

New York City Council

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Hon. Justin Brannan, Chair Finance Committee
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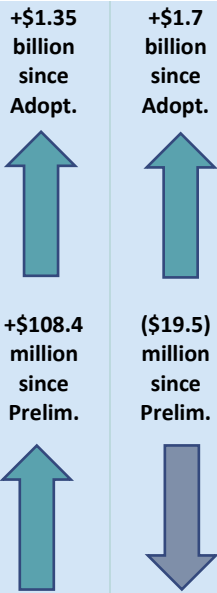
**Note on the Fiscal 2025 Executive Plan and
the Fiscal 2025 Executive Capital Commitment Plan for the
Committee on Finance and the Committee on Hospitals**

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Fiscal 2025 Executive Plan

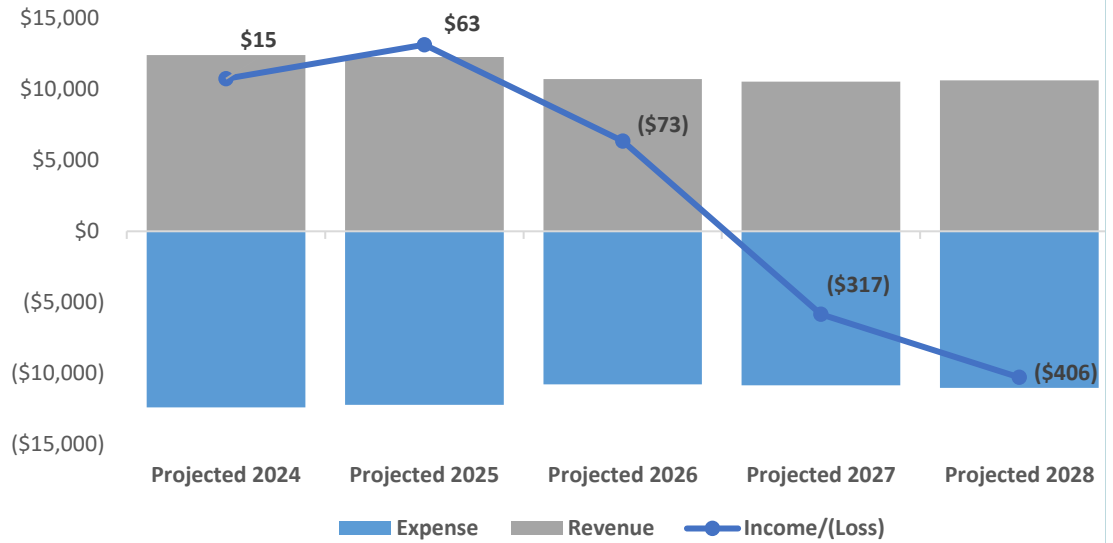
NYC Health and Hospitals Budget Overview



The New York City Health + Hospitals (H+H or the System) overall projected revenue for Fiscal 2025 totals \$12.3 billion, while the operating expenses are estimated to be \$12.2 billion. H+H’s Executive Plan anticipates a positive operating margin of \$15.0 million in Fiscal 2024 and \$63.0 million in Fiscal 2025. The System’s Financial Plan projects closing cash balances of \$760.1 million in Fiscal 2024 and \$823.1 million in Fiscal 2025 (this is equal to approximately 20-24 days of cash on hand to cover operating expenses).

As a result of an agreement with the City, H+H receives a subsidy from the City to administer new programs and retains any surpluses during a fiscal year. Of H+H’s operating expenses of \$12.2 billion, \$3.04 billion is derived from City subsidy and represents 2.7 percent of the City’s proposed \$111.6 billion Fiscal 2025 budget in the Executive Plan. H+H’s Fiscal 2025 budget in the Executive Plan is \$19.5 million (6.0 percent) less than its \$3.06 billion Fiscal 2025 Budget in the Preliminary Financial Plan presented in January. For additional information on H+H’s Preliminary Budget, please refer to the Fiscal 2025 Preliminary Budget report at: 819-H-H-1.pdf (nyc.gov)

