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Report on the Fiscal 2025 Preliminary Plan
and the Fiscal 2024 Preliminary Mayor's
Management Report for the

New York City Health and Hospitals Corporation

March 5, 2024

Prepared by Danielle Glants, Financial Analyst



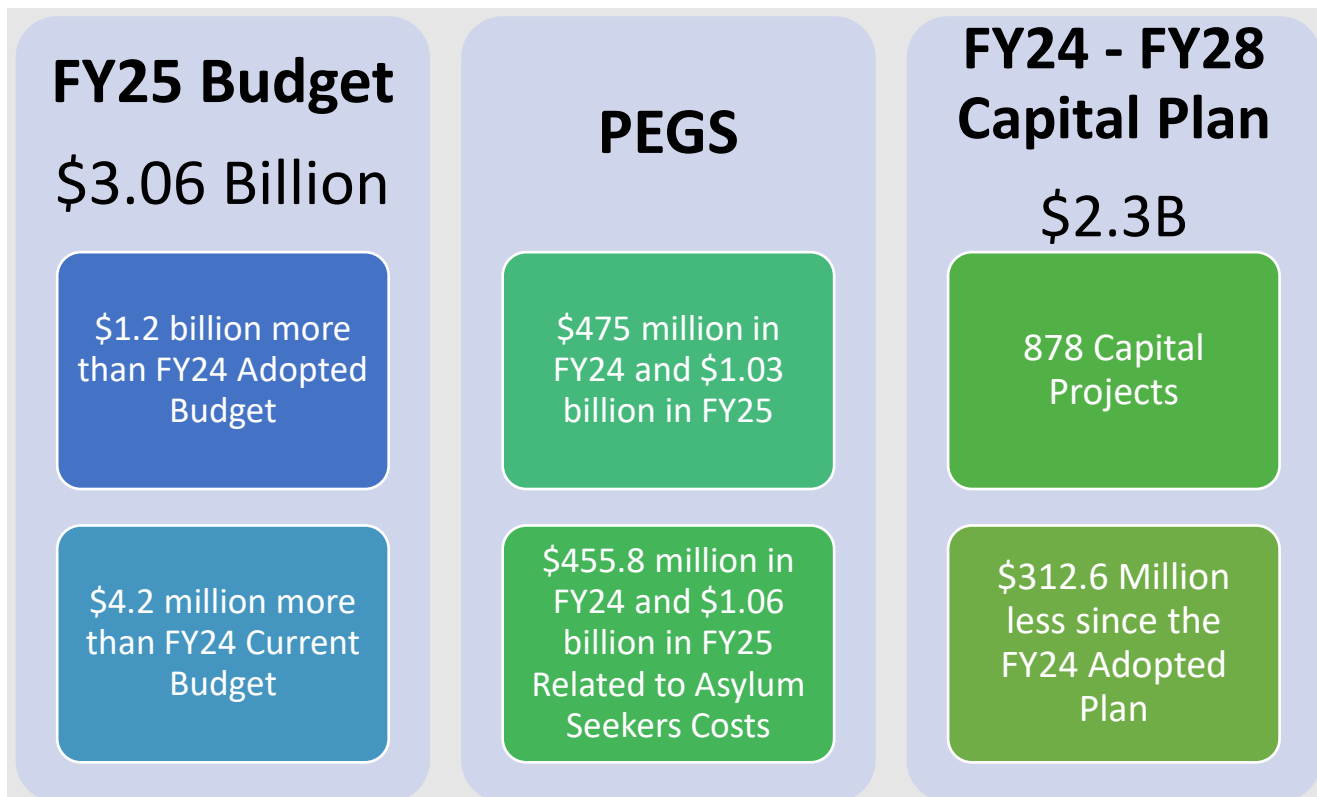
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NYC Health and Hospitals Overview

The New York City Health and Hospitals Corporation (H+H or the System) is the largest municipal hospital and healthcare system in the United States. The H+H system comprised of 11 hospital centers with nearly 5,000 beds; five post-acute/long-term care facilities with nearly 3,000 beds; 6 diagnostic and treatment centers, and more than 70 community-based healthcare centers and extension clinics, employs more than 40,000 people and serves more than 1.2 million New Yorkers annually. H+H also operates a certified home health agency, a Health Home and Correctional Health Services, and a managed care plan (MetroPlus). In addition, OneCity Health is H+H’s sponsored Performing Provider System (PPS) to reduce avoidable and unnecessary hospital stays.

NYC Health and Hospitals Fiscal 2025 Budget Snapshot



NYC Health and Hospitals Financial Plan Overview

H+H’s Fiscal 2024 – 2028 Preliminary Financial Plan (Preliminary Plan) includes a budget of \$3.06 billion in Fiscal 2025, which represents 2.8 percent of the City’s \$109.4 billion Fiscal 2025 budget. A financial agreement reached with the City in 1992 authorizes H+H to develop a consolidated annual expense and revenue budget with the approval of the H+H board of directors and the City. Per the agreement, H+H may develop non-City funding sources for new programs and retain any surpluses during a fiscal year. The agreement also provides for a lump sum payment of City subsidy to H+H, indemnifying the system against changes to the City’s budget during the course of a fiscal year. This report presents the expense budget, relevant New York State budget actions and the Council priorities, and reviews relevant sections of the Fiscal 2024 Preliminary Mayor’s Management Report. Finally, Appendix A outlines the budget actions in the November and Preliminary Financial Plans and Appendix B presents a breakdown the City-funded programs.

NYC Health and Hospitals Financial Summary

H+H operates on a cash basis, recognizing revenues and reporting expenses as they occur, rather than employing the financial projections common to other City agencies. H+H utilizes the cash basis accounting method because it allows the health system to recognize income when H+H actually receives the money. H+H, therefore, does not recognize invoiced income as an asset until the payment is in hand. H+H applies the same approach to debts, only recognizing expenses incurred once they are paid. This accounting method provides a real-time assessment of the agency's current cash flow.

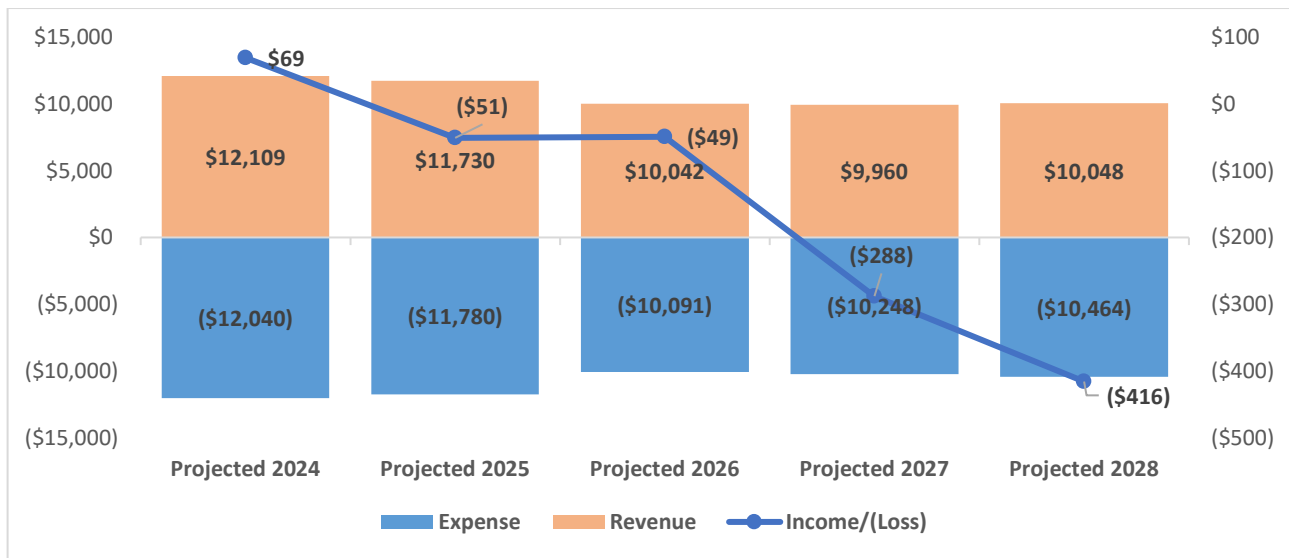
Table 1: NYC Health + Hospitals Prelim Financial Plan, Cash Basis

