AGENDA

FINANCE COMMITTEE

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

BOARD OF DIRECTORS

CALL TO ORDER — BERNARD ROSEN

ADOPTION OF THE JUNE 11, 2013 MINUTES

SENIOR VICE PRESIDENT'S REPORT — MARLENE ZURACK

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS — FRED COVINO

ACTION ITEM — LINDA DEHART/MARLENE ZURACK

Authorizing and approving the adoption of the resolution providing for the financing of equipment in an aggregated outstanding principal amount not-to-exceed $40,000,000, from time to time for the purpose of financing equipment and various related capital projects and expenditures at the Corporation's facilities.

INFORMATION ITEM

FEMA Disaster Recovery Update — JOHN LEVY

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT — BERNARD ROSEN

MINUTES

MEETING DATE: JUNE 11, 2013

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held June 11, 2013 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Alan Aviles, Esq
Michael A. Stocker, MD
Robert Doar, Commissioner, Human Resources Administration
Josephine Bolus, RN
Emily Youssouf
Andy Cohen, (representing Deputy Mayor Linda Gibbs in a voting capacity)

OTHER ATTENDEES

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

HHC STAFF

P. Albertson, Senior Assistant Vice President, Corporate Operations/Procurement
V. Bekker, Chief Financial Officer (CFO), Generations+ Northern Manhattan Health Network
E. Brenner, Senior Director, Corporate Reimbursement Services

Minutes of the June 11, 2013 Finance Committee Meeting

M. Brito, Chief Financial Officer (Acting), Coler/Goldwater Specialty Care Facility
L. Brown, Senior Vice President, Corp Planning, Community Hlth & Intergovernmental Relations
D. Cates, Chief of Staff, Board Affairs
T. Carlisle, Associate Executive Director, Corporate Planning Services
A. Cohen, Chief Financial Officer, South Manhattan Health Network
D. Collington, Asst. Director, Coney Island Hospital
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, Chief Financial Officer, MetroPlus Health Plan, Inc.
L. Free, Senior Director, Managed Care/Finance
D. Frimer, Controller, Coney Island Hospital
K. Garramone, Chief Financial Officer, North Bronx Healthcare Network
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
L. Guttman, Assistant Vice President, Intergovernmental Relations
D. Guzman, Deputy Chief Financial Officer, Metropolitan Hospital Center
E. Hernandez, Director, Corporate Communications/Marketing
L. Johnston, Senior Assistant Vice President, Medical & Professional Affairs
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
P. Lockhart, Secretary to the Corporation, Office of the Chairman
T. Mammo, Chief of Staff, Office of the President
N. Mar, Director, Corporate Debt Financing & Reimbursement Services
A. Marengo, Senior Vice President, Communications/Marketing
A. Martin, Executive Vice President/Chief Operating Officer, Office of the President
H. Mason, Deputy Executive Director, Kings County Hospital Center
R. Mayer, Director, Office of Internal Audits
K. McGrath, Senior Director, Corporate Communications & Marketing
A. Moran, Chief Financial Officer, Elmhurst Hospital Center
M. Novzen, Senior Associate Director, Woodhull Medical & Mental Health Center
K. Olson, Senior Director, Corporate Budget
P. Pandolfini, Chief Financial Officer, Southern Brooklyn/Staten Island Health Network
K. Park, Associate Executive Director, Queens Health Network
S. Russo, Senior Vice President/General Counsel, Office of Legal Affairs
B. Schultz, Senior Director, Corporate Information Services
L. Tulloch, Deputy Chief Financial Officer, Harlem Hospital Center
J. Wale, Senior Assistant Vice President, Office of Behavioral Health
J. Weinman, Corporate Comptroller, Corporate Comptroller's Office
J. Weisman, Assistant Vice President, Medical & Professional Services
R. Wilson, Senior Vice President/Chief Medical Officer, Medical & Professional Affairs
M. Zurack, Senior Vice President, Corporate Finance/Managed Care

Minutes of the June 11, 2013 Finance Committee Meeting

CALL TO ORDER **BERNARD ROSEN**

The meeting of the Finance Committee was called to order at 9:22 a.m. The minutes of the May 14, 2013 Finance Committee meeting were adopted as submitted.

CHAIR'S REPORT **BERNARD ROSEN**

SENIOR VICE PRESIDENT'S REPORT **MARLENE ZURACK**

Ms. Zurack stated that in addition to the routine reporting of HHC's cash on hand (COH), the status of the City's budget and two Rules that relate to Medicaid and Medicare Disproportionate (DSH) that were issued last month would be included . In terms of the COH, as of June 7, 2013, HHC's cash balance was $695 million or 43 days of COH; however, the projected year-end balance is $225 million. A $51 million UPL payment for the D&TCs was moved from June 2013 to July 2013 and as approved by the City, a number of City payments were also moved to next FY 14 in order to maintain a positive cash balance.

Ms. Youssouf asked which payments were being moved to next FY 14 and what would the $225 million equate to in terms of days. Ms. Zurack stated that the projected year-end cash balance is 14 days of COH. The payments that are being moved included an EMS payment of $148.5 million, malpractice of $135.9 million, debt service of $155.2 million and several other small payments for a grand total of $465 million in deferred City payments. HHC is working with the City's OMB on the Community Development Block Grant (CDBG) disaster relief funding which is being spearheaded by Mr. Covino as part of the claim's process that is expected to generate approximately $183 million with the expectation of claiming additional funds from that funding source.

Ms. Youssouf asked if the $465 million in City payments were scheduled in the FY 14 budget. Ms. Zurack stated that Corporate Finance would be working with OMB in the coming weeks to schedule those payments as part of HHC's FY 14 cash flow which will be presented to the Committee next month.

Ms. Youssouf asked what the status of the CDBG funding is.

Mr. Covino in response stated that a meeting with OMB has been scheduled to review the final submission that will be presented to HUD.

Ms. Zurack stated that the Committee would be informed of the status of the CDBG disaster relief funding as the process progresses.

Mr. Rosen asked if the expectation is that the $183 million would be received in the first quarter of FY 14. Mr. Covino stated that it is contingent upon the approval and sign-off by HUD and after that is obtained those funds are expected to flow very quickly. The goal is to get those funds by the end of the first quarter of FY 14.