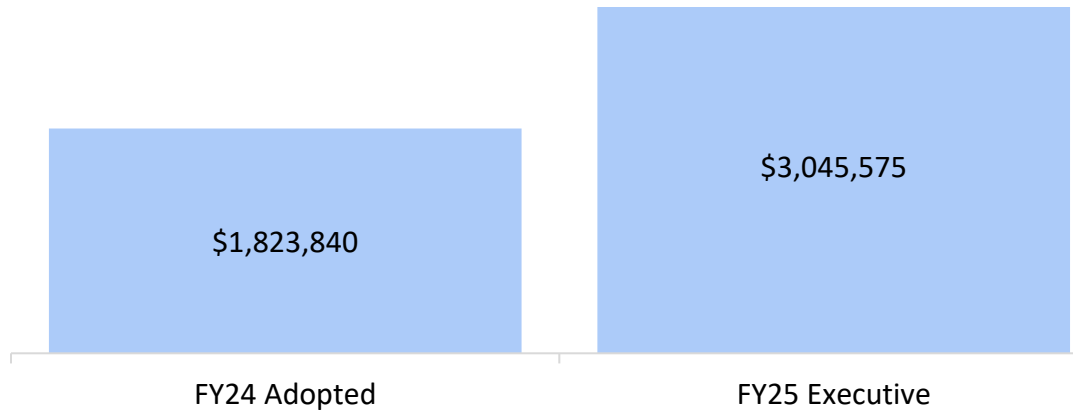
**FY24-28 Projected Operating Expense vs Revenue with Income/Loss
(\$ in million)**



	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Revenue	\$12,429	\$12,285	\$10,721	\$10,548	\$10,629
Expense	(\$12,414)	(\$12,222)	(\$10,794)	\$10,865	(\$11,035)
Income/(Loss)	\$15	\$63	\$(73)	\$(317)	(\$406)

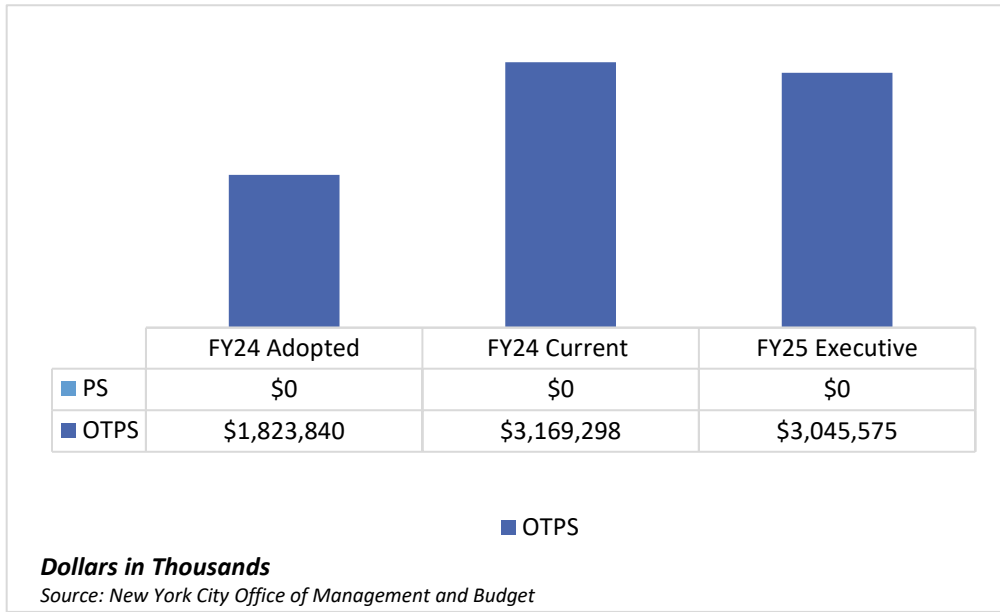
Asylum Seeker Funding: \$1.7 billion of the Fiscal 2025 Budget compared to \$750 million of the Fiscal 2024 Adopted Budget