<i>Dollars in Millions</i>	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
OPERATING REVENUES					
Third Party Revenue					
Medicaid	\$2,958	\$2,869	\$2,894	\$2,921	\$2,950
Medicare	1,485	1,480	1,464	1,479	1,494
Other Managed Care	420	391	396	401	405
Supplemental Medicaid	1,659	1,237	1,278	1,278	1,278
<i>Disproportionate Share Hospital (DSH)</i>	668	775	816	816	816
<i>Other Supplemental Payments</i>	991	462	462	462	462
Subtotal: Third Party Revenue	\$6,523	\$5,976	\$6,032	\$6,078	\$6,127
Other Revenue					
City Services	\$2,989	\$3,065	\$1,327	\$1,377	\$1,417
Grants and Other	682	882	882	683	683
Subtotal: Other Revenue	\$3,671	\$3,947	\$2,210	\$2,060	\$2,099
Strategic Initiatives					
Supplemental Medicaid Programs	\$1,152	\$1,027	\$1,005	\$1,005	\$1,005
Federal & State Charity Care	62	62	62	62	62
Revenue Cycle and Managed Care	348	352	359	369	369
Service Line Improvements	65	67	69	73	73
Value-Based Payments	54	55	57	60	60
Growth	234	244	249	254	254
Subtotal: Strategic Initiatives	\$1,916	\$1,806	\$1,800	\$1,822	\$1,822
TOTAL OPERATING REVENUES	\$12,109	\$11,730	\$10,042	\$9,960	\$10,048
EXPENSES					
Personal Services	\$3,683	\$3,781	\$3,931	\$4,007	\$4,085
Fringe Benefits	1,912	1,911	2,008	2,078	2,141
Affiliations	1,668	1,655	1,704	1,720	1,738
Other Than Personal Services	5,032	4,764	2,853	2,873	2,931
Subtotal: Expense	\$12,295	\$12,110	\$10,496	\$10,678	\$10,894
Strategic Initiatives					
System Efficiencies	\$20	\$20	\$20	\$20	\$20
Restructuring and Personnel	235	310	385	410	410
Subtotal: Strategic Initiatives	\$255	\$330	\$405	\$430	\$430
TOTAL OPERATING EXPENSES	\$12,040	\$11,780	\$10,091	\$10,248	\$10,464
TOTAL OPERATING INCOME/(LOSS)	\$69	(\$51)	(\$49)	(\$288)	(\$416)
OPENING CASH BALANCE	\$746	\$815	\$764	\$715	\$427
CLOSING CASH BALANCE	\$815	\$764	\$715	\$427	\$11

Projected Operating Deficit

H+H’s Preliminary Plan anticipates a positive operating margin of \$69.0 million in Fiscal 2024 and projects operating losses of \$51.0 million in Fiscal 2025, \$49.0 million in Fiscal 2026, \$288.0 million in Fiscal 2027 and \$416.0 million in Fiscal 2028. Although the Fiscal 2025 Plan includes strategic initiatives to decrease expenses and increase revenue, H+H still anticipates an operating loss starting in Fiscal 2025 because of increased costs associated with temporary staffing and the delay in the receipt of federal revenues. The System anticipates closing cash balances of \$815.0 million in Fiscal 2024, \$764.0 million in Fiscal 2025 and \$715.0 million in Fiscal 2026 (this is equal to approximately 20-24 days of cash on hand to cover operating expenses). Chart 1 shows the projected expenses, revenue, and the operating income or loss per year.

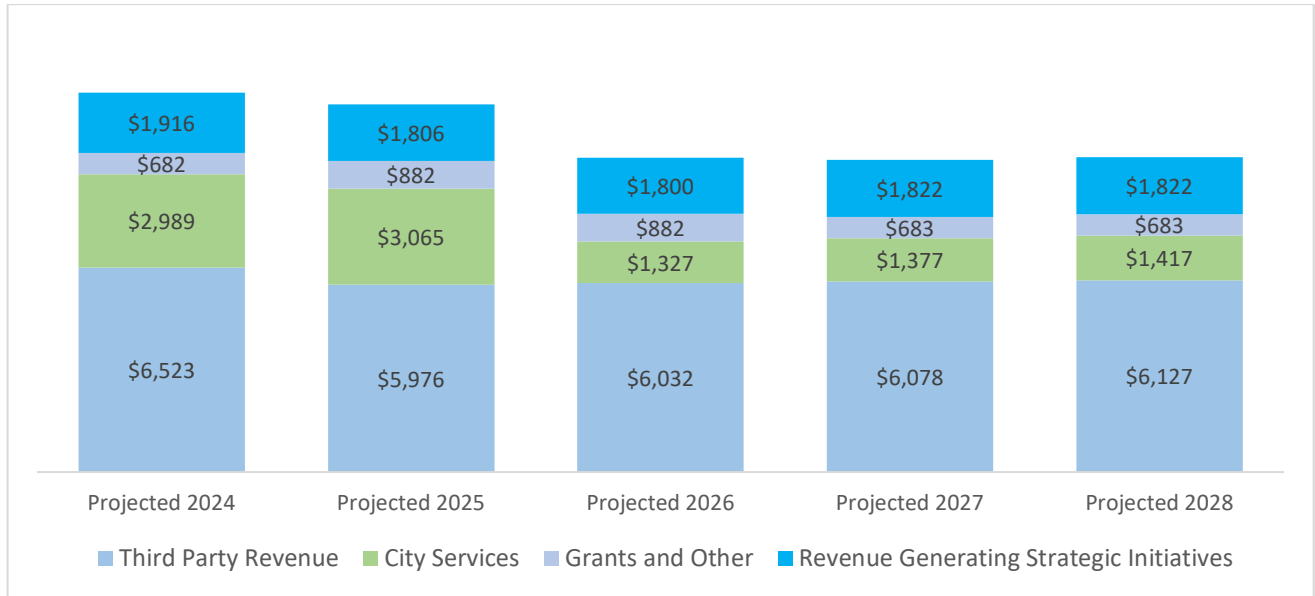
Chart 1: Projected Operating Expense vs Revenue with Income/Loss (\$ in Millions)



Projected Operating Revenues

In the Preliminary Plan, H+H expects \$11.7 billion in operating revenues in Fiscal 2025, a decrease of \$379.4 million, or 3.2 percent, when compared to Fiscal 2024 revenues of \$12.1 billion. Third party receipts, which comprise 51 percent or \$5.9 billion of H+H’s total Fiscal 2025 operating revenues decrease by \$547.0 million or 9.0 percent, when compared to Fiscal 2024. However, City-services funding increased by \$77.0 million between Fiscal 2024 and Fiscal 2025. The decrease in third party revenue reflects a higher-than-average risk pool due to the COVID-19 pandemic in Fiscal 2024, while Fiscal 2025 reflects a more average level. Chart 2 presents the projected operating revenue by source.

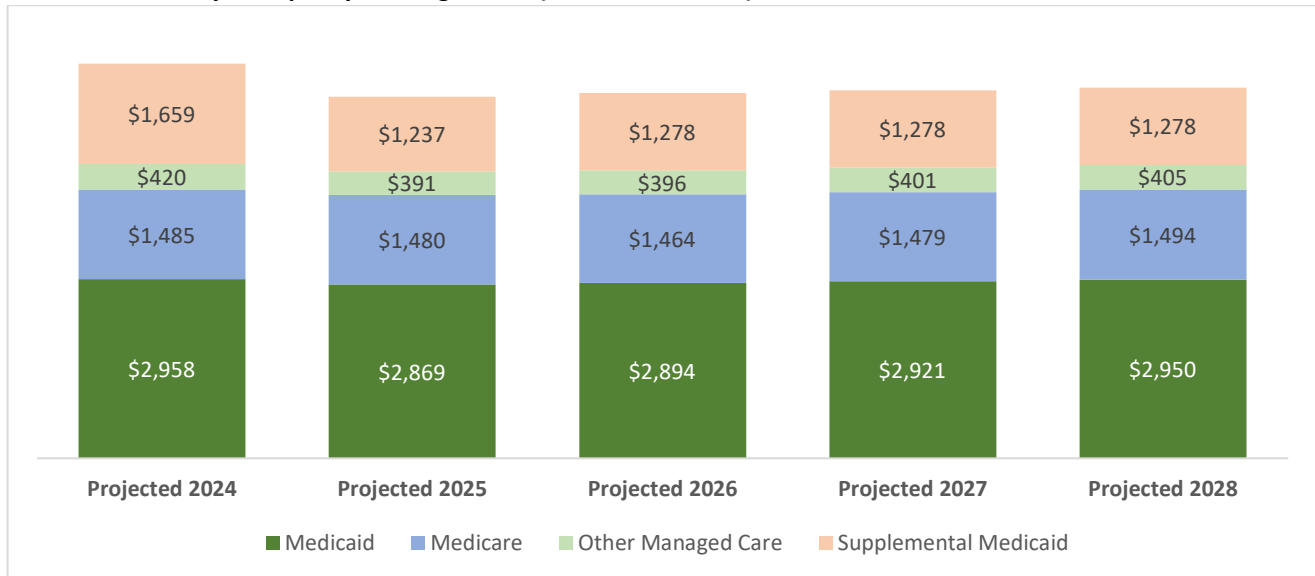
Chart 2: Projected Operating Revenue by Funding Source (Dollars in Millions)



Third Party Revenue

Third party revenue includes reimbursements from Medicaid, Medicare, and other managed care, as well as Supplemental Medicaid payments. Chart 3 shows the breakdown of the third-party revenue by source.