Ms. Zurack added that there will be claims in excess of the $183 million; therefore, there will be additional allocations subsequent to the initial allocation of $183 million. Moving to the next item in the reporting, the City budgets, some of the highlights of the issues related to HHC's City Council hearing were both positive and negative. On a positive note, the Sexual Abuse Response Team (SART) program funding was restored at $1.272 million for all the years of the financial plan. Part of the success in getting this restoration is due to the diligent efforts of Megan Meagher, Budget Analyst, OMB who assisted HHC in achieving that task. There are pending restorations totaling $8.467 million in City funded programs that include $5 million in child health clinics (CHC), $2 million in Rapid HIV testing, and $1.467 million in developmental delayed clinics. As previously reported to the Committee, as part of the State matching funds for CHC programs, the State has changed the eligibility rules for matching funds. HHC is reviewing whether it can retain State public health funding, Article 6 for those programs. The imposed change will make it more difficult to claim those funds. For the child health program (CHP), HHC receives $7.5 million in City funds matched by $4.2 million in State funds. If HHC cannot find a remedy to this issue, those State funds are at risk. Additionally, if the City Council does not restore those funds, HHC is at risk of losing funding for those programs. HHC will continue to address this issue with the City and State and keep the Committee informed of the status.

Commissioner Doar asked what prompted the change in the rule. Ms. Zurack stated that it was an across the board budget cut.

Mr. Rosen stated that in the past the City Council has restored those funds year after year.

Ms. Zurack added that traditionally those funds were restored by the City Council; however, this would be the first year the State has taken this type of action relative to this program which Mr. Covino would further explain.

Mr. Covino stated that of the $4.2 million at risk, it is anticipated that HHC will keep a portion of that as oppose to the restoration of the full amount. The change relates to primary versus preventive care and detail and documentation are needed to support the claims.

Commissioner Doar asked if it relates to compliance with a federal rule or a State issue.

Mr. Covino stated that it is not a federal compliance but rather how the categories of care are being described.

Commissioner Doar asked if it is by the State Department (SDOH) as opposed to the Legislature.

Ms. Zurack stated that for further clarification of the issue John Jurenko, Senior Assistant Vice President, Intergovemental Relations would elaborate further.

Mr. Jurenko explained that the change was a recommendation from the County Health Officer Association who were trying to preserve Article 6 funding for uninsured children. In the case of HHC, a number of children who come to HHC facilities are uninsured and HHC has been very successful in getting those children insured which based on the change would have an adverse impact on HHC given that 87% of the children seen by HHC facilities are insured. This was a budget action that for years, efforts have been made to cut Article 6 funding for certain categories and every year some things were cut and this year unfortunately it is the CHP.

Ms. Youssouf asked if HHC get 87% in reimbursement and the City restores the funding where is the gap.

Ms. Zurack stated that the Medicaid reimbursements are not at cost so even though the reimbursement is at 87%; there is a loss on each visit.

Ms. Youssouf asked if both funding sources are needed to make up for that loss. Ms. Zurack stated that both are need to cover the gap.

Mrs. Bolus asked if the D&TCs would be affected by the change. Ms. Zurack stated that the child health programs are attached to the D&TCs so to that extent it would; however, the D&TCs do not receive Article 6 funding so in that regarding it does not directly impact them.

Medicaid and Medicare DSH Rules

Ms. Zurack stated that several weeks ago the federal government issued two proposed rules. As reported at Strategic Planning Committee meeting, as part of the Affordable Care Act (ACA) there was a substantial reduction to Medicaid DSH nationwide that equates to $500 million in 2014 growing to $5.6 billion in 2019. Medicaid DSH are federal funds that are matched by State funds. The State operates its own DSH programs that provide assistance to hospitals who treat a disproportionate share of uninsured and Medicaid patients. Each state has an allotment of DSH which is the maximum amount each state can claim in any given federal fiscal year (FFY). Therefore the cuts relate to the States' allotments.

Mr. Rosen asked if there were caps in place prior to this action. Ms. Zurack stated that for at least twenty years there were caps that were put in place to limit the federal government exposure to DSH claiming. There are some States that do not provide any funding for the uninsured and therefore do not claim DSH funding. NYS has the largest allotment of DSH funding in the country. There was guidance in the ACA on how CMS would distribute the $500 million increasing to $5.6 billion in cuts against each State's allotment. Secretary Sibelius who is the person authorized for the issuance of the proposed rule may choose to allocate the proposed cuts to the States and in the statues there is reference to the Secretary's option to review the number of uninsured and how much each State targets its DSH funding to hospitals that provide a substantial amount of care to Medicaid and uninsured patients. Given that the ACA is new, the Secretary's position is that there are some things that are not very clear such as which states will opt-out; how the uninsured will be addressed; and the fact that the data is inadequate. Based on those unknowns the Secretary issued a rule that is valid for the first two years, 2014 and 2015. As additional data is collected the rules will be adjusted accordingly. The current rule that was issue states that the review will include 1/3 based on the number of uninsured and 2/3 based on how each state targets its DSH monies to high Medicaid hospitals and how it targets its DSH monies to high uninsured hospitals. In essence, how DSH funds are being used based on those two factors were blended into one. In NYS, the DSH program is larger proportionately in the country to its share of the uninsured; NYS has 8% of the uninsured and 14% of the DSH in the country which is due primarily to NYS expansive Medicaid program. On the first matrix NYS does worse than a straight proportionate cut. However, on the targeting of its DSH funding to Medicaid and uncompensated hospitals, NYS did better due mostly to the Intergovernmental Transfer (IGT) which largely is allocated to HHC. If NYS were to have taken a proportionate cut of the $500 million it would be $75 million. The methodology proposed by the Secretary would result in a $65 million cut. It is important to note that this is a proposed rule that will eventually become final after the process is completed. Based on the current state law, all of the DSH cut for 2014 would accrue to HHC given that HHC's federal DSH maximization funding are in fact the last funds in current law. However, the State can remedy the first couple of years of the cut for HHC by moving some of the voluntary hospitals DSH program into UPL programs which will require State law that HHC would need to pursue next year. The trade associations, GNYHA and HANYS are addressing this Medicaid DSH issue.

Ms. Cohen asked if it is for one or two years. Ms. Zurack stated that it is two years, $500 million in 2014; $600 million in 2015, $600 million in 2016, $1.8 billion in 2017; $5 billion in 2018, and $5.6 billion in 2019 and reduces to $4 billion thereafter.

Mr. Rosen commented that HHC would be impacted by the cut for nine months in FY 14.

Commissioner Doar asked for clarification of the cut decreasing from $75 million to $65 million.

Ms. Zurack stated that the cut is based on the State's allotment. Commissioner Doar asked if the $65 million would be for the entire state to which Ms. Zurack replied yes but all of that cut would be imposed on HHC unless there is a change in the law due to HHC's DSH maximization if there is DSH leftover since the hospitals across the country have priority over HHC as well as the voluntaries.

Ms. Cohen asked if the DSH maximization is one of HHC's sources. Ms. Zurack stated that it is only one of HHC's sources.

Commissioner Doar asked what would be left for HHC in DSH if the $65 million would be imposed.

Ms. Zurack stated that HHC gets $1.2 billion in total DSH funding and the $65 million is federal funds which have a City match of $65 million which is still being supported by the City.

Mr. Rosen asked for clarification of the Medicaid DSH components as it relates to the Federal and City funds with no State funding.