City Subsidy Difference between FY24 Adopted & FY25 Executive

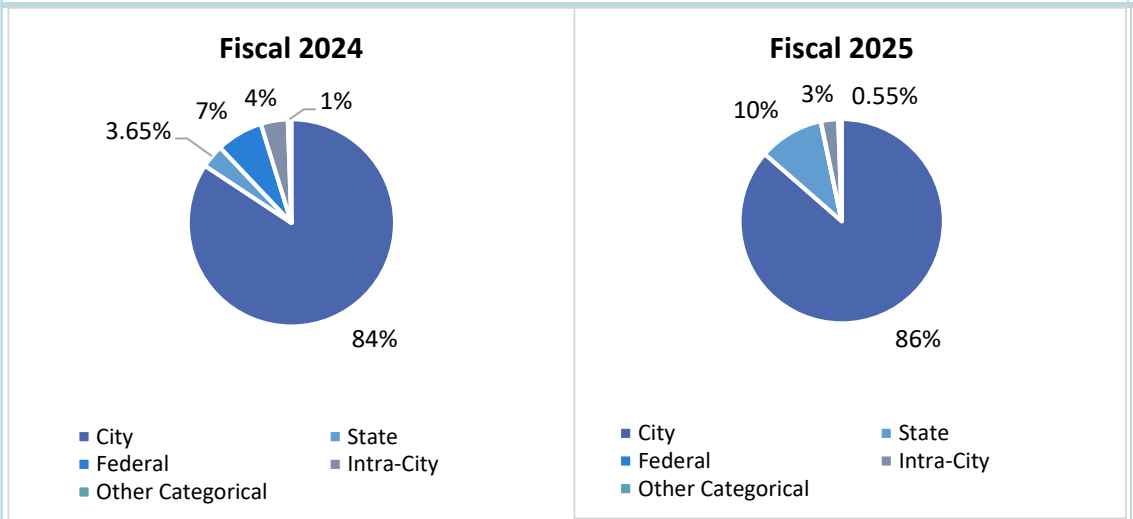


Dollars in Thousands
Source: New York City Office of Management and Budget

**H+H's
spending is
solely OTPS:**



**Budget by
Funding
Source:**



Source: New York City Office of Management and Budget

Headcount:
FY23 Q4
positions:
36,741
FY24 Q3
positions:
39,428
Difference:
↑2,687

Category	Fiscal 2023 Q4	Fiscal 2024 Q1	Fiscal 2024 Q2	Fiscal 2024 Q3	FY24 Q3 – FY23 Q4
Aides/Order	4,613	4,729	4,840	4,963	350
Clerical	5,498	5,548	5,559	5,605	107
Environmental/Hotel	4,397	4,444	4,502	4,516	119
Private Nurses	403	393	380	375	(28)
Manager/Supervisor	2,606	2,635	2,695	2,732	126
Physicians	224	215	212	208	(16)
Registered Nurses	7,912	8,154	8,762	9,383	1,471
Residents	2,359	2,416	2,398	2,386	27
Tech/Specialists	8,729	8,950	9,085	9,260	531
Total	36,741	37,484	38,433	39,428	2,687

Source: NYC Health + Hospitals

FY25 Changes in Exec:
Total: (\$19.5) million
New Needs: \$0
Other Adjustments: \$36.7 million
PEG: (\$56.2) million

Significant Executive Plan Changes

New Needs

- There are no new needs added in H+H’s Fiscal 2025 Executive Plan.

Other Adjustments

- Asylum Seeker Services**
 - FEMA.** The Executive Plan includes an additional \$2.3 million in one-time FEMA funding in Fiscal 2024 only for emergency food and shelter services.
 - Asylum Seeker Funding Realignment.** The Executive Plan includes a reduction of \$366.4 million in City funds that is partially offset by an increase of \$311.3 million in State funding in Fiscal 2025. The net reduction of \$55.0 million is attributed to the transfer of Humanitarian Emergency Response and Relief Center (HERRCs) leases from H+H to the Department of Citywide Administrative.
 - Asylum Seekers State Funding Adjustment.** The Executive Plan includes a reduction of \$115.9 million in City Funds in Fiscal 2024 that is partially offset by an increase of \$113.6 million in Fiscal 2024 in State Funds. The net decrease of \$2.3 million is attributed to savings in spending for the Asylum Help Center.
- H+H Collective Bargaining Adjustment.** The Executive Plan includes \$78.0 million in Fiscal 2024 and \$89.5 million in Fiscal 2025, growing to \$142.9 million by Fiscal 2028 to reflect collective bargaining increases for four unions’ members, as well as for providing manager and other jurisdiction (non-unionized) employees similar patterns of raises.
- Medicaid Adjustment.** The Executive Plan includes an additional \$150.0 million for Medicaid in Fiscal 2024. According to the Office of Management

and Budget (OMB), the Federal payment for Medicaid is yet to be realized in Fiscal 2024.

