guidelines began in fall 2014. Facility leadership staff were asked to provide input on March 26, 2015; and proposed amendments have been shared with the executive committee and/or the Council of CABs specifically in August 2015, July 2016, August 2017 and October 2017. An update on key proposed amendments was presented to the Council of CABs on April 4, 2017. A meeting to discuss CAB's concerns was held with CAB Chairs on May 12, 2017. In addition to input from the Council of CABs, the proposed amendments were discussed with NYC Health + Hospitals' Office of Legal Affairs, the Compliance Office, the Board Chair and Chair of the Community Relations Committee of the Board. A draft of the amended CAB Policy and Guidelines were also sent to the five Borough Presidents for their review and input.

The CAB Policy and Guidelines is being updated to meet current CAB and facility needs throughout the NYC Health + Hospitals system and to facilitate consistent and standard practices across the system with regard to CAB operations. The proposed amendments to the NYC Health + Hospitals' CAB Policy and Guidelines are described below.

## **CAB Membership Terms**

The draft amended CAB Policy and Guidelines proposes a change in CAB membership terms from three 3-year terms to three 2-year terms, not to exceed six years. This proposed change allows for congruity of terms between the CABs and the Community Boards and eliminates the propensity of a Community Board appointment to be interrupted by incongruent terms of appointment. Moreover, this change will also allow for CABs to assess CAB members' engagement and productivity on a more frequent basis while still providing options for longer service.

The term for CAB officers will be for two years and no officer of a CAB will be allowed to serve more than two consecutive terms or four years in the same office.

## **Number of Voting Members**

The draft amended CAB Policy and Guidelines proposes to reduce and consolidate the range of voting members across all facility types to a range of 15 to 27 members, with such members being demographically representative of the diverse population of the community served by the NYC Health + Hospitals facility. This reduction is being proposed because a vast majority of CABs have been challenged to recruit the current minimum number of voting members, which is 15 for Gotham sites and 24 for acute care facilities. Currently, the average CAB membership for acute care hospitals is 18 and 13 for Gotham and skilled nursing facilities. Reducing the number of voting members will provide a realistic target for facilities based on experience to date.

## **New York City Community Boards**

The language concerning representation of New York City Community Boards (NYCCB) on CABs has been updated to reflect that Community Board appointees will now be considered in the total complement of members appointed by the Borough President. Moreover, a provision has also been added that if a NYCCB member who is appointed to a CAB becomes an employee of the facility or the affiliate, a corporate officer or a corporate employee who holds a direct supervisory position of the CABs or an organization that gets grant funding from NYC Health + Hospitals, that member will no longer be eligible to serve on the CAB. The CAB must request that the NYCCB designate another member who is not an employee.

## **Resolution of Disputes**

In response to comments by members of the Council of CABs, the current sections on Discontinuance/Establishment of a CAB and Exceptions and Due Process were revamped in the amended draft of the CAB Policy and Guidelines. A new section was created called Resolution of Disputes. This new section calls for CABs to resolve disputes and conflicts within the CAB and for CABs to establish dispute resolution processes. Language recommended by the Council of



CABs was added to this section, which states that, “As a last resort, the President, or his/her designee, in consultation with the facility’s CEO and the Chairperson of the Council of CABs or their respective designees, may intervene in any way deemed appropriate, including but not limited to the discontinuance and reestablishment of a CAB or the termination of membership of one or more CAB members.”

### **Other Updates**

There are other minor updates that were made to the current CAB Policy and Guidelines. These minor changes include updating the name of the organization to reflect our new name, which is NYC Health + Hospitals. Language was also added to direct CABs to other resources like Roberts Rules of Order to aid CABs with developing their Bylaws and to provide guidance on parliamentary procedures to help CABs to operate in a smooth and orderly fashion. In addition to minutes of meetings, CAB annual report, and roster of members, CABs are also asked to provide their updated Bylaws to the Office of Government and Community Relations. The draft guidelines also advises CABs to submit requests for clarification regarding the interpretation and/or how the provisions of the policy and guidelines should be applied to the Office of Government and Community Relations.

### **New Background Screening Requirement for CABs**

Like all other volunteers, workforce and contractors, a limited scope background check screening requirement for all new CAB applicants and renewing CAB members prior to their appointment or re-appointment to an NYC Health + Hospitals CAB has been added to the draft amended CAB Policy and Guidelines. This background screening requirement applies to all CAB applicants who are being appointed by the President of the NYC Health + Hospitals and by the Borough Presidents. It has two components. The first is a screening to determine if a CAB member is excluded from participating in federal health care programs (*e.g.*, Medicare and Medicaid) or is debarred by the federal General Services Administration (GSA) from any Executive Branch procurement or non-procurement program or activities; and the second screening is a criminal history record check.

The exclusion screening is being implemented to ensure NYC Health + Hospitals’ compliance with the Center for Medicare and Medicaid Services’ (CMS) requirement that our workforce members (*i.e.*, employees, personnel, medical staff members, students, Members of the Board of Directors, and volunteers), and business partners (*i.e.*, vendors and other contractors) are periodically screened to determine if they are excluded from participating in federal health care programs or debarred by the GSA from procurement or non-procurement activities. Because our CAB members are NYC Health + Hospitals volunteers, the Office of Corporate Compliance has determined that this screening requirement must also include all CAB members. Accordingly, monthly exclusion screenings will also be conducted on the current CAB membership, which is also conducted for all other NYC Health + Hospitals volunteers, as well as all other workforce members. It is important to highlight that this screening is necessary to secure NYC Health + Hospitals’ ability to participate in the Medicare and Medicaid programs. This screening will entail

a review of databases including the following three publically available databases: (i) NYS Office of the Medicaid Inspector General (NYS OMIG); (ii) Office of Inspector General of the Department of Health and Human Services (Federal OIG); and (iii) and the System for Award Management (SAM) database.