Chart 3: Third Party Receipts by Funding Source (Dollars in Millions)



H+H projects an \$89.9 million, or 3.1 percent, decrease in Medicaid revenue between Fiscal 2024 and Fiscal 2025 and a \$5.3 million, or less than one percent decrease, in Medicare revenue. H+H expects other managed care revenue to decrease by \$29.1 million or 7.0 percent, between Fiscal 2024 and Fiscal 2025. H+H projects that Supplemental Medicaid funding will decrease by \$422.4 million, or 34.0 percent, between Fiscal 2024 and Fiscal 2025.

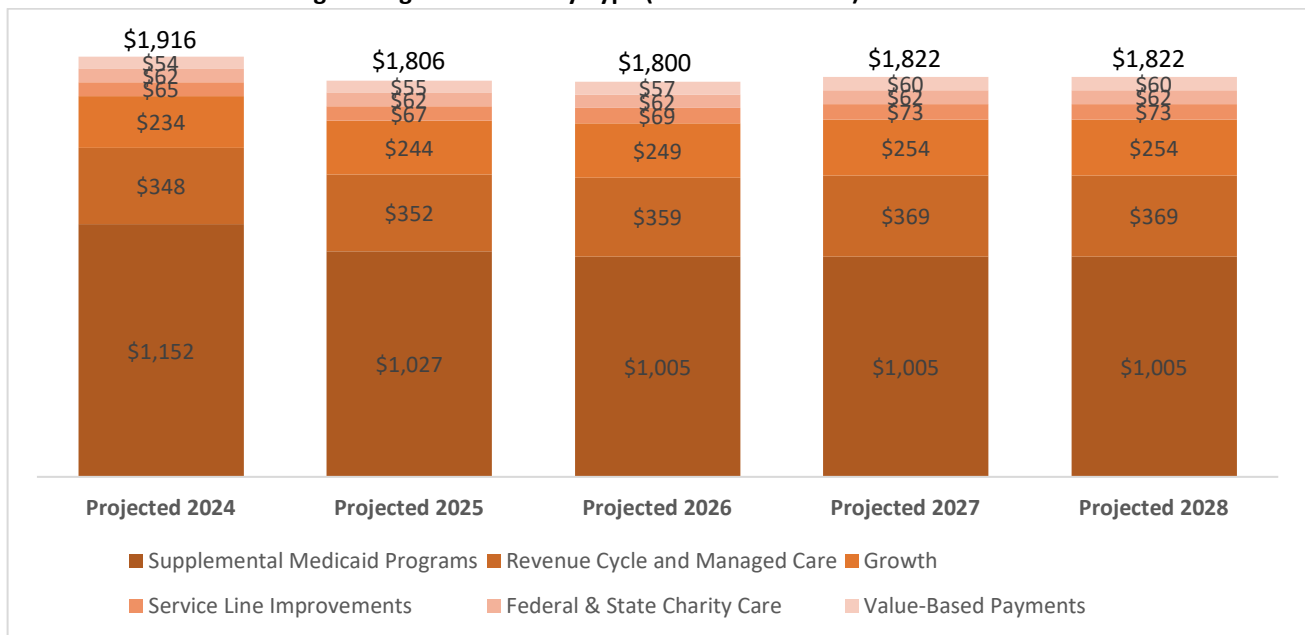
Supplemental Medicaid has two components, the Disproportionate Share Hospital (DSH) funding and Other Supplemental Payments. The DSH funding is projected to increase by \$106.7 million, or 14.0

percent, while Other Supplemental Payments are projected to decrease by \$529.1 million, or 115.0 percent between Fiscal 2024 and Fiscal 2025, mainly due to Fiscal 2024 reflecting prior year revenue from Fiscals 2023 and 2022.

Revenue-Generating Strategic Initiatives

Revenue-generating initiatives are strategic forms of revenue gathered through patient revenue growth and reflect the net amount collected with initiative costs included. Initiatives include Supplemental Medicaid programs, federal and State charity care, revenue cycle and managed care, service line improvements, value-based payments, and growth initiatives comprising of retail pharmacy and primary care expansion, as well as inpatient capture and other strategies. Altogether, these revenue-generating initiatives provide \$1.9 billion in Fiscal 2024 and approximately \$1.8 billion in Fiscal 2025 and each subsequent fiscal year. Supplemental Medicaid Programs comprise the bulk of the strategic initiatives with revenue of \$1.1 billion and \$1.0 billion respectively in Fiscal 2024 and Fiscal 2025. The Federal and State Charity Care revenue generating initiative requires State and Federal action. Chart 4 shows the Revenue-Generating Strategic Initiatives by initiative type.

Chart 4: Revenue Generating Strategic Initiatives by Type (Dollars in Millions)



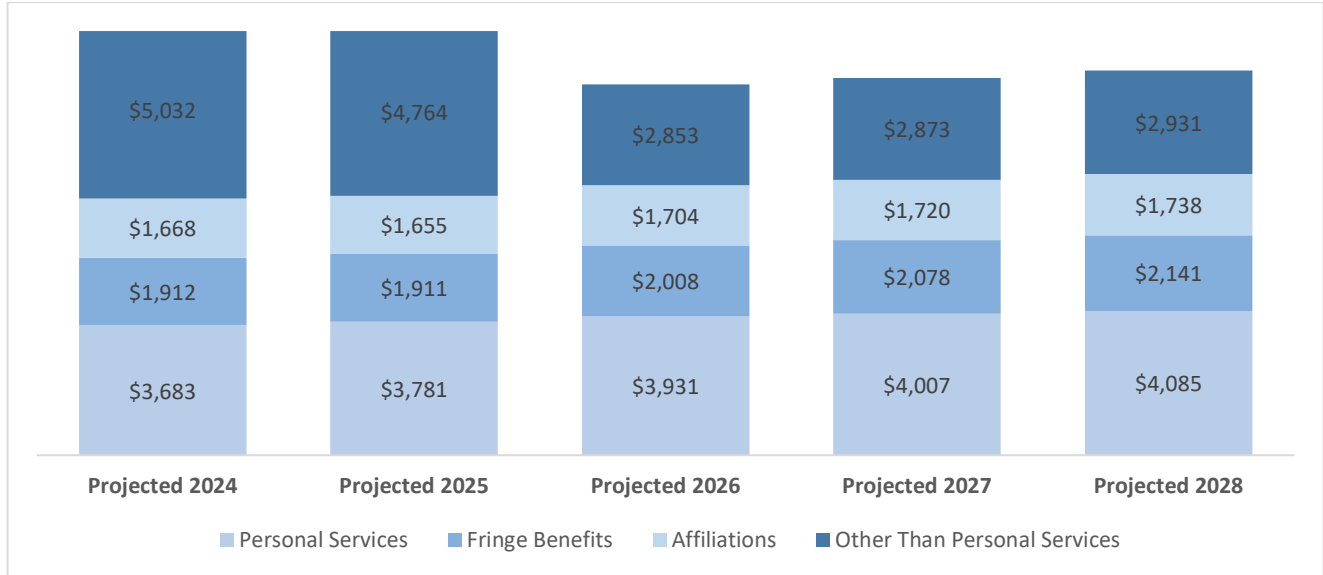
H+H’s Fiscal 2025’s Revenue Generating Strategic Initiatives are projected to be \$109.2 million, or 6.0 percent, less than in Fiscal 2024. The majority of the decrease is due to a \$125.1 million reduction in projected revenue from Supplemental Medicaid programs, reflecting the fact that prior year funds were collected in Fiscal 2024, that is partially offset by an increase in the Growth initiative, which increased by \$10.0 million, or 4.1 percent, in Fiscal 2025.

Operating Expense Projections

H+H’s Plan includes \$12.1 billion in operating expenses in Fiscal 2025, a decrease of \$184.3 million, or 2.0 percent, when compared to Fiscal 2024 expenses. Personal Services (PS) costs total \$3.8 billion in Fiscal 2025, a \$97.9 million or 3.0 percent increase from the prior year; fringe benefits total \$1.9 billion, a \$1.6 million or less than one percent decrease; and affiliations, which are externally contracted staff such as physicians from other hospitals, comprise \$1.7 billion, a \$13.3 million or one percent decrease. The most significant expense change between Fiscals 2024 and 2025 relates to the Other Than Personal Services (OTPS) which totals \$4.8 billion in Fiscal 2025, a decrease of \$267.3

million or 6.0 percent compared to Fiscal 2024. OTPS reflects payments that are owed to the City, including delayed medical malpractice payments, a decline in temporary costs such as temporary nurses, and a decline in asylum seeker funding in the outyears. Chart 5 presents the operating expenses for H+H by spending area.