- **Temporary Nurses in the Department of Education (DOE).** The Executive Plan includes an additional \$18.9 million of Intra-City funds in Fiscal 2024 for the provision of temporary nurses through the right source contract within H+H. Funding supports temporary H+H nurses that fill gaps for DOE's school nurses, and the staffing number fluctuates depending on the need.
- **Opioid Settlement Funds.** The Executive Plan includes an additional \$2.2 million in Fiscal 2024, \$5.7 million in Fiscal 2025 and \$7.7 million in Fiscal 2026 and in the outyears from the opioid settlement funds. These funds are not tied to individual payments or settlements and will be used to expand programming in hospitals.

Program to Eliminate the Gap (PEG)

- **Asylum Seeker Re-estimates and Efficiencies.** The Executive Plan includes savings of \$151.0 million in Fiscal 2024 and \$56.2 million in Fiscal 2025 as part of the citywide plan to reduce costs for asylum seeker services. According to OMB, this savings is based on per diem reductions resulting from revised census numbers, usage of lower-cost vendors, and the 30 and 60 day rules which removes asylum seekers from the HERRCs.

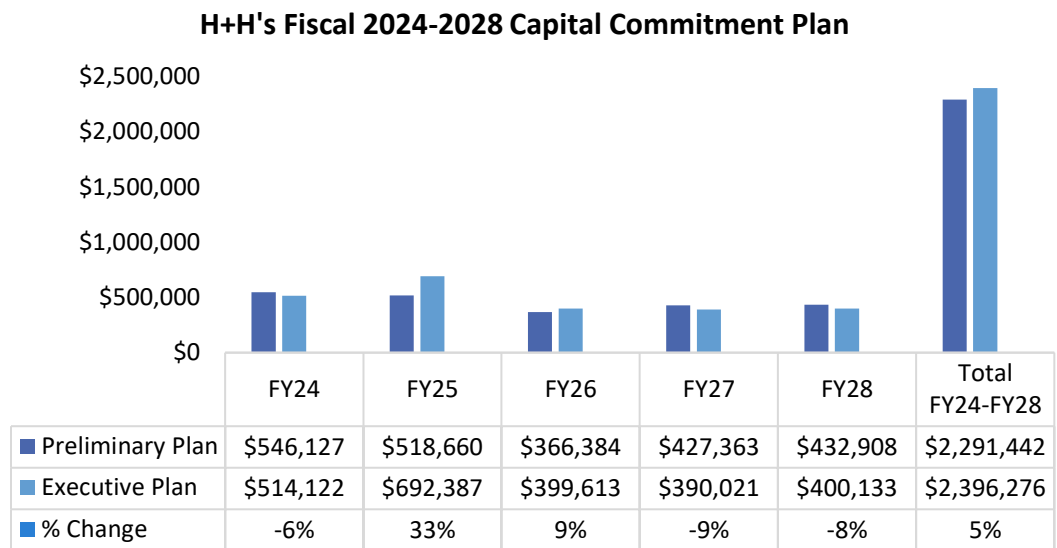
Budget Response:
FY25 Estimate:
\$29.6 million
Included in the Executive Budget: \$0

In the City Council’s Fiscal 2025 Preliminary Budget Response, the Council identified several areas of concern relating to H+H. The budget response called on the Administration to add \$29.6 million to support various services at H+H hospitals as well as a call to action for the Administration to construct a trauma hospital on the Rockaway Peninsula. The Executive Plan does not include funding for any of the Council’s concerns, as shown in the table. For more details on the budget response please visit: [Fiscal-2025-Preliminary-Budget-Response-4.pdf \(nyc.gov\)](https://www.nyc.gov/fiscal-2025-preliminary-budget-response-4.pdf)