In addition to the above, the exclusion screening is being performed to ensure each CAB member's compliance with the NYC Health + Hospitals Principles of Professional Conduct (POPC). The POPC outlines the standards of conduct that all workforce members, including volunteers such as CAB members, must adhere to at all times. It is deemed unprofessional conduct under the POPC for NYC Health + Hospitals to establish a volunteer relationship with any person who is excluded from participation in federal health care programs.

NYC Health + Hospitals' Operating Procedure (OP) 20-46 provides the process for background investigations for volunteers and non-employees who work within our facilities. This OP is currently being revised and will specifically name CAB members as volunteers who are covered under this OP. Like all other volunteers and non-employees, new CAB applicants and renewing CAB members will be subject to a criminal history record check, prior to being appointed or re-appointed to a CAB.

To help facilitate this new background screening requirement, the CAB Membership Application has been revised to collect CAB applicants' date of birth and to secure applicants' agreement to have a background screening conducted.

## **Conclusion**

In summary, the CAB Policy and Guidelines was last amended in March 1992, more than 25 years ago. Key changes that are being proposed include changes such as: CAB member term limits, number of voting members, Community Board representation on CAB, and the addition of a dispute resolution provision. Amending the CAB Policy and Guidelines will: provide long overdue clarity on key issues that have come up over the years, standardize CAB operations across the system, and will improve the overall efficiency and effectiveness of NYC Health + Hospitals' CABs.

# **Proposed Amendments to the Policy & Guidelines for Community Advisory Boards (CABs)**

**Board of Directors Meeting  
November 30, 2017**



## CAB Policy & Guidelines Amendment Timeline

- Policy and Guidelines last amended in **March** 1992 ~ 25 years ago!
- Meetings with CAB Council and Executive Committee to discuss amendment of Policy and Guidelines
- Draft amended guidelines circulated to CAB Chairs -- comments reviewed and language included



## Proposed Key Amendments to CAB Policy & Guidelines

- CAB Terms of Appointment
  - CAB membership terms will change from three 3-year terms to **three 2-year terms, not to exceed a total of six years**
  - The length for an officer's term will be 2-years. **No officer will serve more than 2 consecutive terms**
- Number of Voting Members
  - Change from 15 to 35 to **15 to 27 members**
- New background screening requirement for CAB members and applicants
  - Align with NYC Health + Hospitals' background screening policy for all volunteers (OP 20-56)
  - Compliance screening required by the Centers for Medicare and Medicaid Services (CMS)



## Proposed Key Changes to CAB Policy & Guidelines

- NYC Community Board Representation on CABs
  - Community Board appointees will be considered in the total complement of members appointed by the Borough President, which should not exceed 1/3 of CABs' membership
- Exceptions, Appeals and Due Process section revamped to create two new sections – “Exceptions” and “Resolution of Disputes”
  - Under new Resolution of Disputes section:
    - ✓ CABs are to resolve disputes and conflicts within the CAB and establish dispute resolution processes
    - ✓ New language recommended by the Executive Committee of the Council of CABs was added. It states that, “As a last resort, the President, or his/her designee, in consultation with the facility’s Chief Executive Officer and the Chairperson of the Council of Community Advisory Boards or their respective designees, may intervene in any way deemed appropriate, including but not limited to the discontinuance and reestablishment of the CAB or the termination of membership of one or more CAB members.”





**POLICY AND GUIDELINES**  
**FOR**  
**COMMUNITY ADVISORY BOARDS**

**Adopted February 27, 1992**  
**Amended March 26, 1992**  
**And November 30, 2017**

Draft

## **PREAMBLE**

The enabling act which created the New York City Health and Hospitals Corporation, Unconsolidated Laws, Title 18, Section 7384.11 provides: "The Corporation shall establish a Community Advisory Board for each of its hospitals to consider and advise the corporation and its hospitals upon matters concerning the development of any plans or programs of the corporation, and may establish rules and regulations with respect to such boards." Corporation means NYC Health + Hospitals, and hospitals includes the neighborhood health centers and long term care facilities. The following revised Guidelines which detail the workings of CABs in alignment with NYC Health + Hospitals' focus on expanding access to patient-centered and culturally-sensitive care are promulgated.

## **GUIDELINES**

### **I. ORGANIZATION**

- A. There will be one Community Advisory Board (CAB) for each NYC Health + Hospitals facility. All meetings of the CAB and its committees will be open to the public in accordance with the NYS Open Meetings Law, also known as the Sunshine Law.
- B. Each CAB will adopt Bylaws, which will enable it to function effectively. This may include adopting rules which govern General Limits of Debate and Decorum in Debate (see Robert's Rule of Order). Such rules may assist the carrying on of debate in a smooth and orderly manner as may be appropriate to serve CAB needs. The CAB will submit these Bylaws and any subsequent repeal or amendment to them to the facility's Chief Executive Officer or Executive Director for comments prior to requesting approval of the President of NYC Health + Hospitals. The Bylaws, and any subsequent repeal or amendment will be subject to the review and approval of the President of NYC Health + Hospitals or his/her designee and may not be in conflict with the Bylaws of NYC Health + Hospitals, those policies adopted by the Board of Directors concerning CABs or these or any other guidelines promulgated thereunder.