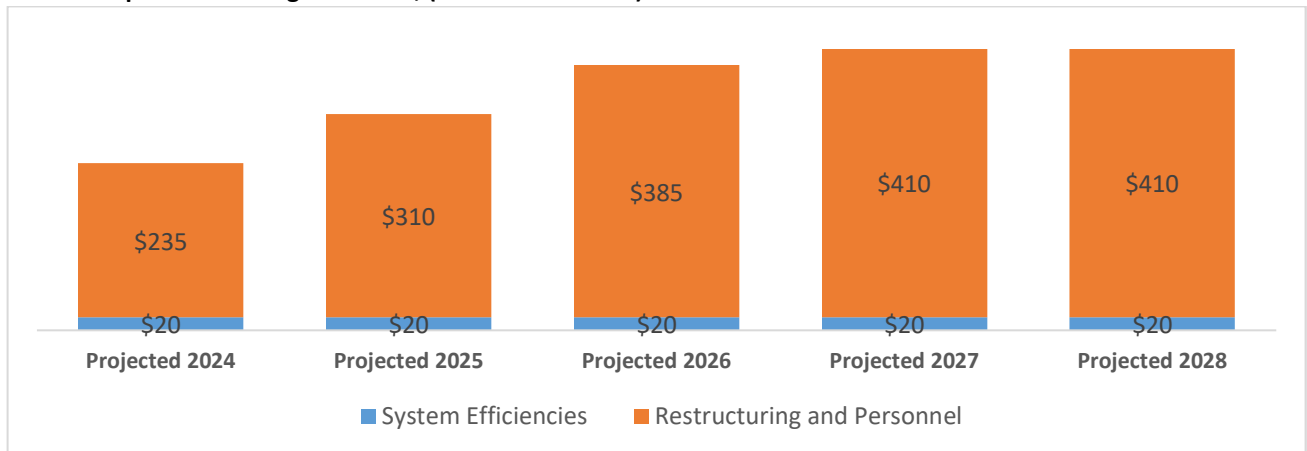
Chart 5: Projected Operating Expenses (Dollars in Millions)



Expense-Reducing Initiatives

Expense-reducing initiatives include system efficiencies and restructuring and personnel, which serves as a contingency plan if the cut in the federal Disproportionate Hospital Fund was to take effect. Expense-reducing initiatives are anticipated to provide \$255.0 million in savings in Fiscal 2024 and \$330 million in Fiscal 2025. Systems efficiencies provide \$20 million of savings in both Fiscals 2024 and 2025, with savings from restructuring and personnel anticipated to increase from \$235 million in Fiscal 2024 to \$310 million in Fiscal 2025 as presented in chart 6.

Chart 6: Expense Reducing Initiatives, (Dollars in Millions)



City Funding and Services

The Preliminary Plan includes \$3.06 billion funding for H+H in Fiscal 2025, of which \$2.97 billion is City funds with the remaining \$100.0 million consisting of federal, State, Intra-City and other categorical funds. The Fiscal 2025 Budget is \$1.2 billion or 68.0 percent greater than the Fiscal 2024 Adopted Budget of \$1.82 billion, and \$4.2 million, or less than one percent, greater than the current budget for Fiscal 2024 in the Preliminary Plan.

Since 2022, the City has expanded efforts to provide humanitarian services to the growing needs and number of asylum seekers in the City. Due to budget constraints, the Adams Administration has implemented a Program to Eliminate the Gap (PEG), reducing H+H expenditures related to the asylum seeker response effort by \$455.8 million in Fiscal 2024 and \$1.01 billion in Fiscal 2025. H+H's Plan includes \$1.7 billion in Fiscal 2024 and \$1.8 billion in Fiscal 2025 only for asylum seeker related services.

Table 2: NYC Health and Hospitals Financial Summary

<i>Dollars in Thousands</i>	FY22	FY23	FY24	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25-FY24
Spending						
Other Than Personal Services	2,269,647	1,921,782	1,823,840	3,060,912	3,065,116	1,241,276
TOTAL	\$2,269,647	\$1,921,782	\$1,823,840	\$3,060,912	\$3,065,116	\$1,241,276
Budget By Object Class						
Fixed & Misc. Charges	2,255,050	1,916,595	1,821,554	3,058,594	3,062,797	1,241,243
Other Services & Charges	14,596	5,187	2,286	2,319	2,319	33
TOTAL	\$2,269,647	\$1,921,782	\$1,823,840	\$3,060,912	\$3,065,116	\$1,241,276
Funding						
City Funds			\$1,516,985	\$2,709,944	\$2,965,096	\$1,448,110
Federal - Other			208,547	227,047	1,380	(207,167)
Intra City			82,327	104,325	82,660	333
Other Categorical			14,600	17,600	14,600	0
State			1,380	1,996	1,380	0
TOTAL	\$2,269,647	\$1,921,782	\$1,823,840	\$3,060,912	\$3,065,116	\$1,241,276

*The difference of Fiscal 2024 Adopted Budget compared to Fiscal 2025 Preliminary Budget.

Source: New York City Office of Management and Budget

Major Hospitals Funding Projects

NYC Health and Hospitals has multiple City-funded programs, which are presented in more detail in Appendix B. The following are several major programs included in the Preliminary Plan:

- **Correctional Health Services.** In July 2015, the de Blasio Administration transitioned correctional health services in the City's jail system from Corizon Health, a for-profit company that contracted with the NYC Department of Health and Mental Hygiene to H+H. H+H has expanded services to include Point of Re-entry and Transition (PORT) program to help support and sustain successful re-entry into the community following incarceration.

Correctional health services is budgeted at \$286.0 million in Fiscal 2025. This is \$8.7 million, or 3.1 percent greater than the Fiscal 2024 Adopted Budget and \$1.8 million, or 0.6 percent, greater than the current Fiscal 2024 budget. This difference is due to additional funding for costs related to collective bargaining.

- **NYC Care.** In 2019, H+H launched NYC Care, a health access program that guarantees low-cost and no-cost services through H+H to New Yorkers who do not qualify for or cannot afford

health insurance based on federal guidelines. NYC Care members receive a unique membership card that allows for access to health care at any H+H patient care location. In August 2019, NYC Care launched in the Bronx and included a 24/7 customer service center that assisted uninsured people in either signing up for insurance they qualified for or registering to be a part of NYC Care. In January 2020, NYC Care expanded to Brooklyn and Staten Island, expanding to Manhattan and Queens in September 2020. By February 2022, NYC Care had enrolled 100,000 members.

The Preliminary Plan includes \$100 million in Fiscal 2025 for this program. This is the same level of funding provided for the program in Fiscal 2024 at adoption. The program funding level has remained unchanged since its inception in 2019.

- **Public Health Corps.** The Public Health Corps is a citywide effort to expand the public health workforce by partnering with community groups and community health workers to eliminate COVID-19 inequities through outreach and education. It is active in over 75 ZIP codes throughout the City and includes about 35 community groups.

The Public Health Corps Fiscal 2025 budget is \$32.7 million. This is \$3.6 million, or 11.1 percent, less than the Fiscal 2024 budget at adoption, but equal to the current Fiscal 2024 budget. This is due to a PEG of \$3.6 million in Fiscal 2024 and Fiscal 2025.

- **Opioid Settlement Funds.** In 2019, Attorney General James filed a lawsuit to hold opioid manufacturers and distributors accountable for the opioid epidemic, which has resulted in a major increase in overdoses throughout the state. In total, the City has received \$30 million from Opioid Settlement Funds, with \$14.6 million allocated to H+H, \$14.6 million to the Department for Health and Mental Hygiene, and \$800,000 to the Office of the Chief Medical Examiner.

H+H's Opioid Settlement Funds program is funded at \$14.6 million in Fiscal 2025. The budget has not changed from the Fiscal 2024 budget at adoption but is \$3.0 million, or 20.5 percent, less than the current Fiscal 2024 budget. The additional \$3 million in Fiscal 2024 is for gathered settlement revenue.

- **B-HEARD.** The Behavioral Health Emergency Assistance Response Division, or B-HEARD, is a response team created to handle 911 mental health calls. The de Blasio administration launched a pilot program that would dispatch teams of EMS workers and social workers to non-violent mental health emergencies in two high-need communities. The program was expanded to four precincts in November 2021, covering from East Harlem to the Hudson River. In March 2022, the B-HEARD pilot expanded to Washington Heights, Inwood, and parts of the South Bronx. In June 2022, B-HEARD expanded to two additional police precincts in the South Bronx. In October 2022, B-HEARD expanded to the remainder of the South Bronx and to East New York and Brownsville.