FY25 Budget Response Items			
#	Response Priorities	Amount Requested	Amount in the Exec Budget
1	Maternal Health Psychologist in Each H+H Maternal Health Department	\$5,000,000	\$0
2	Mental Health Courts and Diversion Programs for District Attorney	\$8,900,000	\$0
3	Mental Health Continuum and School-Based Care	\$5,000,000	\$0
4	Language Access Services for City Agencies	\$8,700,000	\$0
5	Bellevue Ambulance Bay Reconstruction	\$2,000,000	\$0
6	Trauma Hospital on the Rockaway Peninsula	Call to Action	\$0

<p>State and Federal Budget Risks</p>	<ul style="list-style-type: none"> ▪ Fiscal 24-25 New York Enacted Budget. The New York State Fiscal 2025 Enacted Budget addressed some of the NYC Health + Hospitals’ priorities including, but not limited to, rejecting proposed Medicaid cuts, such as the capital reimbursement cut and undisclosed Medicaid cuts. The State’s budget increased Medicaid rates by providing an across-the-board Medicaid rate increase of three percent, and additional increases for inpatient and outpatient hospitals services and nursing home providers. The State budget also includes 10.0 percent capital reimbursement cuts on top of the existing 10.0 percent cut for hospitals and 5.0 percent cut for nursing homes as well as 1 percent across the board cuts to health plans. ▪ Federal Actions. In March 2024, the Congress passed two major appropriations packages relevant to NYC Health + Hospitals. The first would eliminate the rest of the Fiscal 2024 Medicaid Distressed Hospitals (DSH) cut and delay the start of the Fiscal 2025 DSH cut to January 1, 2025 (instead of October 1, 2024). There is a risk of overspending if the Fiscal 2025 DSH cut is not extended. The second appropriation awarded H+H \$2.0 million with the support of New York Senators Schumer and Gillibrand for the Cardiac Cath Lab project at Elmhurst. ▪ 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 in the State Fiscal 2025 Enacted Budget.
<p>Capital Plan Overview</p>	<p>On April 24, 2024, Mayor Eric Adams released the Executive Capital Commitment Plan for Fiscal 2024-2028 (the Executive Commitment Plan).</p> <p>H+H’s commitments for Fiscal 2024 through 2028, as presented in the Executive Commitment Plan, total \$2.4 billion, which is 4.6 percent more than the total for the same period presented in the Preliminary Capital Commitment Plan released in January 2024.</p> <p>The System’s planned commitments comprise 2.4 percent of the City’s total \$97.7 billion Fiscal 2024 through 2028 Plan.</p>

Capital Commitment Plan



Dollars in Thousands

Source: New York City Office of Management and Budget

Capital Highlights

H+H Executive Capital Commitment Plan did not include new capital projects. The following are the major capital projects in the Plan:

- **Corporate-Wide Reconstruction as a Result of Sandy.** H+H's Executive Capital Commitment Plan includes \$386.4 million for the system-wide reconstruction of projects related to Superstorm Sandy.
- **Bellevue Outposted Therapeutic Units.** H+H's Executive Capital Commitment Plan includes \$89.7 million to install a permanent generator at Bellevue Hospital in line with its effort to advance its Outpost Therapeutic Housing Unit initiative. The timeline for completion has changed to spring 2025.
- **South Brooklyn Health Design & Construction Management.** H+H's Executive Capital Commitment Plan includes \$116.6 million for flood mitigation work at Coney Island Hospital (South Brooklyn Health). There is no anticipated change in timeline.
- **Woodhull and North Central Bronx Outposted Therapeutic Units.** H+H's Executive Capital Commitment Plan includes \$165.3 million for Woodhull and \$232.4 million for the North Central Bronx therapeutic units. The units will house patients who have serious medical, mental health, and substance-use needs and would benefit from a more structured, clinical environment. The Department of Correction will provide security and custody management in the units, and H+H/Correctional Health Services will continue to be the primary provider of care, in closer coordination with hospital specialists. Units are expected to be completed in summer 2027.