- C. The number of members on CABs may vary according to the needs of the facilities and the communities served and membership will be consistent with those policies and guidelines approved by the Board of Directors.
- D. Each CAB may have between 15 to 27 voting members. CABs should strive to ensure that such members are representative of the diverse population of the communities served by NYC Health + Hospitals' facilities.

## **II. RESPONSIBILITIES OF THE CAB**

- A. Each CAB will consider and advise NYC Health + Hospitals and the facility upon matters concerning the development of plans and programs of NYC Health + Hospitals and the facility.
- B. Each CAB will by request during regular CAB meetings or as otherwise appropriate be made aware of and given the opportunity to discuss and advise the Chief Executive Officer of the facility on the following:
  - 1) The establishment of priorities in relationship to the most recent community needs assessment and or strategic plans
  - 2) The facility's budget
  - 3) Services which patients receive, reports on problems or issues which develop, and the facility leadership's actions to improve any deficiencies and the patient experience
  - 4) Collaborations with other entities including community-based organizations (CBOs), community boards, other governmental agencies and health care providers

5) Other health care and social needs that may be relevant to the health of the community served by the facility

C. The CAB is responsible for soliciting and representing the view of the community in the facility's catchment areas. It is a responsibility of the CAB to help ensure that the facility's Chief Executive Officer is kept informed of the community's views relating to the delivery of patient care services. It is also the responsibility of the CAB to help ensure that the community is kept informed of the strategic plans and goals of NYC Health + Hospitals and its respective facilities. These responsibilities may be accomplished during CAB reports at the CABs' Annual Public Meetings.

D. The CABs may consult with outside entities in carrying out their duties and responsibilities.

E. CABs will not become involved in any manner (including discussion) in any labor or management issues. This includes grievances, negotiations, disciplinary proceedings, the hiring or firing of any employee, and any other labor management issue in any NYC Health + Hospitals facility.

F. Each CAB will provide the following information and documents to NYC Health + Hospitals' Office of Government, Community Relations and Planning:

- 1) Minutes of full Community Advisory Board meetings
- 2) Annual CAB Activity Report to the NYC Health + Hospitals Community Relations Committee
- 3) Accurate and up-to-date roster of members as prescribed by NYC Health + Hospitals, including appointment categories, date of original appointment and terms served
- 4) Updated By-laws

- G. Each CAB by its designee(s) shall participate on any committee established by NYC Health + Hospitals for the selection of its facility's Chief Executive Officer. If it is determined that a Chief Executive Officer will be appointed without the establishment of a search committee, NYC Health + Hospitals' leadership will inform the CAB's leadership of such plans prior to the appointment being made.
- H. Each CAB Chairperson or an alternate representative that is selected by the full CAB will participate in the Council of Community Advisory Boards.
- I. Each CAB will hold its general election of officers during the month of June. Elected officers shall not be seated until the month of September of the election year.

### **III. MEMBERSHIP**

CAB membership will consist of the following categories:

- Community Representative
- Consumer
- New York City Community Board (NYCCB)
- Non-Managerial Employee Representative
- Ex-Officio

#### **A. Community Representative**

A Community Representative will reside, be employed, or be involved in the community served by the facility.

## **B. Consumers**

- 1) A consumer member will be at least 18 years of age, not a direct provider of health care, and a registered patient who utilizes a NYC Health + Hospitals facility as his/her primary source of health care services (Inpatient, Ambulatory, Long Term/Post-Acute Care) within the past 24 months.
- 2) A consumer member may also be the parent or legal guardian of a person who utilizes the facility as his/her primary source of health care services as described above.
- 3) Consumers will constitute at least a majority (51%) of the CAB's membership.

## **C. New York City Community Boards**

New York City Community Boards (NYCCB) will have representation appointed by the Borough President on CABs. Community Board appointees will be considered in the total complement of members appointed by the Borough President as set forth in Article IV section E.

The Borough President's appointments should be in the following preferred order:

- Chairperson of the Health Committee;
  - Member of the Health and/or Social Services Committee; or
  - Member of the NYCCB
- 1) CAB members who are appointed from the NYCCB shall have the following additional responsibilities:
    - a. To act as a liaison between the CAB and the NYCCB, ensuring that both are informed about their respective concerns, interests and actions regarding community

health planning and NYC Health + Hospitals facility needs.

b. NYCCB representatives shall notify the Community Advisory Boards of NYCCB actions affecting the NYC Health + Hospitals facility or health services within the area prior to such action being taken. Such notification should foster discussion and feedback by the CAB and/or Chief Executive Officer regarding the proposed actions.

2) If a NYCCB member who is appointed to a CAB becomes an employee of the facility or the affiliate, a corporate officer or a corporate employee of NYC Health + Hospitals who holds a direct supervisory position of the CABs, or an employee of an organization that gets grant funding from NYC Health + Hospitals, that member will no longer be eligible to serve on the CAB. The CAB must request that the NYCCB designate another member who is not an employee (as described above) to the CAB.

#### **D. Non-Managerial Employee Representative**

There shall be one non-managerial employee representative on a CAB, who will be selected or elected from among the non-managerial employees of each facility. The term of appointment and method of selection/election of the non-managerial employee will be set forth in the CAB Bylaws.