The Plan includes \$12.5 million in Fiscal 2025 for the program, which is \$5.7 million, or 31.3 percent, less than the Fiscal 2024 budget at adoption. This is due to a series of PEGs reducing B-HEARD's funding, with a PEG of \$700,000 baselined starting in Fiscal 2024 introduced in the November Plan and a larger PEG of \$6.6 million in Fiscal 2024 and \$5 million in Fiscal 2025 introduced in the Preliminary Plan, which has resulted in a pause in the expansion of B-HEARD.

- **Mental Health Service Corps.** Mental Health Service Corps (MHSC) is a workforce development program for early-career clinicians who work in substance use or behavioral

health services. Through MHSC, clinicians receive intensive training in evidence-based practices and then are placed in communities in need of more behavioral health services. In January 2020, management of MHSC was transferred to Health + Hospitals.

Mental Health Service Corps is budgeted at \$10.5 million in Fiscal 2025. This is \$1.3 million, or 11.0 percent, less than the Fiscal 2024 budget at adoption, but equal to the current budget for Fiscal 2024.

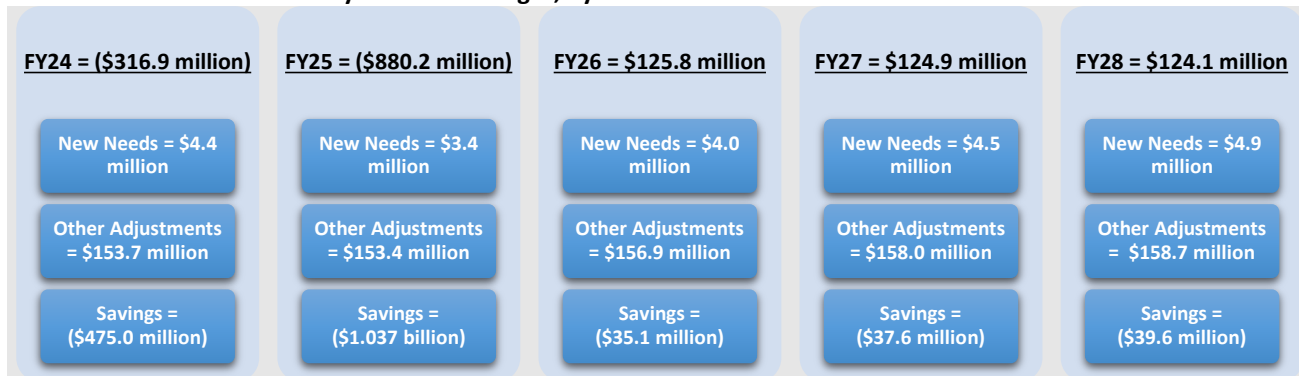
Other Funding Sources

The Preliminary Plan includes additional funding for H+H including intra city, other categorical, State, and federal funding. Intra city funding is the second largest funding source for H+H at \$82.7 million in Fiscal 2025, comprising 2.7 percent of H+H’s budget. Other categorical funds total \$14.6 million in Fiscal 2025 and are exclusively comprised of Opioid Settlement funds. Both State and federal funding are \$1.4 million each in Fiscal 2025.

Fiscal 2025 Changes

Budget actions in the Preliminary Plan decreased H+H’s budget by \$ 316.9 million in Fiscal 2024 and by \$880.2 million in Fiscal 2025 when compared to the November Plan. The Preliminary Plan includes \$4.4 million in new needs in Fiscal 2024 and \$3.4 million in Fiscal 2025, \$153.7 million in other adjustments in Fiscal 2024 and \$153.4 million in Fiscal 2025, and PEG savings of \$475.0 million in Fiscal 2024 and \$1.04 billion in Fiscal 2025. Chart 7 provides a summary of H+H’s spending changes from the November Plan to the Preliminary Plan.

Chart 7: Fiscal 2025 Preliminary Plan Net Changes, by Fiscal Year*



*Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings. As some agency PEGs may be revenue actions or savings from non-City sources, this number will not necessarily equal the agency’s PEG value.

Table 3 presents the PEG actions for H+H in the November and Preliminary Plans.

Table 3: Agency Total Program to Eliminate the Gap (PEG)

Dollars in Thousands	FY24	FY25	FY26	FY27	FY28
November 2023 Plan	\$25,535	\$27,592	\$28,043	\$28,515	\$28,515
Preliminary Plan	\$475,024	\$1,037,007	\$35,114	\$37,604	\$39,564
Total PEGs	\$500,559	\$1,064,599	\$63,157	\$66,119	\$68,079

Source: New York City Office of Management and Budget

New Needs

H+H's Preliminary Plan includes two new needs, totaling \$4.4 million in Fiscal 2024 and \$3.4 million in Fiscal 2025:

- **Correctional Health Services Collective Bargaining NYSNA.** The Preliminary Plan includes \$1.8 million in Fiscal 2024 and \$3.4 million in Fiscal 2025 to reflect an increase in salaries as a result of collective bargaining agreements.
- **Sexual Assault Response Team (SART) Program Gap Adjustment.** The Plan includes \$2.6 million in Fiscal 2024 only to cover a gap in cost increases for clinical providers certified as sexual assault forensic examiners.

Other Adjustments

H+H's Preliminary Plan includes \$153.7 million in other adjustments in Fiscal 2024 and \$153.4 million in Fiscal 2025. Some of the major other adjustments include the following:

- **Medicaid Transfer.** The Preliminary Plan includes the baseline of \$144.9 million starting in Fiscal 2024 as part of a routine transfer of Medicaid initiative funds.
- **H+H Collective Bargaining Adjustment.** The Preliminary Plan includes an additional \$7.7 million in Fiscal 2024 and \$9.3 million in Fiscal 2025 to reflect an increase in salaries. Eight unions are included in this adjustment, including: the International Union of Operating Engineers (\$3.9 million in Fiscal 2024 and \$4.6 million in Fiscal 2025); Communications Workers of America (\$1.3 million in Fiscal 2024 and \$2.0 million in Fiscal 2025); and the United Brotherhood of Carpenters and Joiners of America (\$893,066 in Fiscal 2024 and \$934,552 in Fiscal 2025).
- **Department of Homeless Services (DHS) Transfer.** The Preliminary Plan includes the transfer of \$1 million from H+H to DHS starting in Fiscal 2025 for street homeless outreach services.

Program to Eliminate the Gap (PEG)

H+H's Preliminary Plan includes PEG savings of \$475.0 million in Fiscal 2024 and \$1.03 billion in Fiscal 2025, including:

- **Asylum Seeker Re-estimates and Efficiencies.** The Plan includes a reduction of \$445.3 million in Fiscal 2024 (City and Other Federal funds) and \$1.0 billion in Fiscal 2025 (City funds only) as part of a citywide effort to reduce asylum seeker costs. According to the Office of Management and Budget, this cost reduction is based on two metrics: per diem reductions and a reduced rate of census growth. The per diem reductions have been implemented in lowering costs for operating shelters, and as of December 2023 the current per diem rate is \$393. In addition, the census as of August 2023 showed a large increase in asylum seekers due to the ending of Title 42, but by January 2024 the asylum seeker census had declined.
- **Subsidy Adjustment.** The Plan includes a reduction of \$16.0 million in Fiscal 2024 and \$17.3 million in Fiscal 2025 through spending efficiencies in the System's budget and lowering spending on affiliate and overtime staffing.
- **B-HEARD Re-estimate.** The Plan includes a reduction of \$6.6 million in Fiscal 2024 and \$5.0 million in Fiscal 2025 from a pause in the expansion of B-HEARD.
- **Public Health Corps Re-estimate.** The Plan includes a reduction of \$3.6 million in Fiscal 2024 and Fiscal 2025 to reflect a budget reduction due to position turnover.

- **Programmatic Efficiencies.** The Plan includes a reduction of \$2.0 million in Fiscal 2024 and \$945,000 in Fiscal 2025 to reflect vacancies in the medical malpractice program, lifestyle medicine, and mental health service corps.
- **Street Health Outreach and Wellness (SHOW) Re-estimate.** The Plan includes a reduction of \$1.4 million in Fiscal 2024 and \$4.4 million in Fiscal 2025 as a result of the phasing out SHOW's subway-based program.

Headcount

The System's actual headcount totals 38,433 across multiple titles and positions for the second quarter of Fiscal 2024. Table 4 presents the System's actual full-time headcount for Fiscal 2023 (Q4) and Fiscal 2024 (Q1 and Q2) by title. Tech/Specialists makes up 24.0 percent of H+H's budgeted headcount for Fiscal 2024 with registered nurses and clerical staff comprising 23.0 percent and 14.0 percent respectively.