Budget Action Chart

<i>Dollars in Thousands</i>	Fiscal 2024			Fiscal 2025		
	City	Non-City	Total	City	Non-City	Total
H+H Budget as of the Preliminary Plan	\$2,709,944	\$350,968	\$3,060,912	\$2,965,096	\$100,020	\$3,065,116
New Needs						
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
AEP - ACDO	\$0	\$75	\$75	\$0	\$0	\$0
Asylum Seeker FEMA	0	2,300	2,300	0	0	0
Asylum Seekers Funding Realignment	0	0	0	(366,360)	311,305	(55,054)
Asylum Seekers State Funding Adjustment	(115,923)	113,623	(2,300)	0	0	0
DOHMH H+H Lifestyle Medicine Health Bucks	(28)	0	(28)	(28)	0	(28)
DOHMH H+H Transfer Judson Clinic	504	0	504	0	0	0
ExCEL Projects	0	52	52	0	0	0
From 006/1705/643 to 1705/40x	0	3,442	3,442	0	0	0
FY24_HHC_Py_Q1	0	967	967	0	0	0
FY24_HHC_PY_Q2	0	932	932	0	0	0
H+H IBT L237 CB Adjustment	768	0	768	724	0	724
H+H Local 1 CB Adjustment	702	0	702	746	0	746
H+H OJ CB Adjustment	64,222	0	64,222	75,311	0	75,311
H+H OSA CB Adjustment	12,334	0	12,334	12,689	0	12,689
I/C NYCHH FY24 Right Source	0	18,892	18,892	0	0	0
IC W/ H+H - ACT - 5.4% COLA	0	71	71	0	71	71
IC W/ H+H - CHS Program	0	177	177	0	0	0
IC W/ H+H- Cancer	0	100	100	0	0	0
IC W/ H+H Cerner	0	234	234	0	0	0
IC W/ H+H Cerner Licenses	0	351	351	0	0	0
IC W/ H+H Children's Program	0	1,125	1,125	0	0	0
IC W/ H+H Pharmaceuticals	0	1,666	1,666	0	0	0
IC W/ H+H- Pride Health Center	0	220	220	0	0	0
IC W/H+H- Asthma Care	0	131	131	0	0	0
IC W/H+H- Mobile Crisis & MICA	0	238	238	0	0	0
IC W/H+H SBHC	0	24	24	0	0	0
IC W/H+H- STI Screening	0	20	20	0	0	0
IC W/H+H-Clinical services	0	(12)	(12)	0	0	0
Medicaid Adjustment	150,000	0	150,000	0	0	0
Minimum Wage Increase (IC)	5	0	5	10	0	10
MOD FOR DSS TEMPORARY NURSING	0	472	472	0	0	0
Opioid Settlement Funds	0	0	0	0	2,200	2,200
T/ - FEMA DAC	0	1,663	1,663	0	0	0
T/ - Tech Adjustment	0	0	0	0	0	0
Subtotal, Other Adjustments	\$112,584	\$146,764	\$259,348	(\$276,909)	\$313,576	\$36,668
Savings/Programs to Eliminate the Gap (PEGs)						
Asylum Seeker Re-estimates and Efficiencies	(\$150,962)	\$0	(\$150,962)	(\$56,209)	\$0	(\$56,209)
Subtotal, PEGs	(\$150,962)	\$0	(\$150,962)	(\$56,209)	\$0	(\$56,209)
Total Changes	(\$38,378)	\$146,764	\$108,385	(\$333,118)	\$313,576	(\$19,541)
H+H Budget as of the Executive Plan	\$2,671,565	\$497,732	\$3,169,297	\$2,631,978	\$413,596	\$3,045,574

Source: New York City Office of Management and Budget

Budget by Spending & Source of Funding

<i>Dollars in Thousands</i>	FY22	FY23	FY24	Executive Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25 - FY24
Budget by Spending Area						
Other than Personnel Services	\$2,269,647	\$1,921,782	\$1,823,840	\$3,169,298	\$3,045,575	\$1,221,735
TOTAL	\$2,269,647	\$1,921,782	\$1,823,840	\$3,169,298	\$3,045,575	\$1,221,735
Funding						
City Funds			\$1,516,985	\$2,671,565	\$2,631,978	\$1,114,993
Other Categorical			14,600	17,600	16,800	2,200
State			1,380	115,619	312,686	311,306
Federal - Community Development			0	0	0	0
Federal - Other			208,547	231,011	1,380	(207,167)
Intra-city			82,327	133,502	82,730	403
TOTAL	\$2,269,647	\$1,921,782	\$1,823,839	\$3,169,297	\$3,045,574	\$1,221,735