#### **E. Ex-Officio Membership**

The following representatives are designated to serve as non-voting, ex-officio members to their respective CABs:

- Chief Executive Officer of the Facility or his/her designee

- The facility's Medical Director or his/her designee
- The facility's Director of Nursing or his/her designee

## **F. Exclusions from Membership**

Persons excluded from membership are:

- 1) Employees of the facility or the Affiliate (except as set forth in sections D and E above), corporate officers, and corporate employees of NYC Health + Hospitals who hold a direct supervisory position of the CABs
- 2) Members of CABs who become employees of the facility or the affiliate (except as set forth in sections D and E above) corporate officers, and corporate employees who hold a direct supervisory position of the CABs
- 3) People who are employed by or whose spouses are employed by a vendor in a contractual relationship with the facility or with NYC Health + Hospitals
- 4) Salaried elected officials, or their authorized representatives
- 5) Persons who have been excluded from participation in any Federal health care program (e.g. Medicare and Medicaid), debarred by the General Services Administration from Federal procurement or non-procurement programs or who appear on the U.S. Treasury Office of Foreign Assets Control list. Exclusion from participation in the foregoing programs is unrelated to an individual's ineligibility to receive personal Federal health care program benefits.

## **TERMS OF APPOINTMENT**

### **A. Appointment Date**

All CAB members will have effective appointment dates that begin September 1<sup>st</sup> and end on August 31<sup>st</sup>.

### **B. Duration**

Each CAB member may serve up to three 2-year terms not to exceed a total of six years.

### **C. Composition**

Newly established CABs will be constituted as follows:

1. One-third of members will be given a one year term. Thereafter, all appointees will serve for terms of two years. Consequently some members may serve three terms totaling only five years.
2. Two-thirds of the members will be given two year terms.

### **D. Re-appointment**

CAB members who are eligible and wish to serve additional terms must be reappointed following the completion of each 2-year term. CAB members who have served three consecutive terms will not be eligible for membership on the facility's CAB until one (1) full year from the last date he/she served.

## **E. CAB Officer Term**

The length for an officer's term will be two (2) years. No officer of a CAB can serve more than two (2) consecutive terms in the same office.

## **F. Unexpired Terms**

Unexpired terms are considered vacancies. If a seat becomes vacant with more than half the term remaining, when filled, the new appointee will serve the remaining unexpired portion of the term. If a seat becomes vacant with less than half the term remaining, when filled, the new appointee will serve for the full term consistent with the terms of appointment. The termination date must be consistent with the standard term begin and end dates. Bylaws should include a timetable to act on filling a vacancy.

## **IV. APPOINTMENT OF MEMBERS**

- A. Appointments to the CABs will be made only by the President of NYC Health + Hospitals and by the Borough President.
- B. Each CAB must establish a membership committee to recruit candidates for the Chief Executive Officer's consideration and subsequent recommendation for appointment by the President. The facility's CAB Liaison will also be a member of this Committee. This applies to those staff persons with CAB responsibilities.
- C. The facility's CAB Liaison is responsible for ensuring that the CAB's Membership Committee is provided with all information concerning prospective applicants.
- D. Prior to an appointment, prospective applicants are subject to Operating Procedure 20-56 - Background Investigation of Volunteers and Other Non-Employees Working in NYC Health +



Hospitals facilities and NYC Health + Hospitals Principles of Professional Conduct (POPC).

- E. The Borough Presidents will appoint not more than one-third (1/3) of the CAB membership.
- F. The Chief Executive Officer may petition the President or Borough President to grant an additional term (beyond duration cited in IV B.) to a CAB member if extenuating circumstances exist. The petition must describe the extenuating circumstances in detail.

## **V. FISCAL AND ADMINISTRATIVE SUPPORT**

- A. The facility shall, with the participation and input of the facility's CAB Chairperson or designee, assign personnel to assist the CAB in its work.
- B. Each CAB will be provided adequate and appropriate office and meeting space.
- C. CAB members will be reimbursed for expenses incurred in the performance of their duties as CAB members, and for expenses incurred to attend meetings up to and including \$35.00 per month in accordance with Operating Procedure 40-28.
- D. The Chief Executive Officer will reimburse additional cost to the member of the CAB responsible to represent the CAB at the Council of CABs or (subject to prior approval) any other meeting occurring off-site of the facility, if the \$35.00 monthly allotment is exceeded.
- E. Provision of funds for special purposes such as transportation for persons who are physically unable to use public transportation to participate in CAB activities will be made upon prior review and approval by the Chief Executive Officer.

F. The NYC Health + Hospitals Office of Government and Community Relations will provide advice, information and technical assistance as may be required by CABs. This office will act as liaison with all other departments of the NYC Health + Hospitals.

## **VI. INTRA-HOSPITAL RELATIONSHIP (Departmental Reports)**

A. The Chief Executive Officer is responsible for the operation of the facility and for the application and implementation of established policies. He/she will provide regular oral or written reports to the CAB on developments which affect the delivery of health care.

B. To the extent permitted by law, and policies of the NYC Health + Hospitals, CABs are entitled to complete current information, and shall have access to:

- 1) Information on personnel policies and procedures that affect the operation of the facility.
- 2) Policies and procedures and rules of the facilities and the affiliate that affect patient care.
- 3) Descriptions and protocols of all current and projected research being carried out in the facility.
- 4) Copies of affiliation contracts and all side letters minus personnel information.
- 5) Appropriate information on patient care services and procedures to the extent permitted by law and by policies of NYC Health + Hospitals and the Patient's Bill of Rights consistent with HIPAA Regulations.
- 6) Public documents including, but not limited to, financial or budgetary reports and regulatory survey reports at the time they are formally released by NYC Health + Hospitals.

- C. The CAB will not be given protected health information, quality assurance information, or information deemed confidential or proprietary.

## **VII. GRANT FUNDED PROGRAMS**

When a granting agency requires a grant funded program to have an advisory board, NYC Health + Hospitals or the NYC Health + Hospitals facility may authorize the facility's CAB to serve in that capacity. The CAB authorized to perform such functions must comply not only with the grant funding agency's requirements, but also with these Policy and Guidelines.