Ms. Zurack stated that the Medicaid DSH funding is comprised of Federal and City funds of a 50/50 split. The DSH that HHC receives is from the IGT. For example if HHC get $1.2 billion, $100 million is funded from the pool that all of the hospitals receive in NYS; therefore, $1.1 billion would come from the IGT portion which is 50/50 City and Federal. The $100 million is 50/50 State and Federal. The portion of the DSH that HHC gets as the last priority draw is the DSH maximization which for HHC has averaged $300 to $400 million annually in total funds, 50/50 split, Federal and City. If the State loses $65 million in DSH allotment and no other actions are taken that would affect NYC's ability to match the last DSH match piece and HHC would lose the $65 million. However, based on discussions with the trade associations, there are ways for the State to remedy this issue as previously mentioned.

Medicare DSH

Ms. Zurack stated that as part of ACA there was a change to the Medicare DSH. Medicare DSH payments are very different from Medicaid DSH payments in that those payments function as a variable in the Medicare rate for each hospital. When the federal government calculates HHC's Medicare rate after the traditional formula, it multiplies that rate by a constant which is a function of the Medicare eligible days and SSI days. A number of HHC patients are Medicaid and some receive SSI. HHC's Medicare rate increase could be from 20% to 40%. Medicare rates were originally designed to cover hospitals' costs based on rigorous cost reports that demonstrated that hospitals empirically treat a large proportionate of SSI and Medicaid patients and have higher costs. Therefore, the Medicare DSH was a way to try to create an average cost that was equitable. ACA assumes a dramatic reduction in the number of uninsured in the USA. Based on that assumption there would be no need to have this rate of add-ons as HHC has had in the prior years. The federal government is proposing to reduce all DSH by 75% and have a portion of that as budget savings that will vary based on the changes in the uninsured as the ACA is being implemented. Initially there is a portion of the 75% of 20% that goes for budget savings, and the balance is directed by Congress will go into a pool of funds that would get redistributed to hospitals with high Medicaid and high uninsured patients. Similar to the Medicaid rule, there is a problem with the data, in that it is based on every hospital's Medicare cost report that is audited by the federal government and the auditing is five years lagging. However, HHC is more up-to-date as confirmed by Ed Brenner, Senior Director, Reimbursement Services. Currently the FY 11 audit has begun putting HHC ahead of some of the voluntaries. The source of the data would have come from the schedule that is on the cost report which is significantly lagging. The choice would be to use unaudited reports as a proxy rather than the acute uncompensated care cost. The proposed Medicare rule is similar to the formula used before Medicare days plus SSI. However, instead of a rate increase based on actual number of days as a percentage of the total days, it will be based on the hospital days as a percentage of the nation-wide days which will determine the hospital percentage of the redistribution. HHC's issue with this methodology is that the cut was applied in the rule to Medicare managed care in addition to Medicare fee for-for service while the redistribution funds were only generated from the fee-for-service which is an error. HHC in conjunction with the trade associations are addressing this issue. When Secretary Sibelius as part of the calculation takes Medicaid days and SSI days as a proxy, if HHC was 1% of the total Medicaid and SSI days in the country, HHC would get 1% of the Medicare DSH. HHC will argue that it is a greater percentage of its business while it may not be a greater percentage of the country. Medicare DSH is intended for those hospitals that do a disproportionate share. In addition, the Federal government did not include psych and rehab and there is no labor or regional adjustments provided. In the current state based on the rule including the managed care, this would be a positive for HHC of $28 million. If HHC prevails in its efforts it could be much more than that amount. Comments regarding this rule are due June 24, 2013.

Ms. Youssouf asked for clarification of the positive $28 million for HHC. Ms. Zurack stated that it would be a positive given that HHC provides a significant amount of care to SSI and Medicaid patients. Before concluding her report, Ms. Zurack informed the Committee of the passing of a finance employee, Christopher Provenzano who worked at the North Bronx Network and most recently at Generation Plus/Northern Manhattan Network. Mr. Provenzano was a very hard worker and well like by everyone. HHC extends its condolence to the family.

KEY INDICATORS & CASH RECEIPTS & DIBURSEMENTS REPORTS FRED COVINO

Mr. Covino reported that utilization is down by 9.1% or 14,000 discharges a slight improvement from last month, excluding Bellevue and Coney Island from the data, the decrease is less than a ½ percent or 456 discharges. The D&TCs visits are down by 11.7% and Nursing Home days are down by 14.1%. The ALOS, all of the facilities with the exception of Lincoln and Metropolitan are within the corporate average, Lincoln is less than ½ day and Metropolitan is 4/10 day less than the average. The CMI is up by 1.4% compared to last year for the same period which is the highest it has been all year. FTEs are down by 857; receipts are down by $291 million and disbursements are $78.9 million down for a net negative variance of $369.5 million. Page 3 a comparison of the year-to-date actual to the prior year FY 12 to FY 13, receipts are $96 million worse than last year due to the decline in Medicaid fee for service which is down by $199 million of which $80 million is related to the impact of the storm at Bellevue and Coney Island. Expenses are $210 million better than last year due to timing and a delay in payments to the City and pension payments of $178 million pension and a $23 million FICA payment which if offset by a $100 million in OTPS payments for storm related damages at Bellevue, Coney Island and Coler hospitals. Page 4, inpatient receipts are down by $296 million of that $191 million is related to the storm for Bellevue and Coney Island in addition to the Medicaid fee for service which is down by 95 paid cases against the budget and a decrease in psych days of 52,000. Outpatient receipts are down by $80 million of which half is related to Bellevue and Coney Island relative to the storm. All other revenues are up by $85 million primarily in grants and Intra City and $52 million in FEMA funding. Fringe benefits are $25 million better due to the FICA recovery of $23 million. OTPS expenses are $92 million worse than budget; however, over a $100 million of that is related to expenses for the storm. The report was concluded.

INFORMATION ITEM **JAY WEINMAN**

Mr. Weinman reported that the report covers the 3rd quarter, July 2012 through March 2013 of the current FY 13 compared to FY 12 for the same period. The total loss through the period for FY 13 is $843 million compared to last year, FY 12 of $596 million, a net increase deficit of $246 million. Major variances included, a $449 million decrease in the net patient service revenue and inpatient decrease by $273 million.

Ms. Youssouf asked how much of the decrease in net patient revenue is related to the storm.

Mr. Weinman stated that it was footnoted at the bottom of the page, $273 million in net patient service revenue; $48 million in outpatient revenue for a total of $321 million in addition to $83 million in OTPS, totaling $404 million in storm related revenues and expenses. In addition to those reductions there was a $28 million reduction in nursing home days based on volume and an outpatient adjustment of $40 million due to a change in the accounts receivable.