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

Source: New York City Office of Management and Budget

**NYC Health
and
Hospitals
Fiscal 2025
Executive
Financial
Summary,
Cash Basis**

<i>Dollars in Millions</i>	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
OPERATION REVENUES					
Third Party Revenue					
Medicaid	\$2,813.4	\$2,972.4	\$2,926.9	\$2,954.6	\$2,984.8
Medicare	\$1,494.0	\$1,507.7	\$1,503.4	\$1,518.6	\$1,533.7
Other Managed Care	\$547.9	\$528.1	\$538.3	\$543.7	\$547.9
Supplemental Medicaid	\$2,155.6	\$1,511.0	\$1,277.5	\$1,277.5	\$1,277.5
<i>Disproportionate Share Hospital (DSH)</i>	\$1,153.5	\$1,048.9	\$815.5	\$815.5	\$815.5
<i>Other Supplemental Payments</i>	\$1,002.1	\$462.1	\$462.1	\$462.1	\$462.1
Subtotal: Third Party Revenue	\$7,010.90	\$6,519.20	\$6,246.10	\$6,294.40	\$6,344.00
Other Revenue					
City Services	\$3,097.10	\$3,045.60	\$1,461.20	\$1,521.80	\$1,567.30
Grants and Other	\$633.30	\$833.30	\$933.30	\$730.30	\$633.30
Subtotal: Other Revenue	\$3,730.40	\$3,878.90	\$2,394.50	\$2,252.10	\$2,200.60
Strategic Initiatives					
Supplemental Medicaid Programs	\$986.40	\$1,047.80	\$1,164.50	\$1,004.50	\$1,004.50
Federal & State Charity Care	\$0.00	\$62.00	\$62.00	\$62.00	\$62.00
Revenue Cycle and Managed Care	\$348.40	\$366.50	\$388.50	\$413.90	\$440.00
Service Line Improvements	\$65.10	\$81.70	\$99.00	\$117.50	\$134.60
Value-Based Payments	\$53.90	\$70.10	\$87.10	\$105.00	\$121.80
Growth	\$234.00	\$259.00	\$279.00	\$299.00	\$321.70
Subtotal: Strategic Initiatives	\$1,687.70	\$1,887.10	\$2,080.00	\$2,001.90	\$2,084.60
TOTAL OPERATION REVENUES	\$12,429.00	\$12,285.20	\$10,720.60	\$10,548.40	\$10,629.20
EXPENSES					
Personal Services	\$3,804.10	\$3,929.80	\$4,103.80	\$4,185.70	\$4,271.40
Fringe Benefits	\$1,948.40	\$1,967.00	\$2,137.70	\$2,236.70	\$2,317.60
Affiliations	\$1,771.50	\$1,726.00	\$1,743.70	\$1,760.80	\$1,778.50
Other Than Personal Services	\$4,930.40	\$4,709.40	\$3,023.50	\$3,046.80	\$3,107.70
Subtotal: Expenses	\$12,454.40	\$12,332.20	\$11,008.70	\$11,230.10	\$11,475.20
Strategic Initiatives					
System Efficiencies	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Restructuring and Personnel	\$20.00	\$90.00	\$195.00	\$345.00	\$420.00
Subtotal: Strategic Initiatives	\$40.00	\$110.00	\$215.00	\$365.00	\$440.00
TOTAL EXPENSES	\$12,414.40	\$12,222.20	\$10,793.70	\$10,865.10	\$11,035.20
INCOME/(LOSS)	\$14.60	\$62.90	(\$73.10)	(\$316.70)	(\$406.00)
OPENING CASH BALANCE	\$745.50	\$760.10	\$823.10	\$749.90	\$433.30
CLOSING CASH BALANCE	\$760.10	\$823.10	\$749.90	\$433.30	\$27.20

Source: New York City Health + Hospitals