## **VIII. COUNCIL OF COMMUNITY ADVISORY BOARDS**

- A. There shall be a Council of Community Advisory Boards composed solely of Chairpersons of NYC Health + Hospitals' facility CABs or his/her selected alternate representative. The CAB Chairperson or alternate representative must attend meetings of the Council of Community Advisory Boards. The Council will represent the CABs of the NYC Health + Hospitals facilities at the various meetings of the NYC Health + Hospitals Board of Directors and/or its Committees and will act as liaison between the CABs of the facilities and the Board of Directors of the NYC Health + Hospitals.
- B. The Executive Committee of the Council of CABs will meet at least four times per year with the Community Relations Committee of NYC Health + Hospitals' Board of Directors. This body will provide the Community Relations Committee with concerns and input related to the Council of the Community Advisory Boards in accordance with these guidelines.

## **IX. RESOLUTION OF DISPUTES**

- A. Requests for clarification regarding the interpretation and/or how the provisions included herein are applied should be submitted or brought to the attention of NYC Health + Hospitals' Office of Government and Community Relations.
- B. CABs will make every effort to resolve disputes and conflicts within the CAB. As such, CABs should develop dispute resolution processes.
- C. As a last resort, the President, or his/her designee, in consultation with the facility's Chief Executive Officer and the Chairperson of the Council of Community Advisory Boards or their respective designees, may intervene in any way deemed appropriate, including but not limited to the discontinuance and reestablishment of the CAB or the termination of membership of one or more CAB members.

#### **X. ESTABLISHMENT/ DISCONTINUANCE OF A CAB**

- A. As NYC Health + Hospitals' role in providing health care services and facilities broadens, NYC Health + Hospitals may seek to create additional CABs or broaden roles of existing CABs.
- B. For a new NYC Health + Hospitals facility, the facility Chief Executive Officer will develop a plan for the establishment of a CAB for his/her facility, which should be consistent with these Policy and Guidelines and be subject to the approval of the President of NYC Health + Hospitals.
- C. A CAB may be discontinued by the President if the facility it serves is closed permanently.

## **XI. EXCEPTIONS TO POLICY**

The President may grant exceptions for any of the provisions outlined herein upon request made by the CAB or facility's Chief Executive Officer.

September 28, 2017

Draft

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute lease extension agreement with Third Generation Properties (the "Landlord"), for use and occupancy of 2,400 square feet of ground floor space at 2266 Nostrand Avenue, Borough of the Brooklyn, to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program"), managed by Kings County Hospital Center (the "Facility") at a rent of \$86,678 per year, or \$36.11 per square foot for a total of \$115,571 over the sixteen month term.

**WHEREAS**, in November 2012, the Board of Directors authorized the execution of a lease extension with the Landlord which allowed the WIC Program to continue to operate from its current location for an additional five years; and

**WHEREAS**, the Facility's WIC Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income; and

**WHEREAS**, extending the lease at the site will allow continued provision of needed WIC Program services to the community; and

**WHEREAS**, the program is fully funded by a New York State Department of Health ("DOH") grant and DOH has approved of the site and the lease terms; and

**WHEREAS**, the Landlord was unwilling to extend the lease for longer than sixteen months so that its expiration coincides with the expiration of a lease at an adjoining property owned by Landlord and thus to create an opportunity for the Landlord to rent both sites together to a single larger uWICser; and

**WHEREAS**, the proposed lease extension will be administered by the Executive Director of the Facility.

**NOW, THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a lease extension agreement with Third Generation Properties (the "Landlord"), for use and occupancy of 2,400 square feet of ground floor space at 2266 Nostrand Avenue, Borough of Brooklyn, to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program"), managed by Kings County Hospital Center (the "Facility") at a rent of \$86,678 per year, or \$36.11 per square foot for a total of \$115,571 over the sixteen month term.

## EXECUTIVE SUMMARY

### KINGS COUNTY HOSPITAL CENTER SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN 2266 NOSTRAND AVENUE BOROUGH OF BROOKLYN

- OVERVIEW:** Authorizing the Board of Directors of NYC H+H (the "System") to execute a sixteen month lease extension agreement with Third Generation Properties (the "Landlord") for use and occupancy of space at 2266 Nostrand Avenue, Borough of Brooklyn, to operate a Women, Infants and Children Program ("WIC Program"), managed by Kings County Hospital Center (the "Facility").
- NEED/  
PROGRAM:** The WIC Program has been providing services to the surrounding community at this site since 1996. The program provides comprehensive WIC services to eligible pregnant, breastfeeding and postpartum women, infants and children less than five years of age, who are determined to be at nutritional risk. Under normal circumstances the System would renew the lease for at least a term of five years but the Landlord is willing to give only a 16 month renewal as he seeks to preserve a larger development opportunity in 16 months when the lease on an adjacent property he owns comes due.
- UTILIZATION:** In 2017, there were approximately 12,000 patient visits to the program.
- TERMS:** The WIC Program will continue to occupy approximately 2,400 square feet of ground floor space, and will pay base rent in the amount of \$86,678 per year, or \$36.11 per square foot for a total of \$115,571 over the sixteen month term. The rent for the sixteen month term represents a 2.5% increase over the current rent. The System will be responsible for payment of separately metered electricity. The cost of water and sewer rents will be the Landlord's responsibility. The System will pay its share of real estate tax increases above the 2013/2014 base year. The Landlord will be responsible for all interior and exterior maintenance and structural repairs. The System will be responsible for non-structural maintenance and repairs and also responsible for the repair and maintenance of sidewalks, curbs and passageways adjoining and/or appurtenant to the premises.
- FINANCING:** Rent and operating expenses are covered by a NYSDOH grant. There is no cost incurred by the System for the operation of this program.