Ms. Youssouf asked for clarification of the nursing home adjustment. Mr. Weinman explained that the volume is down at the nursing homes by 14% as previously reported by Mr. Covino.

Mr. Rosen added that it was reported as part of the utilization included in the Key Indicators report.

Mr. Weinman continuing with the reporting stated that patient revenue increased by $320 million due to a pharmacy adjustment of $75 million, a rate enhancement of $173 million; 6% membership growth at MetroPlus. Grants revenue increased by $136 million, $57 million in federal and state funding in Meaningful Use of $62 million from the City and $17 million for grants. Personal Services increased by $55 million although there was a reduction of 1,068 FTEs or 2.9%. The increase is related to an increase in collective bargaining payments. Last year, the $67 million was understated. OTPS expenses increased by $336 million due to $281 million related to MetroPlus, $55 million and $83 million related to the storm and a $28 million decrease in all other OTPS.

Ms. Youssouf asked what was the total reimbursement for revenue losses related to the storm. Mr. Weinman stated that there was no adjustment for revenue losses related to the storm only for expenses.

Ms. Zurack added that in reporting to the Committee for the potential of CDBG funding, it is yet to be determined what that amount will be, therefore it is not booked as a receivable. There were FEMA funds of $61 million which is included. It is projected that by year-end there will be $200 million in earned FEMA revenue.

Mr. Weinman reported that fringe benefits increased by $51 million, $13 million in health benefits or 3.5%, pension increased by $41 million of 15%. Post-Employment benefit decreased by $226 million compared to last year which increased by $700 million. This year the accrual is at $400 million based on last year's actuarial report. Affiliation expenses increased by $24 million or 3.8% of which $15 million is related to prior year budget recalculations and modifications.

Commissioner Doar asked for clarification of the increase in expenses although FTEs decreased by over 1,000. Mr. Weinman stated that last year there was an adjustment to the collective bargaining estimate based on the City's estimates for retroactive payments totaling $67 million; therefore, the increase is related to the reduction taken last year.

Ms. Youssouf asked for clarification of the increase in Affiliation expenses. Mr. Weinman stated that it is related to budget adjustments for recalculations of prior year expenses. The report was concluded.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss, the meeting was adjourned at 10:10 a.m.

FINANCE COMMITTEE

KEY INDICATORS

CASH RECEIPTS & DISBURSEMENTS REPORTS

KEY INDICATORS
FISCAL YEAR 2013 UTILIZATION

NETWORKS	UTILIZATION			AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	FY 13	FY 12	VAR %	ACTUAL	EXPECTED	FY 13	FY 12
North Bronx							
Jacobi	16,998	18,303	-7.1%	6.4	6.5	1.1305	1.0706
North Central Bronx	7,059	7,279	-3.0%	4.5	4.6	0.7613	0.7016
Generations +							
Harlem	10,657	9,739	9.4%	5.5	5.7	0.9781	0.9814
Lincoln	21,374	21,428	-0.3%	5.0	5.5	0.9122	0.9167
Belvis DTC	52,808	60,449	-12.6%				
Morrisania DTC	75,947	91,112	-16.6%				
Renaissance	53,905	62,443	-13.7%				
South Manhattan							
Bellevue	15,114	22,850	-33.9%	6.4	6.3	1.1500	1.0952
Metropolitan	11,516	10,813	6.5%	4.9	5.2	0.8353	0.7740
Coler	195,032	264,076	-26.1%				
Goldwater	257,442	286,238	-10.1%				
Gouverneur - NF	45,294	61,767	-26.7%				
Gouverneur - DTC	232,031	258,695	-10.3%				
North Central Brooklyn							
Kings County	22,409	21,980	2.0%	6.3	6.0	1.0018	1.0169
Woodhull	12,685	12,776	-0.7%	5.1	4.9	0.8455	0.8183
McKinney	104,361	105,703	-1.3%				
Cumberland DTC	82,941	90,144	-8.0%				
East New York	70,208	77,622	-9.6%				
Southern Brooklyn / S I							
Coney Island	8,482	15,298	-44.6%	6.4	6.3	1.1049	1.0542
Seaview	99,419	100,104	-0.7%				
Queens							
Elmhurst	21,606	22,462	-3.8%	5.6	5.4	0.9492	0.9293
Queens	11,776	11,910	-1.1%	5.5	5.3	0.9156	0.8808
Discharges/CMI-- All Acutes	159,676	174,838	-8.7%			0.9729	0.9576
Visits-- All D&TCs	567,840	640,465	-11.3%				
Days-- All SNFs	701,548	817,888	-14.2%				

Notes:

Utilization

Acute: discharges excl. psych and rehab; D&TC: reimbursable visits;

SNF: chronic and rehab days

All Payor CMI

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

Average Length of Stay

Actual: discharges divided by days; excludes one day stays.

Expected: weighted average of DRG specific corporate ave. length of stay using APR-DRGs

FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

Bellevue hospital began evacuating on Oct 31,2012. Outpatient clinics and ambulatory services began to re-open in Nov, 2012. Inpatient services reopened in Feb 13 and hospital assumes normal operation on Feb 19,2013

Coney Island hospital began evacuating on Oct 27, 2012. Outpatient primary medical care services began to re-open in Nov, 2012 and ambulatory services began to re-open in Jan, 2013. Inpatient services and behavioral services began to re-open in Jan, 2013.
As of May, Coney Island is still not fully operational.