Table 4: H+H's Headcount for Fiscal 2023 Q4, Fiscal 2024 Q1-Q2

	Fiscal 2023 Q4	Fiscal 2024 Q1	Fiscal 2024 Q2
Aides/Order	4,613	4,729	4,840
Clerical	5,498	5,548	5,559
Envir/Hotel	4,397	4,444	4,502
Private Nurses	403	393	380
Manager/Supervisor	2,606	2,635	2,695
Physicians	224	215	212
Registered Nurses	7,912	8,154	8,762
Residents	2,359	2,416	2,398
Tech/Specialists	8,729	8,950	9,085
TOTAL	36,741	37,484	38,433

The System's Correctional Health Services Staffing Report provides further information on the budgeted and actual full-time equivalent positions as of January 2024. As reflected in Table 5, the System's Correctional Health Services actual headcount totals 340 across multiple titles in Fiscal 2024.

Table 5: H+H's Correctional Health Budgeted vs Actual

Department	Service Provider	Budgeted HC	Actual HC
Medicine	Nurse Practitioner	5	4
	Physician's Assistant	45	32
	Medical Doctor	74	64
	Medicine Subtotal	124	100
Nursing	Nurse Practitioner	3	3
	Registered Nurse	251	204
	Nursing Total	254	207
Mental Health	Nurse Practitioner	18	18
	Physician's Assistant	14	9
	Medical Doctor	27	6
	Mental Health Subtotal	59	33
TOTAL		437	340

Fiscal 2024 Preliminary Mayor's Management Report (PMMR)

The Mayor's Office published the PMMR in January 2024, to highlight the City's agency performance through the first four months of the fiscal year, monitoring specific items for each agency. The System's PMMR includes the service goal to provide medical, mental health and substance abuse services to New York City residents regardless of their ability to pay. Some notable metrics provided by H+H in the Fiscal 2024 PMMR include:

- **NYC Care Enrollment.** Enrollment in NYC Care increased by 16 percent, from 105,070 from the first four months of Fiscal 2023 to 121,478 in the first four months of Fiscal 2024. The increase is also due to increased re-enrollment outreach and capacity through a public awareness campaign across a range of advertising mediums to inform New Yorkers about this program. The program is now in its fifth year and continues to surpass its initial program milestone objective of 100,000 enrollees. According to H+H, some asylum seekers are qualifying for the program. NYC Care partners with 22 community-based organizations that conduct culturally sensitive and ethnically inclusive outreach to prospective NYC Care members across all five boroughs, building trust with communities and educating them about the available benefits of the program.
- **Uninsured Patients Served.** During the first four months of Fiscal 2024, the number of uninsured patients served decreased to 129,659 from the 191,958 patients served in the same period of Fiscal 2023. The decrease is due to methodology changes in order to improve the metric's accuracy, mainly by excluding insured patients who received non-billable services.
- **Correctional Health Service Encounters.** The number of correctional health clinical encounters per 100 average daily population decreased slightly in the first four months of Fiscal 2024 to 3,426 from 4,266 in the first four months of Fiscal 2023. The delivery of health services requires the NYC Department of Correction to escort patients to clinic visits and to maintain safe and secure conditions in all clinical areas for the provision of health care.
- **Emergency Departments (EDs).** During the first four months of Fiscal 2024, the percentage of patients who left EDs without being seen increased to 5.2 percent from 4.4 percent in the same period of Fiscal 2023. ED utilization has significantly increased since the beginning of the COVID-19 pandemic, and with this increase came a related increase in patients that leave without being seen.
- **MetroPlus Membership.** MetroPlus membership continues to increase, to a total membership of 757,727 during the reporting period of Fiscal 2024, up from 692,681 in the same period in Fiscal 2023. This increase is a result of the ongoing commitment to identify and connect Medicaid eligible people in the communities H+H serves to MetroPlus, including a larger proportion of City workers, encouraging them to obtain necessary coverage.

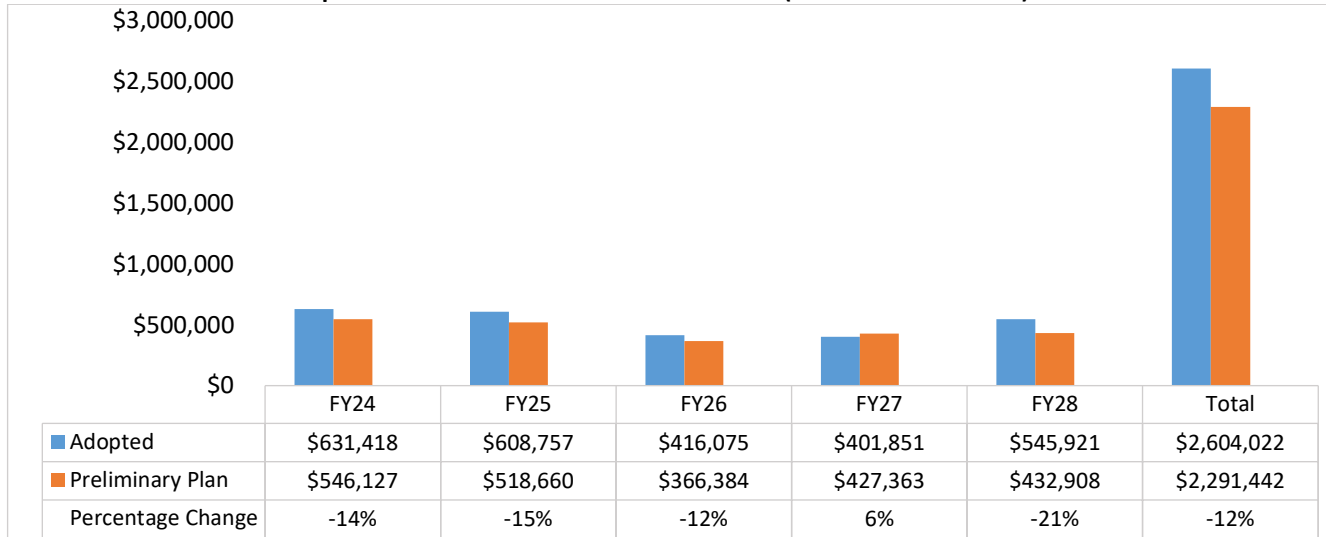
Preliminary Capital Commitment Plan for Fiscal 2024 to Fiscal 2028

The City's Capital Commitment Plan details the Administration's plan to spend the appropriations voted on by the City Council at Adoption. The Commitment Plan provides project-level funding detail, as well as estimate of expenditure dates. It is through this document that we gain insight into a project's estimated cost, start date and time to completion.

H+H's Preliminary Capital Commitment Plan (Commitment Plan) includes approximately \$2.3 billion in Fiscal 2024-2028. This represents approximately 2.6 percent of the City's total \$88.5 billion Preliminary Commitment Plan. H+H's Preliminary Capital Commitment Plan for Fiscal 2024-2028

reflects a decrease of \$312.6 million, or 12 percent, from the amount scheduled in the Fiscal 2024 Adopted Commitment Plan of \$2.6 billion.

Chart 8: NYC Health and Hospitals Fiscal 2024-2028 Commitment Plan (Dollars in Thousands)



Source: New York City Office of Management and Budget

Preliminary Capital Commitment Plan Highlights

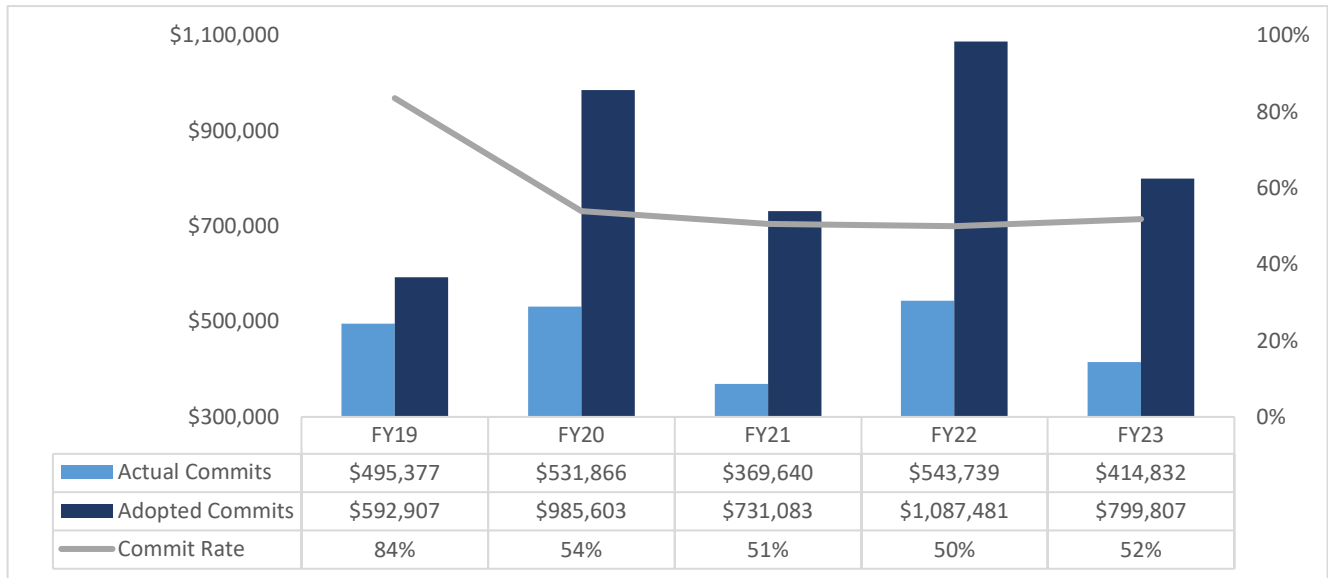
The Preliminary Capital Commitment Plan for H+H for Fiscal 2024-2028 totals \$2.3 billion. Some of the major capital projects in the Preliminary Capital Commitment Plan for Fiscal 2024-2028 are discussed below.