## SUMMARY OF ECONOMIC TERMS

- SITE:** 2266 Nostrand Avenue  
Borough of Brooklyn  
Block 7575, Lot 11, 77
- FLOOR AREA:** Approximately 2,400 square feet of ground floor space
- TERM:** 16 months
- RENT:** The System will pay a base rent in the amount of \$86,678 per year, or \$36.11 per square foot. The total rent over the sixteen month term will be \$115,571. Rent will commence January 1, 2018.
- UTILITIES:** The System will be responsible for the payment of separately metered electricity. The cost of water and sewer rents will be the Landlord's responsibility.
- MAINTENANCE/  
REPAIRS:** The Landlord will be responsible for all interior and exterior maintenance and structural repairs. The System will be responsible for non-structural maintenance and repairs. The System will also be responsible for the repair and maintenance of sidewalks, curbs and passageways adjoining and/or appurtenant to the premises.
- TAXES:** The System will be responsible for the payment of its share of real estate tax increases above the 2013/2014 base year.
- FINANCING:** Rent and operating expenses are covered by a NYSDOH grant. There is no cost incurred by the System for the operation of this program.



# SAVITT PARTNERS

October 31, 2017

Mr. Dion Wilson  
Director of Real Estate  
NYC Health + Hospitals  
125 Worth Street, Rm 527  
New York, NY 10013

**Re: Opinion of Reasonableness of Rent**  
**2266 Nostrand Avenue**  
**Brooklyn, NY 11210**

Dear Dion:

This letter confirms that I have visited the referenced location on October 27, 2017 and subsequently reviewed the summary of the economic terms of the Lease Extension for the referenced property by and between Third Generation Properties as Landlord, and NYC Health + Hospitals as Tenant, comprising of the following terms:


Use: WIC Program managed by Kings County Hospital Center  
Floor Area: 2,400 rentable square feet located on the ground floor  
Base Rent: \$36.11 per square foot, or \$86,678 per year, for a total of \$115,571 over the 16-month term  
Real Estate Taxes: Tenant's proportionate share above the 2013/2014 Base Year

Based on my review of the proposed lease term (16 months), the starting base rent (\$36.11 per square foot plus Tenant's proportionate share of Real Estate Taxes over 2013/2014 Base Year), and reviewing comparables presented for leased spaces of similar size and location, it is my professional opinion that the economic terms proposed and set forth above are fair and reasonable in the commercial marketplace found in this area of Brooklyn.

I am a licensed real estate broker in New York and am familiar with current market rates for professional and commercial spaces in the vicinity of this property.

Please feel free to contact me if you require additional information.

Sincerely,



Michael Dubin  
Partner

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a ten year lease extension agreement with S Properties LLC (the "Landlord") for approximately 13,000 square feet of warehouse and office space at 49-04 19<sup>th</sup> Avenue/19-10 49<sup>th</sup> Street, Astoria, New York (the "Warehouse") to house Correctional Health Services (the "CHS") administrative functions at an initial rent of \$364,000 per year or \$28.00 per square foot to be escalated by 2.75% per year for years 1-5 and 3.0% for years 6-10 a total of \$4,141,546 over the ten year term.

**WHEREAS**, the Warehouse had previously been used by Prison Health Services Inc. ("PHS") which is a subsidiary of Corizon Health, Inc. ("Corizon") for office and storage space in connection with its work to provide health care to the inmates in the custody of the New York City Department of Correction facilities; and

**WHEREAS**, in August 2015 pursuant to Mayoral executive order, the City of New York transferred the responsibilities for correctional health services provided by the New York City Department of Health and Mental Hygiene ("NYC DOHMH") through its contractor, Corizon, to the System; and

**WHEREAS**, pursuant to resolution of the System Board of Directors given in December, 2015, in January 2016, the PHS lease for the Warehouse space was assigned to the System and, since the assignment, CHS has been using the building for back office functions, storage and staging for the provision of health care to inmates in the custody of the New York City Department of Corrections; and

**WHEREAS**, the close proximity of the Warehouse to Rikers Island makes it a good location for serving Rikers and other New York City Department of Correction facilities and the building is configured to support the health care functions that CHS provides, and therefore extending the lease will assist CHS with meeting its program goals; and

**WHEREAS**, the administration of the proposed lease will be the responsibility of the Senior Vice President for Correctional Health Services.

**NOW, THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a ten year lease extension agreement with S Properties LLC for approximately 13,000 square feet of warehouse and office space at 49-04 19<sup>th</sup> Avenue/19-10 49<sup>th</sup> Street, Astoria, New York to house Correctional Health Services administrative functions at an initial rent of \$364,000 per year or \$28.00 per square foot to be escalated by 2.75% per year for years 1-5 and 3.0% for years 6-10 for a total of \$4,141,546 over the ten year term.

## EXECUTIVE SUMMARY

### WAREHOUSE LEASE WITH S PROPERTIES FOR CORRECTIONAL HEALTH SERVICES

49-04 19<sup>TH</sup> AVENUE/19-10 49<sup>TH</sup> STREET, ASTORIA

**OVERVIEW:** Authorizing the Board of Directors of NYC H+H (the "System") to execute a ten year lease extension agreement with S Properties LLC (the "Landlord") for warehouse and office space at 49-04 19<sup>th</sup> Avenue/19-10 49<sup>th</sup> Street, Astoria, New York (the "Warehouse") to house the administrative functions of System's Correctional Health Services ("CHS") division.