KEY INDICATORS

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

Year to Date
May 2013

NETWORKS	FTE's VS 6/16/12	RECEIPTS actual	RECEIPTS better / (worse)	DISBURSEMENTS actual	DISBURSEMENTS better / (worse)	BUDGET VARIANCE better / (worse)	
North Bronx							
Jacobi	(21.5)	$ 493,222	$ 2,612	$ 476,007	$ (2,491)	$ 121	0.0%
North Central Bronx	(2.5)	172,091	7,722	155,109	9,954	17,675	5.4%
	(24.0)	$ 665,313	$ 10,334	$ 631,116	$ 7,462	$ 17,796	1.4%
Generations +							
Harlem	(113.0)	$ 300,399	$ (9,528)	$ 295,948	$ (2,461)	$ (11,989)	-2.0%
Lincoln	(50.0)	430,793	(20,998)	428,765	2,132	(18,865)	-2.1%
Belvis DTC	1.0	17,569	2,342	13,405	1,817	4,159	13.7%
Morrisania DTC	(4.5)	27,971	3,383	20,797	4,262	7,646	15.4%
Renaissance	(2.5)	18,239	1,292	17,569	1,208	2,500	7.0%
	(169.0)	$ 794,971	$ (23,509)	$ 776,484	$ 6,958	$ (16,551)	-1.0%
South Manhattan							
Bellevue	(120.5)	$ 520,680	$ (149,600)	$ 659,615	$ (43,704)	$ (193,304)	-15.0%
Metropolitan	(68.0)	267,487	(11,432)	257,566	10,082	(1,349)	-0.2%
Coler	(45.5)	88,662	7,208	131,168	(45,006)	(37,798)	-22.6%
Goldwater	(82.0)	100,295	(21,951)	152,880	(36,365)	(58,316)	-24.4%
Gouverneur	(8.5)	79,360	7,328	75,149	(997)	6,330	4.3%
	(324.5)	$ 1,056,483	$ (168,447)	$ 1,276,378	$ (115,991)	$ (284,437)	-11.9%
North Central Brooklyn							
Kings County	(159.0)	$ 602,945	$ (36,087)	$ 579,692	$ 2,791	$ (33,297)	-2.7%
Woodhull	(86.0)	325,919	(36,167)	342,146	(11,688)	(47,855)	-6.9%
McKinney	(18.0)	35,056	(6,273)	39,587	96	(6,177)	-7.6%
Cumberland DTC	(12.5)	29,367	(122)	27,380	765	642	1.1%
East New York	(4.0)	23,181	(269)	18,875	3,844	3,576	7.7%
	(279.5)	$ 1,016,468	$ (78,919)	$ 1,007,681	$ (4,192)	$ (83,111)	-4.0%
Southern Brooklyn/SI							
Coney Island	(71.5)	$ 235,653	$ (61,407)	$ 336,870	$ (30,486)	$ (91,893)	-15.2%
Seaview	(15.0)	43,573	1,570	43,721	(3,283)	(1,713)	-2.1%
	(86.5)	$ 279,226	$ (59,837)	$ 380,591	$ (33,769)	$ (93,606)	-13.6%
Queens							
Elmhurst	(21.5)	$ 508,173	$ (14,924)	$ 471,658	$ 27,670	$ 12,746	1.2%
Queens	(51.0)	298,912	(11,435)	312,496	(18,413)	(29,847)	-4.9%
	(72.5)	$ 807,086	$ (26,359)	$ 784,153	$ 9,258	$ (17,101)	-1.1%
NETWORKS TOTAL	**(956.0)**	**$ 4,619,546**	**$ (346,736)**	**$ 4,856,403**	**$ (130,274)**	**$ (477,010)**	**-4.9%**
Central Office	(0.5)	691,037	115,344	231,708	10,078	125,422	15.3%
HHC Health & Home Care	1.5	27,823	(8,693)	29,287	5,855	(2,838)	-4.0%
Enterprise IT	86.0	0	0	142,487	11,089	11,089	7.2%
GRAND TOTAL	**(869.0)**	**$ 5,338,406**	**$ (240,085)**	**$ 5,259,885**	**$ (103,253)**	**$ (343,337)**	**-3.2%**

Notes:

FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

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Coney Island hospital began evacuating on Oct 27, 2012. Outpatient primary medical care services began to re-open in Nov, 2012 and ambulatory services began to re-open in Jan, 2013. Inpatient services and behavioral services began to re-open in Jan, 2013.

As of May, Coney Island is still not fully operational.

Residents and Grants are included in the reported FTEs. Reported FTEs are compared to 6/16/12.

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

	Month of May 2013			Fiscal Year To Date May 2013		
	actual 2013	actual 2012	better / (worse)	actual 2013	actual 2012	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 88,151	$ 102,544	$ (14,394)	$ 796,070	$ 1,009,237	$ (213,167)
Medicaid Managed Care	59,246	55,133	4,112	573,715	536,096	37,619
Medicare	22,367	36,972	(14,605)	438,807	508,598	(69,791)
Medicare Managed Care	27,866	25,595	2,271	216,727	235,370	(18,643)
Other	17,613	21,061	(3,448)	195,507	214,708	(19,201)
Total Inpatient	$ 215,242	$ 241,305	$ (26,063)	$ 2,220,826	$ 2,504,009	$ (283,183)
Outpatient						
Medicaid Fee for Service	$ 16,115	$ 21,258	$ (5,144)	$ 157,878	$ 188,155	$ (30,277)
Medicaid Managed Care	75,524	29,932	45,592	421,104	394,064	27,039
Medicare	5,009	5,627	(618)	50,914	61,626	(10,712)
Medicare Managed Care	16,457	24,762	(8,305)	96,549	105,756	(9,208)
Other	17,873	12,335	5,539	138,424	145,843	(7,419)
Total Outpatient	$ 130,977	$ 93,914	$ 37,064	$ 864,868	$ 895,445	$ (30,577)
All Other						
Pools	$ 6,207	$ 102,753	$ (96,546)	$ 435,811	$ 432,018	$ 3,792
DSH / UPL	523,600	-	523,600	1,402,035	883,056	518,979
Grants, Intracity, Tax Levy	13,230	5,219	8,011	310,794	211,925	98,868
Appeals & Settlements	(619)	(2,351)	1,732	34,463	11,368	23,095
Misc / Capital Reimb	4,915	5,405	(489)	69,610	49,639	19,971
Total All Other	$ 547,333	$ 111,025	$ 436,308	$ 2,252,712	$ 1,588,006	$ 664,705
Total Cash Receipts	**$ 893,553**	**$ 446,244**	**$ 447,309**	**$ 5,338,406**	**$ 4,987,461**	**$ 350,946**
Cash Disbursements						
PS	$ 188,162	$ 185,039	$ (3,123)	$ 2,240,328	$ 2,245,374	$ 5,045
Fringe Benefits	89,649	65,762	(23,887)	701,173	896,172	194,998
OTPS	141,570	138,457	(3,113)	1,238,131	1,161,049	(77,082)
City Payments	-	-	0	141,363	250,113	108,750
Affiliation	79,026	79,975	949	848,976	806,393	(42,584)
HHC Bonds Debt	4,700	7,953	3,253	89,913	84,879	(5,034)
Total Cash Disbursements	**$ 503,107**	**$ 477,186**	**$ (25,921)**	**$ 5,259,885**	**$ 5,443,979**	**$ 184,094**
Receipts over/(under) Disbursements	**$ 390,446**	**$ (30,942)**	**$ 421,387**	**$ 78,521**	**$ (456,519)**	**$ 535,040**

Notes:
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As of May, Coney Island is still not fully operational.