- **Bellevue Outposted Therapeutic Units.** The Capital Commitment Plan includes \$89.7 million in Fiscal 2024 to install a permanent generator. This is the second of three construction phases that have been implemented. The generator is estimated to be completed in April 2024 and the final construction phase is estimated to be completed in December 2024.
- **Procure and Outfit 90 FDNY Ambulances.** The Capital Commitment Plan includes \$46.5 million in Fiscal 2024 and \$6.6 million in Fiscal 2025 for the replacement and outfitting of ambulances. The ambulances were initially funded in Fiscal 2023 but were only registered in Fiscal 2024, and in Fiscal 2025 the ambulances will receive their outfitting.
- **Procure and Outfit 79 FDNY Ambulances.** The Capital Commitment Plan includes an additional \$37.1 million in Fiscal 2024 and \$6.9 million in Fiscal 2025 for a total of \$43.9 million for ambulance related costs. The ambulances were registered in Fiscal 2024 and in Fiscal 2025 the ambulances will receive their outfitting.
- **South Brooklyn Health Design & Construction Management.** The Capital Commitment Plan includes \$27.2 million in Fiscal 2024, \$7.9 million in Fiscal 2025, and \$81.5 million in Fiscal 2027 for flood mitigation work at Coney Island Hospital (South Brooklyn Health). The flood mitigation work includes the new critical services structure, which is a 10-story resilient acute care hospital, and a new permanent floodwall. The majority of the hospital’s mitigation work is complete.
- **Bellevue Anti Ligature Renovations.** The Capital Commitment Plan includes \$18.2 million in Fiscal 2024 for maintenance of electrical and plumbing fixtures in behavioral inpatient units in Bellevue Hospital.

Chart 9 displays the Agency’s adopted capital commitment plan in Fiscals 2019-2023 and the actual commitments in the corresponding fiscal year. The chart also shows the capital commitment rate: the

percentage of the capital plan committed per fiscal year. In Fiscal 2023 H+H’s committed 52.0 percent of planned commitments, which is almost two percent greater than the Fiscal 2022 rate of 50.0 percent. However, it’s worth noting that both actual commitments and adopted planned commitments in Fiscal 2023 are lower than the Fiscal 2022 amounts. Actual commitments decreased by \$128.9 million, and planned commitments decreased by \$287.7 million, in line with the administration’s efforts in realigning the plan.

Chart 9: NYC Health and Hospitals Capital Commitment Rate (Dollars in Thousands)



Source: New York City Office of Management and Budget

Terms and Conditions

The following Terms and Conditions were due in the last quarter of 2023:

- FTE and Contracted School-Based Nurses.** As a condition of funds in unit of appropriation numbers 103 and 113 in the Department of Health and Mental Hygiene’s (“DOHMH”) budget, unit of appropriation numbers 423 and 424 in the Department of Education’s (“DOE”) budget, and unit of appropriation number 001 in the Health and Hospitals Corporation’s (“H+H”) budget, DOHMH, DOE and H+H shall submit to the Council quarterly reports identifying the number of full-time equivalent employees and contracted nurses hired by each agency, disaggregated by title if applicable, the salary range, and a listing of schools being served. These quarterly reports shall be submitted on: (i) November 1, 2023 , covering the period beginning July 1, 2023 and ending September 30, 2023 ; (ii) February 1, 2024, covering the period beginning October 1, 2023 and ending December 31, 2023 ; (iii) May 1, 2024 , covering the period beginning January 1, 2024 and ending March 31, 2024 ; and (iv) August 1, 2024 , covering the period beginning April 1, 2024 and ending June 30, 2024.
- Full-Time Headcount.** As a condition of the funds in unit of appropriation number 001, the Health and Hospitals Corporation (“H+H”) shall submit to the Council quarterly reports identifying H+H's actual full-time headcount, disaggregated by job title grouping. Reports must also include variance reports against the end of June of the previous fiscal year. These quarterly reports shall be submitted no later than thirty days after the end of the previous

quarter, with the first quarter ending September 30, 2023, and the last quarter ending June 30, 2024.

- **Asylum Seeker Response Reporting.** As a condition of the funds in units of appropriation 100 and 200 for the Department of Homeless Services ("DHS"), 101 and 201 for the Human Resources Administration ("HRA"/Department of Social Services ("DSS"), 001 for Health + Hospitals ("H+H"), 001 and 002 for New York City Emergency Management ("NYCEM"), 112 for the Department of Health and Mental Hygiene ("DOHMH"), 490 for the Department of Citywide Administrative Services ("DCAS"), 002 for the Department of Design and Construction ("DDC"), 002 for the Office of Technology and Innovation ("OTI"), 014 for the Department of Housing Preservation and Page 24 of 24 Development ("HPD"), 001, 100, 002, 200 for the New York City Police Department ("NYPD"), and 204, 311, 312 for the Department of Youth and Community Development ("DYCD"), the Administration shall submit a single monthly report with information included for each agency where asylum seeker response funding has been budgeted, to the Council by the 10th calendar day of the succeeding month, including the following information: (i) budgeted and estimated expenditures related to the asylum seeker response, broken down by agency and expense type (including, but not limited to, food, rent, social services, security services, funding allocated to agency staff and staff overtime), (ii) the aggregate per diem rate and a list of the expenses included in the per diem; (iii) for each agency providing temporary housing to asylum seekers, a breakdown of the number of households and individuals currently served, by population type (single adults, adult families, families with children); (iv) for each agency providing temporary housing to asylum seekers, the number of sites operating broken out by population type served (single adults, adult families, families with children) and facility type (including but not limited to, hotels, shelters, humanitarian emergency response and relief centers); (v) the number of clients who exited care in each week of the past month.

Budget Issues and Concerns

- **Asylum Seeker Efforts.** H+H's Fiscal 2025 budget tripled in the November Plan due to a \$2.6 billion dollar increase related to the asylum seeker response effort. The Preliminary Plan includes a PEG of \$1.0 billion on asylum seeker services. It is unknown if there will be additional funding added or removed in future Plans for asylum seekers.
- **B-HEARD.** The Preliminary Plan includes a PEG of \$6.6 million in Fiscal 2024 and \$5.0 million in Fiscal 2025 to halt B-HEARD's expansion. B-HEARD has previously received a PEG of \$700,000 in the November Plan, but the November PEG was not anticipated to impact services.
- **Temporary Nurses.** Hospitals have begun to rely more on temporary nurses, even though they cost more money than permanent nurses. This has created issues regarding retention of permanent nurses.
- **Distressed Hospitals Intercept Funds.** The State created the Distressed Hospital Fund to support safety net hospitals that disproportionately treat Medicaid patients and populations. H+H is not statutorily excluded from receiving funding, due to their work with Medicaid populations, in addition to meeting the appropriate criteria. However, the funding is also pursuant to criteria determined by the State Commissioner of Health and subject to the approval of the State Budget Director. As a result, based on determinations made by the State, H+H has not received any distressed hospital funding.