**NEED/  
PROGRAM:** The Warehouse had previously been used by Prison Health Services Inc. ("PHS") for office and storage space in connection with the work of its affiliate, Corizon Medical, Inc. ("Corizon") which provided health care to the inmates in the custody of the New York City Department of Correction facilities under contract with the New York City Department of Health and Mental Hygiene ("DOHMH"). The Warehouse is located near the bridge used to access Rikers Island. The building contains a mix of office and warehouse/storage space. In August 2015 pursuant to Mayoral executive order, the City of New York transferred the responsibilities for correctional health services that had been provided by DOHMH through its contractor, Corizon, to the System. In January 2016, when there were two years remaining of the ten year term, the PHS lease for the Warehouse space was assigned to the System. . During the past two years, CHS has been using the building for back office functions, storage and staging for the provision of health care to inmates in the custody of the New York City Department of Corrections. The proximity of the Warehouse to Riker's Island makes it a suitable logistical location for serving Rikers and other New York City Department of Correction facilities. Moreover, the Warehouse is configured to support the healthcare functions that CHS provides and extending the lease will assist CHS with meeting its program goals.

**TERMS:** The lease extension provides for a ten year term. The rent will commence at \$364,000 per year or \$28.00 per square foot. The rent will be escalated by 2.75% per year for years 1-5 and 3.0% per year for years 6-10. The total rent paid over the ten year term will be \$4,141,546. The rent for the new term is 8.6% above the current rent. The System will be responsible for all utilities at the Warehouse and for keeping the sidewalks clear of snow, ice and rubbish. The Landlord is responsible for payment of all taxes, water and sewer charges and for making any structural or exterior repairs to the Warehouse that are required.

**FINANCING:** The full cost of this lease is included in the funding provided to the System by the City of New York under its Memorandum of Understanding with the System for its operation of the correctional health program.

## SUMMARY OF ECONOMIC TERMS

<b>SITE:</b>	49-04 19 <sup>th</sup> Avenue/19-10 49 <sup>th</sup> Avenue Astoria, New York Borough of Queens Block 755, Lot 29
<b>LANDLORD:</b>	S. Properties LLC
<b>SIZE:</b>	13,000 square feet
<b>TERM:</b>	Ten years
<b>RENT:</b>	\$364,000 per year, or \$28.00 per square for a total of \$4,141,546 over the ten year term
<b>PRIOR RENT:</b>	\$335,987 per year, or \$25.78 per square foot
<b>ESCALATION:</b>	2.75% for years 1-5, 3.0% for years 6-10
<b>MAINTENANCE:</b>	The Landlord is responsible for all structural and non-structural exterior and interior maintenance and repairs.
<b>UTILITIES:</b>	Utilities, including electricity and gas will be provided by the Tenant
<b>TAXES:</b>	Landlord is responsible for payment of real estate taxes

# SAVITT PARTNERS

October 31, 2017

Mr. Dion Wilson  
Director of Real Estate  
NYC Health + Hospitals  
125 Worth Street, Rm 527  
New York, NY 10013

**Re: Opinion of Reasonableness of Rent  
49-04 19<sup>th</sup> Avenue/19-10 49<sup>th</sup> Street  
Astoria, NY 11370**

Dear Dion:

This letter confirms that I have visited the referenced location on August 17, 2017 and subsequently reviewed the summary of the economic terms of the Lease Extension Agreement for the referenced property by and between S Properties LLC as Landlord, and NYC Health + Hospitals on behalf of Correctional Health Services as Tenant, comprising of the following terms:

Floor Area: Approximately 13,000 rentable square feet of warehouse and office space  
Base Rent: \$28.00 per square foot, or \$364,000 per year, for a total of \$4,141,546 over the 10-year term  
Escalation: 2.75% for years 1-5, 3.0% for years 6-10  
Real Estate Taxes: Landlord is responsible for payment of real estate taxes

Based on my review of the proposed lease term (10 years), the starting base rent and escalations (\$28.00 per square foot with 2.75% compounded escalations for years 1-5 and 3.0% compounded escalations for years 6-10), and reviewing comparables presented for leased spaces of similar size and location, it is my professional opinion that the economic terms proposed and set forth above are fair and reasonable in the commercial marketplace found in the East Elmhurst area as of the date of this letter.

I am a licensed real estate broker in New York and am familiar with current market rates for professional and commercial spaces in the vicinity of this property.

Please feel free to contact me if you require additional information.

Sincerely,



Michael Dubin  
Partner

## **RESOLUTION**

Adopting a Third Revised Statement of Board Policy for the Review and Authorization of Procurement Matters (the "Policy") by the Board of Directors (the "Board") of New York City Health and Hospitals Corporation (the "System") in the form attached that shall be effective as of December 1, 2017 and that shall enable the President of the System to prepare and adopt a revision of Operating Procedure 100-06 to implement such Policy.

**WHEREAS**, at its September 22, 2011 meeting, the Board adopted a Revised Policy; and

**WHEREAS**, at its October 26, 2017 meeting, the Board adopted a Second Revised Policy to permit certain changes in Operating Procedure 100-5 dealing with the procurement of goods and services and the Board's requirements for review; and

**WHEREAS**, a portion of the Policy applies to the Board's approval requirements as to real estate transactions; and

**WHEREAS**, the Board wishes to further update the Policy with a Third Revised Policy to allow renewals of real estate space licenses of the System's property without Board approval except in those cases where the licensee is a health care provider; and

**WHEREAS**, the proposed Third Revised Policy will not detract from the requirement to bring all real estate leases to the Board, all licenses for the use of the System's property that have not been previously approved, all licenses of the System's property given to health care providers and all licenses by the System of the property of any third party; and

**WHEREAS**, the New York State Public Authorities Accountability Act requires that entities such as the System have in place written policies regulating its procurement activities and the Board intends that the adoption of the Third Revised Policy and Operating Procedure 100-06 be in satisfaction of such requirement.