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

	Month of May 2013			Fiscal Year To Date May 2013		
	actual 2013	budget 2013	better / (worse)	actual 2013	budget 2013	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 88,151	$ 124,065	$ (35,915)	$ 796,070	$ 1,056,781	$ (260,711)
Medicaid Managed Care	59,246	56,249	2,997	573,715	559,487	14,229
Medicare	22,367	43,135	(20,768)	438,807	497,161	(58,354)
Medicare Managed Care	27,866	23,404	4,461	216,727	238,835	(22,108)
Other	17,613	22,261	(4,649)	195,507	218,986	(23,479)
Total Inpatient	$ 215,242	$ 269,115	$ (53,873)	$ 2,220,826	$ 2,571,249	$ (350,423)
Outpatient						
Medicaid Fee for Service	$ 16,115	$ 23,662	$ (7,547)	$ 157,878	$ 201,330	$ (43,453)
Medicaid Managed Care	75,524	73,283	2,241	421,104	435,192	(14,089)
Medicare	5,009	6,234	(1,225)	50,914	65,617	(14,703)
Medicare Managed Care	16,457	13,410	3,047	96,549	92,398	4,150
Other	17,873	16,534	1,339	138,424	152,901	(14,477)
Total Outpatient	$ 130,977	$ 133,122	$ (2,145)	$ 864,868	$ 947,439	$ (82,571)
All Other						
Pools	$ 6,207	$ 7,005	$ (798)	$ 435,811	$ 433,303	$ 2,508
DSH / UPL	523,600	418,489	105,111	1,402,035	1,296,924	105,111
Grants, Intracity, Tax Levy	13,230	8,548	4,682	310,794	233,399	77,395
Appeals & Settlements	(619)	-	(619)	34,463	32,904	1,559
Misc / Capital Reimb	4,915	5,794	(879)	69,610	63,273	6,337
Total All Other	$ 547,333	$ 439,836	$ 107,497	$ 2,252,712	$ 2,059,802	$ 192,910
Total Cash Receipts	**$ 893,553**	**$ 842,074**	**$ 51,479**	**$ 5,338,406**	**$ 5,578,491**	**$ (240,085)**
Cash Disbursements						
PS	$ 188,162	$ 187,007	$ (1,155)	$ 2,240,328	$ 2,239,065	$ (1,263)
Fringe Benefits	89,649	79,230	(10,419)	701,173	716,325	15,152
OTPS	141,570	120,574	(20,996)	1,238,131	1,124,501	(113,630)
City Payments	-	-	0	141,363	140,072	(1,291)
Affiliation	79,026	86,298	7,272	848,976	846,062	(2,914)
HHC Bonds Debt	4,700	4,712	12	89,913	90,607	694
Total Cash Disbursements	**$ 503,107**	**$ 477,821**	**$ (25,286)**	**$ 5,259,885**	**$ 5,156,632**	**$ (103,253)**
Receipts over/(under) Disbursements	**$ 390,446**	**$ 364,252**	**$ 26,193**	**$ 78,521**	**$ 421,858**	**$ (343,337)**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

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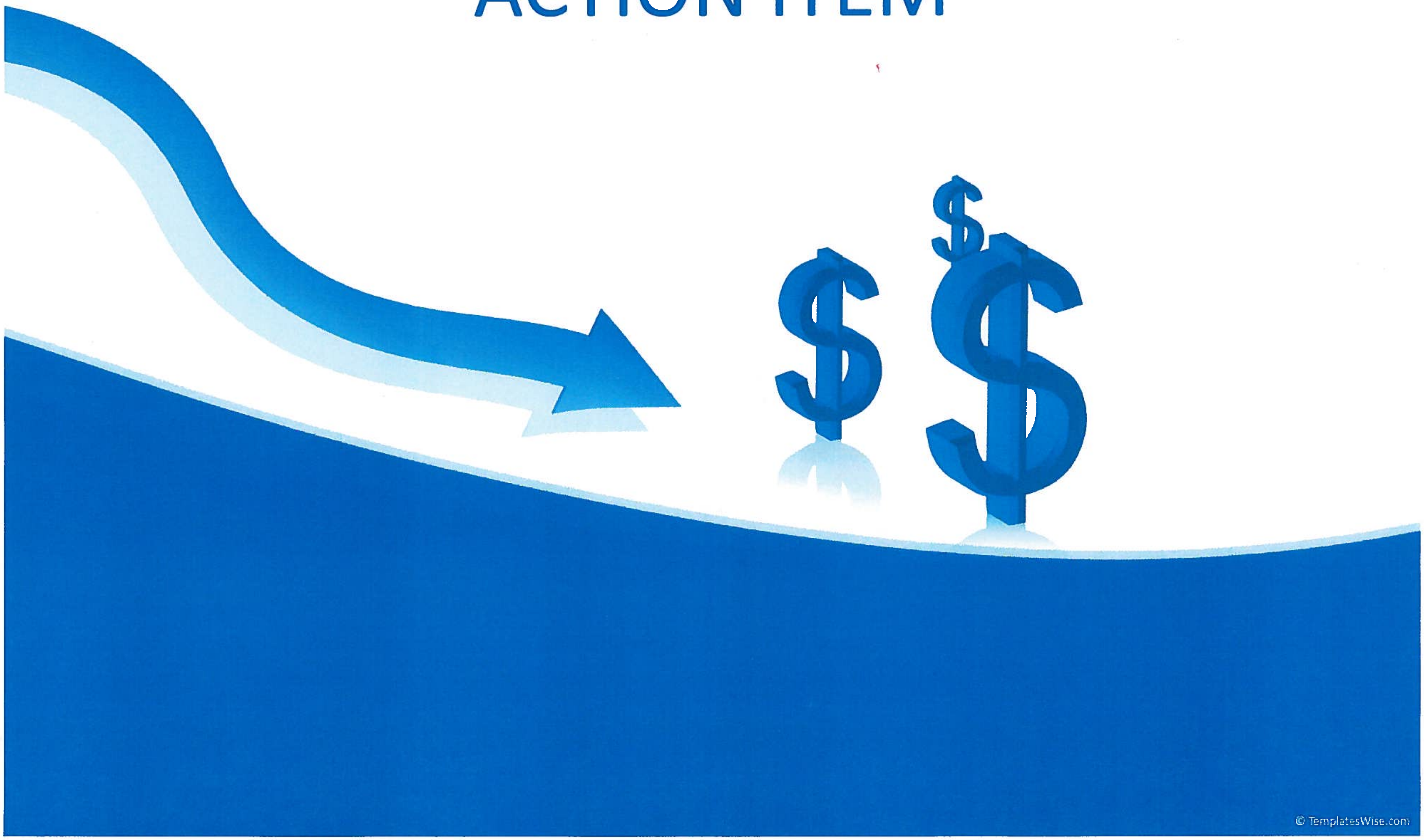
Annual Deficit in budgeted receipts vs. disbursements is funded through reserves

ACTION ITEM



A RESOLUTION AUTHORIZING ONE OR MORE
BORROWINGS IN AN AGGREGATE
AMOUNT NOT TO EXCEED $40,000,000

WHEREAS, the President of New York City Health and Hospitals Corporation (the "Corporation") has issued certain Operating Procedures (40-58 Debt Finance and Treasury) (the "Operating Procedures") relating to the delegation of certain powers for the incurrence of debt for equipment financing to the Corporation's Chief Financial Officer by resolution to be adopted by the Board of Directors of the Corporation; and

WHEREAS, the Board of Directors of the Corporation, and the Finance Committee of such Board, pursuant to Section 4(f)(i) of such Operating Procedures, have determined that it is necessary and desirable to authorize the incurrence of debt for equipment financing, in an aggregate amount from time to time not exceeding $40,000,000, in the form of tax-exempt or taxable loans borrowed by the Corporation from time to time from one or more lenders (the "Lenders"), to provide funds to finance, refinance and reimburse the Corporation for the costs of equipment and various related capital projects and expenditures at the Corporation's facilities, and to carry out the purposes permitted by law and set forth herein and consistent with the Operating Procedures; now, therefore,

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 101. Authority. This Resolution is adopted pursuant to the authority contained in the New York City Health and Hospitals Corporation Act and in the Operating Procedures.