Appendices

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	Fiscal 2024			Fiscal 2025		
	City	Non-City	Total	City	Non-City	Total
H+H Budget as of the Adopted 2024 Budget	\$1,516,985	\$306,854	\$1,823,839	\$1,203,123	\$99,687	\$1,302,810
Changes Introduced in the November 2023 Plan						
Other Adjustments						
Aid to Asylum Seekers	\$0	\$8,000	\$8,000	\$0	\$0	\$0
Aid to Asylum Seekers.	1,418,146	0	1,418,146	2,563,764	0	2,563,764
Buyers L300 Collective Bargaining Adjustment	32	0	32	29	0	29
DOHMH H+H Adjustment	0	0	0	0	0	0
DOHMH H+H Transfer	1,292	(229)	1,063	0	0	0
Energy Personnel	0	884	884	0	0	0
ExCEL Program	0	443	443	0	0	0
ExCEL Projects	0	942	942	0	0	0
FY24 Pre-Placement Services	0	342	342	0	0	0
H+H CB - NYSNA	77,292	0	77,292	76,343	0	76,343
H+H CB CWA L1180	23,112	0	23,112	21,214	0	21,214
H+H CB DC37 Adjustment	0	0	0	0	0	0
H+H CB IBT L237	9,942	0	9,942	8,383	0	8,383
H+H CB SEIU Buyers L300	305	0	305	271	0	271
IC W/ H+H- Artwork	0	5	5	0	0	0
IC W/ H+H Correctional Health	0	333	333	0	0	0
IC W/ H+H- HIV Testing	0	3,125	3,125	0	0	0
IC W/ H+H OAS	0	500	500	0	0	0
IC W/ H+H Pharmaceuticals	0	13,929	13,929	0	0	0
IC W/ H+H -Public Health Corp	0	20	20	0	0	0
IC W/H+H - Consultation Svcs	0	35	35	0	0	0
IC W/H+H- Asthma Counselors	0	110	110	0	0	0
IC WH+H- Mobile Crisis & MICA	0	55	55	0	55	55
IC/ W H+H- AOT	0	698	698	0	0	0
IC/ W H+H Intensive Care	0	120	120	0	0	0
IC/ W H+H- Woodhul Asthma Care	0	131	131	0	0	0
Medicaid Adjustment	20,000	0	20,000	0	0	0
Subtotal, Other Adjustments	\$1,550,122	\$29,444	\$1,579,566	\$2,670,004	\$55	\$2,670,060
Savings Program						
B-HEARD OTPS Re-estimate	(\$700)	\$0	(\$700)	(\$700)	\$0	(\$700)
Mental Health Service Corps Re-estimate	(1,100)	0	(1,100)	(1,100)	0	(1,100)
Subsidy Adjustment	(23,735)	0	(23,735)	(25,792)	0	(25,792)
Subtotal, Savings Program	(\$25,535)	\$0	(\$25,535)	(\$27,592)	\$0	(\$27,592)
Grand Total, All Changes in November 2023 Plan	\$1,524,587	\$29,444	\$1,554,031	\$2,642,412	\$55	\$2,642,468
H+H Budget as of the November 2024 Budget	\$3,041,572	\$336,298	\$3,377,870	\$3,845,535	\$99,742	\$3,945,278
Changes Introduced in the FY25 Preliminary Plan						
New Needs						
CHS CB - NYSNA	\$1,753	\$0	\$1,753	\$3,406	\$0	\$3,406
Sexual Assault Response Team (SART) Program Gap Adjustment	2,600	0	2,600	0	0	0

Subtotal, New Needs	\$4,353	\$0	\$4,353	\$3,406	\$0	\$3,406
Other Adjustments						
H+H CB CWA Adjustment.	\$0	\$0	\$0	\$0	\$0	\$0
H+H CB L237 Adjustment	0	0	0	0	0	0
H+H CB L300 Adjustment.	0	0	0	0	0	0
H+H CWA CB Adjustment	1,274	0	1,274	2,045	0	2,045
H+H DC9 CB Adjustment	802	0	802	805	0	805
H+H DHS Transfer	0	0	0	(1,000)	0	(1,000)
H+H IBEW L3 Electricians CB Adjustment	630	0	630	699	0	699
H+H IBEW L3 Supervisors of Mechanics CB Adjustment	57	0	57	63	0	63
H+H IBT L237 CB Adjustment	15	0	15	16	0	16
H+H IUOE CB Adjustment	3,917	0	3,917	4,611	0	4,611
H+H Lifestyle Medicine HB	(28)	0	(28)	0	0	0
H+H SEIU CB Adjustment	83	0	83	88	0	88
H+H UBCJ CB Adjustment	893	0	893	935	0	935
IC W/ H+H Correctional Health	0	195	195	0	277	277
IC W/ H+H Pharmaceuticals	0	287	287	0	0	0
IC W/H+H Clinical Services	0	14	14	0	0	0
IC W/H+H- NFP Space Rental	0	58	58	0	0	0
Medicaid Adjustment	144,900	0	144,900	144,900	0	144,900
Settlement Revenue	(3,000)	3,000	0	0	0	0
T/ - Asylum	0	616	616	0	0	0
T/ - Tech Adjustment	0	0	0	0	0	0
Subtotal, Other Adjustments	\$149,543	\$4,170	\$153,713	\$153,160	\$277	\$153,438
Savings Program						
Asylum Seeker Re-estimates and Efficiencies	(\$455,840)	\$10,500	(\$445,340)	(\$1,005,702)	\$0	(\$1,005,702)
B-HEARD Re-estimate	(6,608)	0	(6,608)	(5,017)	0	(5,017)
PHC Re-estimate	(3,634)	0	(3,634)	(3,634)	0	(3,634)
Programmatic Efficiencies	(2,028)	0	(2,028)	(945)	0	(945)
SHOW Re-estimate	(1,430)	0	(1,430)	(4,437)	0	(4,437)
Subsidy Adjustment	(15,983)	0	(15,983)	(17,272)	0	(17,272)
Subtotal, Savings Program	(\$485,524)	\$10,500	(\$475,024)	(\$1,037,007)	\$0	(\$1,037,007)
Grand Total, All Changes in Preliminary Plan	(\$331,629)	\$14,670	(\$316,959)	(\$880,440)	\$277	(\$880,163)
H+H Budget as of the Preliminary 2025 Budget	\$2,709,943	\$350,968	\$3,060,912	\$2,965,095	\$100,020	\$3,065,116

B. City Funded Programs

<i>Dollars in Thousands</i>	FY24	Preliminary Plan		*Difference
	Adopted	FY24	FY25	FY25-FY24
Spending				
ACS INTRA-CITY	\$2,495,177	\$7,769,595	\$2,495,177	\$0
ARP: COVID-19	72,166,941	72,166,941	0	(72,166,941)
Asylum Seeker	748,000,000	1,729,421,447	1,816,062,749	1,068,062,749
B-HEARD	18,258,063	10,950,115	12,540,829	(5,717,234)
CHS Just Home	1,050,000	1,050,000	1,050,000	0
Correctional Health Services	277,240,872	284,207,729	285,984,695	8,743,823
DCAS INTRA-CITY	0	2,268,919	0	0
Department of Investigation	6,297,283	6,297,283	6,297,283	0
DEPT. OF MENTAL HLTH-INTRACITY	37,045,167	47,859,966	37,100,482	55,315
DGS INTRA CITY	230,154	262,509	259,570	29,416
DOH-HHC AIDS	4,099,498	22,583,517	4,099,498	0
DOT Vehicles	4,892,947	4,892,947	4,892,947	0
FINANCIAL PLAN SAVINGS	0	5,365,218	(6,730,435)	(6,730,435)
GENERAL CHARGES	1,194,205	1,194,205	1,197,369	3,164
HHC Collective Bargaining	345,301,354	444,855,701	509,105,035	163,803,681
HHC SUBSIDY	86,802,918	203,619,240	187,410,656	100,607,738
HHC/SART GRANT	1,272,000	3,872,000	1,272,000	0
HRA INTRA CITY	0	1,845	0	0
HRA INTRA CITY - CHAT	11,632,446	11,632,446	11,632,446	0
INTRA CITY RENT	40,000	40,000	40,000	0
Lifestyle Medicine	5,583,350	5,024,500	4,288,632	(1,294,718)
Maternal Medical Home & OB Sim	3,004,000	3,004,000	3,004,000	0
Med Mal Transfer to HHC	20,729,449	19,462,009	17,009,436	(3,720,013)
Mental Health Service Corps	11,867,794	10,537,794	10,537,794	(1,330,000)
NYC Care	100,000,000	100,000,000	100,000,000	0
Opioid Settlement Funds	14,600,000	17,600,000	14,600,000	0
Public Health Corps	36,336,467	32,702,820	32,702,820	(3,633,647)
Street Health Outreach & Wellness	13,700,000	12,269,520	8,263,028	(5,436,972)
TOTAL	\$1,823,840,085	\$3,060,912,266	\$3,065,116,011	\$1,241,275,926
Funding				
City Funds	\$1,516,985,177	\$2,709,943,641	\$2,965,095,530	\$1,448,110,353
Federal - Other	208,547,428	227,047,428	1,380,487	(207,166,941)
Intra City	82,326,993	104,325,142	82,659,507	332,514
Other Categorical	14,600,000	17,600,000	14,600,000	0
State	1,380,487	1,996,055	1,380,487	0
TOTAL	\$1,823,840,085	\$3,060,912,266	\$3,065,116,011	\$1,241,275,926

**The difference of Fiscal 2024 Adopted Budget compared to Fiscal 2025 Preliminary Budget.*