**NOW THEREFORE**, be it

**RESOLVED**, that the Board of the New York City Health and Hospitals Corporation hereby adopts the Third Revised Statement of Board Policy for the Review and Authorization of Procurement Matters in the form attached that shall be effective as of December 1, 2017 and that shall enable the President of New York City Health and Hospitals Corporation to prepare and adopt a revision of Operating Procedure 100-06 to implement such Policy.

**EXECUTIVE SUMMARY  
ADOPTION OF THIRD REVISED STATEMENT  
OF BOARD POLICY FOR  
THE REVIEW AND AUTHORIZATION OF PROCUREMENT MATTERS**

**BACKGROUND:** The Revised Statement of Board Policy for the Review and Authorization of Procurement Matters (the "Policy") was adopted in 2011. It primarily deals with the procurement of goods and services and establishes the broad outline of the System's Operating Procedure 100-5. It also contains one key sentence that applies to real estate transactions and thus dictates part of Operating Procedure 100-6.

In this regard it is useful to distinguish licenses from leases. Licenses are agreements for use of space that can be terminated at will by either party. When licensing its own property, the System prefers licenses over leases as they provide greater flexibility than leases and do not involve as many approvals external to the System. All of the agreements given for the siting of roof-top antennas, agreements with City agencies and agreements given to community-based not-for profits for use of System space are licenses.

Leases are agreements for use of space for a fixed term that can be terminated only for breach. When the System is a tenant, it prefers leases because of the more definite commitment made. When 3rd parties who wish to use System property need a firm commitment (because they intend a substantial investment), they also ask for a lease. All of the System's agreements as tenant for its offices or clinics have been leases and all its agreements as landlord to permit construction on System property (for affordable housing, etc.) have been leases.

Over the five years from 2012 through 2017 60 total licenses were brought before the Board of which 45 were renewals and 15 were being presented for the first time. Of the 60 licenses, 4 were given to health care providers.

**NEED:** As written, the Policy requires all real estate transactions to be brought before the Board for approval. To better align the Board's oversight with the System's scale, the Board wishes to permit the renewal of licenses without renewed approval. The Board requires, however, that all leases (whether the System is landlord or tenant), all licenses proposed to be issued for the first time, all licenses given to health care providers to use System space and all licenses by the System of the property of 3<sup>rd</sup> parties, be approved by the Board.

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# REVISING THE BOARD STATEMENT OF POLICY ON PROCUREMENT TO PERMIT A CHANGE TO OPERATING PROCEDURE 100-6

BOARD OF DIRECTORS MEETING

NOVEMBER 30, 2017





# CURRENT RULE

- CURRENTLY, THE BOARD STATEMENT OF POLICY FOR PROCUREMENT STATES:
  - “...Further, the following require the Board’s prior approval regardless of the amount of money involved: (a) all leases, licenses and other agreements for the disposition or acquisition of real property rights; (b) all contracts for the services of auditors ....”
  - Thus, currently all leases and licenses are now brought to the Board for approval.

# DEFINITIONS

- **Real Estate Licenses**- Agreements for use of space that can be terminated at will by either party. When licensing its own property, NYC Health + Hospitals prefers licenses over leases as they provide greater flexibility than leases and do not involve as many approvals external to NYC Health + Hospitals. All of the agreements given for the siting of roof-top antennas, agreements with City agencies and agreements given to community-based not-for profits for use of NYC Health + Hospitals' space are licenses.
- **Real Estate Leases**- Agreements for use of space for a fixed term that can be terminated only for breach. When NYC Health + Hospitals is a tenant, it prefers leases because of the more definite commitment made. When 3<sup>rd</sup> parties who wish to use NYC Health + Hospitals property need a firm commitment (because they intend a substantial investment), they also ask for a lease. All of NYC Health + Hospitals' agreements as tenant for its offices or clinics have been leases and all its agreements as landlord to permit construction on NYC Health + Hospitals property (for affordable housing, etc.) have been leases.

## BOARD APPROVALS OVER LAST 5 YEARS

- All licenses are brought to the Board to be renewed.
- Over the last five years 60 licenses have presented to the Board of which 45 were presented to be renewed and 15 were presented for the first time.
- Of the 60 licenses presented to the Board, four were for medical providers.

# PROPOSED CHANGE TO BOARD STATEMENT OF POLICY

- The proposed change to the Board Policy would eliminate the need to bring to the Board most license agreements that were previously approved but are up for renewal. Licenses to health care providers would need to get Board approval even on renewal. All licenses of every type will be reported. There will be no change in the treatment of leases all of which will require Board approval both on initial presentation and on renewal.
- The change in the Board Statement of Policy now under consideration would provide: “Further, the following require the Board’s prior approval regardless of the amount of money involved: (a) all real property leases where NYC Health + Hospitals is either landlord or tenant; (b) all real property licenses where NYC Health + Hospitals is either licensor or licensee that are not renewals of licenses previously approved by the Board unless any such license is with a healthcare provider in which case Board approval is required including on renewal ; (c) all contracts for the services of auditors . . . .”