Section 102. Principal Amount. The incurrence of debt is hereby authorized in the aggregate principal amount of not exceeding $40,000,000, from time to time, for the purpose of financing equipment and various related capital projects and expenditures at the Corporation's facilities. Such debt may take the form of borrowings, loan agreements, installment purchase agreements or lease agreements, all as contemplated by the Operating Procedures.

Section 103. Interest. Such debt shall bear interest as determined by the Chief Financial Officer of the Corporation as authorized in the Operating Procedures.

Section 104. Authorization of Related Documents. The Corporation is authorized to enter into one or more debt contracts, such as loan agreements, notes, bonds, installment purchase agreements, rental arrangements or lease agreements. The form, terms and provisions of the debt contracts, between the Corporation and a Lender, providing for the incurrence of such debt, shall be approved by an Authorized Officer (defined below) of the Corporation, as evidenced by his or her signature thereon. The Chairman, Vice Chairman, President, Senior Vice President, Finance and Chief Financial Officer, or any other authorized officer of the Corporation (each an "Authorized Officer") is authorized and empowered for and on behalf of the Corporation to execute, acknowledge and deliver the debt contracts, and the

Secretary or any other Authorized Officer of the Corporation is hereby authorized and empowered to affix the seal of the Corporation and to attest to the same for and on behalf of the Corporation.

The Chairman, Vice Chairman, President, Senior Vice President, Finance and Chief Financial Officer, or any other Authorized Officer of the Corporation are each hereby authorized to take any action, execute any document, or give any consent which may from time to time be required by the Corporation under this Resolution or any such debt contracts. Any such action taken or document executed or consent given by such officer in his or her capacity of an officer of the Corporation shall be deemed to be an act by the Corporation.

Section 105. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board of Directors of the Corporation, subsequent to its adoption by the Finance Committee of such Board.

Adopted: July 25, 2013 Board of Directors of the Corporation

July 9, 2013 Finance Committee of the Board of Directors

EXECUTIVE SUMMARY

Authorizing One or More Borrowings in an Aggregate Amount not-to-exceed $40,000,000

The resolution authorizes the Corporation to borrow from one or more lenders, from time to time incur, for an aggregate outstanding principal amount not exceeding $40 million. The overall negotiation, execution, and management of the borrowing under this resolution are delegated to the Corporation's Chief Financial Officer (CFO). Any borrowing under this resolution will be reported quarterly by the CFO to the Finance Committee as described in Operating Procedures 40-58 (Debt Finance & Treasury), Section 4. F. (Equipment Financing)

The Corporation funds the vast majority of its major capital expenditures with the proceeds of tax-exempt bonds issued by the Corporation or the City of New York. Since bonds proceeds are best suited to finance longer useful life projects, the Corporation has determined that it is more suitable to finance shorter useful life projects such as equipment with loans provided by banks and/or leasing providers. This type of borrowing allows the Corporation to borrow in smaller amount, as the need arises, incur minimal cost of issuance and minimizes investment risk on borrowed proceeds.

From FY 2001 to FY 2012, the average annual capital equipment expenditures are approximately $40 million, with useful life typically ranging from 5 to 10 years. Of the $40 million, approximately $15 million were related to information technology (IT) purchases (including but not limited to network switches, computer servers, etc.) and approximately $25 million were medical equipment purchases (including but not limited to anesthesia machines, adult/neonatal ventilators, blood pressure monitors, blood culture system, bone densitometry machine, breast biopsy system, chemistry analyzers, CT scanner, digital mammography machine, digital X-ray machine, EKG/EEG machines, feeding/infusion/IV pumps, fetal monitors, gamma camera, MRI machine, urine analyzers, etc.)

INFORMATION ITEM

FEMA – DISASTER RECOVERY UPDATE

The presentation will be sent under separate cover.

The New York City
Health and Hospitals Corporation

Hurricane Sandy Recovery

Update

July 2013

Federal & State Programs

- Public Assistance Grant Program
  - Category B: Emergency Work
  - Category E: Permanent Work
- 406 Mitigation
  - Public Assistance
- 404 Mitigation
  - Hazard Mitigation Grant Program
- CDBG
  - Community Development Block Grants

FEMA Process for Permanent Work

- Project worksheets (assessment of damages)
- Scope true–up with FEMA
- PW’s for each building and contents
- Insurance requirements (NFIP)
- FEMA obligations
- Design, drawings, bidding projects

Estimated Funding Opportunity

- Emergency Work $250M
- Restoration: $250M-$400M*
- 406 Mitigation: $500M
- 404 Mitigation: $ 50M

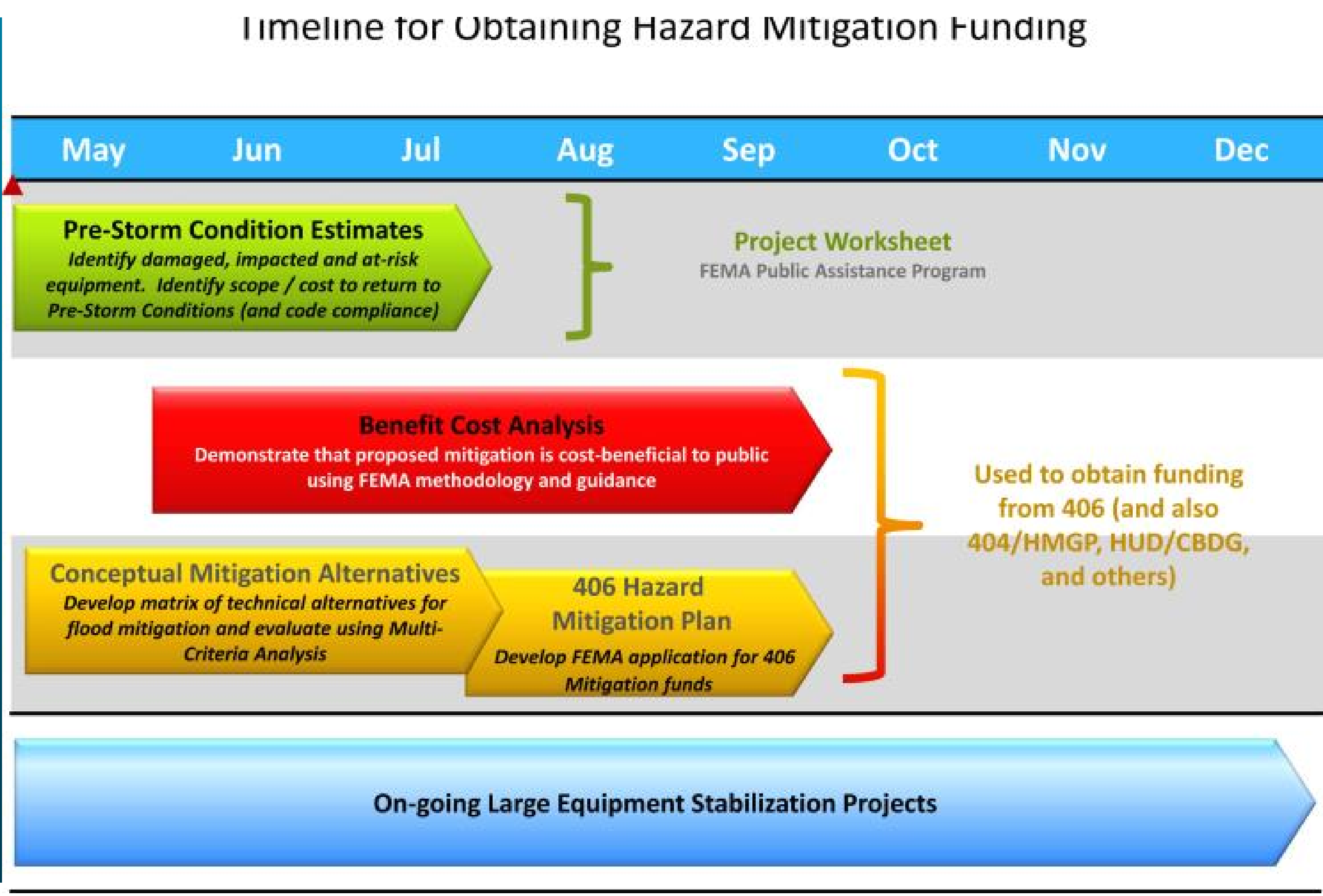
- Total Recovery & Mitigation Program: Estimated $1.05B

*Estimates still in progress

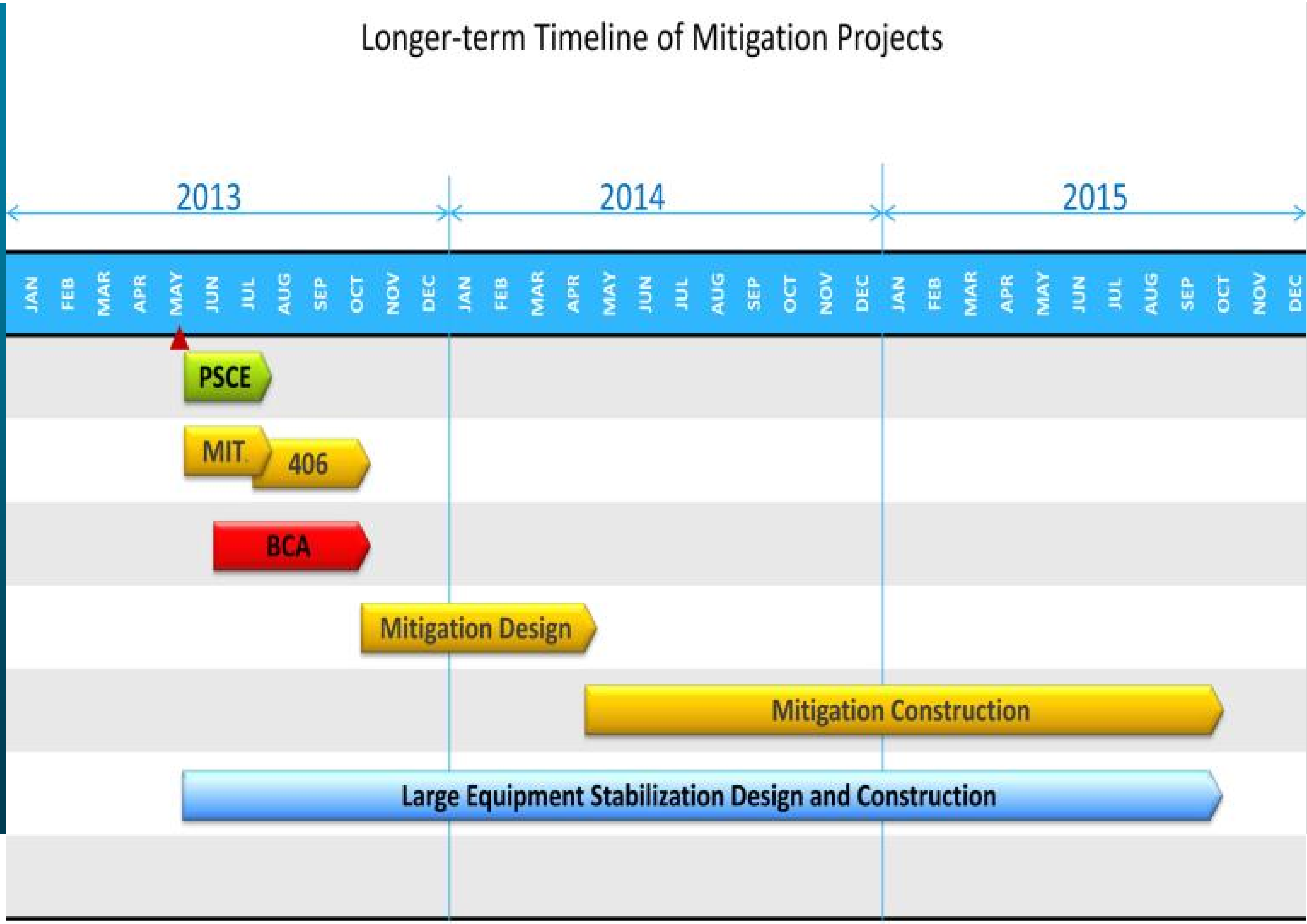
Architects & Engineers…. NTE Contract

Mechanical, electrical, and plumbing (MEP)	$2,500,000
Short-term / Long-term Flood Assessment	$2,800,000
Damage / Asset Inventory	$540,000
Conceptual Designs	$1,900,000
PW & 406 Scopes of Work	$550,000
Facility Level BCA's	$860,000
FEMA Submittal and Negotiations	$1,300,000
	$10,450,000

Timeline remainder of 2013



Timeline
2013 – 2015



The New York City
Health and Hospitals Corporation