



Roswell Park Cancer Institute Board of Directors Meeting

Research Studies Center
Gaylord Cary Conference Room

Thursday, 12/15/2022
12:00 - 2:00 PM ET

- | | | |
|---|------------------------------|------------------------------|
| 1. Chairman's Opening Remarks | | Michael Joseph |
| 2. Board of Directors Draft Minutes | Approve | Michael Joseph |
| <p>Special Meeting: July 18, 2022
 Special Meeting August 25, 2022
 September 1, 2022
 <i>Special Board Minutes DRAFT re Diversity 07.18.2022</i>
 <i>MBS - Page 4</i>
 <i>Special Board Minutes 8.25.22 Diversity - Page 11</i>
 <i>Board minutes DRAFT 9 1 22 AMG bdl MBS - Page 13</i></p> | | |
| 3. Contracts/Capital Expenditure Projects (ALL CONSENT) | | |
| a. Microsoft Renewal | Approve | Tom Furlani |
| <p> <i>Microsoft Renewal_December 2022_Final -</i>
 <i>Page 19</i></p> | | |
| b. Revenue Cycle | Approve | Ryan Grady/Tom Furlani |
| <p> <i>Athena Revenue Cycle System Replacement</i>
 <i>Nov2022_Final - Page 22</i></p> | | |
| c. Valet Contract | Approve | Michael Sexton |
| <p> <i>Valet Services_December 2022_Final - Page 28</i></p> | | |
| d. Echocardiogram Services | Approve | Ron Andro |
| <p> <i>Echo Services_December 2022_Final - Page 31</i></p> | | |
| e. Theranostics | Approve | Ron Andro/Ermelinda Bonaccio |
| <p> <i>Theranostics_December 2022_Final - Page 33</i></p> | | |
| 4. Single & Sole Source | | |
| a. Sirtex SIR-Spheres (Single Source) | Approve | Ron Andro |
| <p> <i>Sir Spheres_December 2022_Final - Page 40</i></p> | | |
| b. Radiation Oncology Upgrades (Single Source) | Approve | Ron Andro |
| <p> <i>Radiation Medicine_November 2022_Linac</i>
 <i>Eclipse_Final - Page 43</i></p> | | |
| 5. Monitoring and Evaluating Progress in Diversity to Support Sustainability of DEI Best Practices Across Roswell Park | | Elisa Rodriguez |
| a. | MOTION FOR EXECUTIVE SESSION | |
| 6. Leadership Report | | |
| a. Institute Updates | | Candace Johnson |

b. Institute Operations Report		Jeff Walker
c. Deputy Director Report		Renier Brentjens
d. Development Report		Cindy Eller
e. Government Relations Report		James Kennedy (Informational Only)
<i>December 2022 Gov Affairs Board Report for Mailer_ (002) - Page 46</i>		
f. Marketing		Laurel DiBrog (Informational Only)
<i>Marketing MammothonReport2022 - Page 49</i>		
<i>Marketing Prostate-Cancer-Early-Detection-event-Recap-2022-Sabres-Prostate-Screening-Wrap-Up - Page 85</i>		
g. Quality Report		Boris Kuvshinoff (Informational Only)
<i>Quality and Patient Safety Report FINAL 12-7-2022 - Page 105</i>		
h. Clinical Operations Report		Ron Andro (Informational Only)
<i>Q2-FY23 Clinical Operations Board Report - Page 140</i>		
i. Managed Care Report		Ryan Grady (Informational Only)
<i>Payer Relations Update_Board Mtg 12-15-22 - Page 151</i>		
j. Nursing Report		Mary Ann Long (Informational Only)
<i>BOD Report- December 2022Updated - Page 153</i>		
k. Litigation/Institute Operations Report	10 Mins.	Michael Sexton
Negligence/EEOC/Malpractice Report		
<i>Analysis of Claims-NO MRN. Malpractice chart. USED FOR December 2022 BOD. .Meeting Updated on 12.1.22 - Page 161</i>		
<i>Board Negligence Other Litigation Breach of Contract Chart. USed for 12.15.22 Board Meeting Updated on 12.1.22 - Page 178</i>		
<i>Board EEOC as of 12.1.22 edited by MBS 11.16.22 - Page 180</i>		
-		
RETURN TO OPEN SESSION		
Policy & Procedures Committee		
<i>P&P September - December 2022 - Page 187</i>		
Procurement Guideline Amendment to Sole Source Thresholds	Approve	Michael Sexton
<i>Amendment to Procuremet Glns 12.22 - Page 189</i>		
l. 2nd Quarter Combined Financial Statements	Approve	Ryan Grady (Consent)
<i>C1 - Board Package - September FY23 - BOARD - Page 191</i>		
m. FY23 Preliminary Budget Submission to NYS ABO	Approve	Ryan Grady (Consent)
<i>December State Filing - FY24 - Page 200</i>		
n. 2nd Quarter Investment Activity	Approve	Ryan Grady (Consent)
<i>Investment Report 9.30.22 - Board - Page 203</i>		

o. Medical Staff Report

Medical Staff Credentials & Minutes

Informational Only

Board Credentialing Sub Committee Minutes

Full Set 9.27.22 - Page 206

Board Credentialing Sub Committee Minutes

Full Set 10.28.22 - Page 323

Board Credentialing Sub Committee Minutes

Full Set 11.28.22 - Page 396

7. Diversity Committee Update

Discuss Steven Weiss

8. Audit Committee Report

Dennis Szeffel

Audit Committee Summary October 2022 v1 - Page 481

9. Compensation Committee

Discuss R. Buford Sears

10. Information Technology Committee Report

Discuss Kenneth Manning

IT Year in Review 2022 w Glossary - Page 488

11. Technology Transfer Report

Discuss Michael Sexton
(Informational Only)

Technology Transfer Update Memo 12_2022 - Page 493

12. Executive Session (if needed)

Michael Joseph

13. Adjournment

Michael Joseph



Microsoft Contract Renewal

Information Technology

December 2022

Proposed spend approval: Not to exceed \$9M
Proposed term: 3 years
Procurement method: NYS OGS Contract

Executive Summary

Information Technology (IT) Leadership is requesting IT and Finance Committee approval of an expenditure not to exceed \$9M for the renewal of the existing 3-year license agreement with Microsoft Corporation, which includes approximately 5,850 user licenses, including all of Roswell Park's permanent and temporary employees, contractors, vendors and volunteers, and covers 4,850 devices for Windows 10 Enterprise workstation licensing. Included in the license count are licensing costs for on premise Microsoft infrastructure, including server and database licenses that support 400 applications and 1,000 servers.

This contract will cover the existing services utilized by Roswell Park as well as new technology further described below. Additionally, it will provide substantially enhanced security for use with on premise systems and newly deployed and future cloud-based software platforms. Further it will enable Roswell Park to discontinue the use of several third-party products (described below) in favor of their Microsoft equivalents, for an estimated savings of initially \$1.6M over the life of this contract. Funding for this contract is provided by the Information Technology operating budgets for FY 24-26.

Background

In August 2014, Roswell received approval to transition to Microsoft's cloud offering, including migrating to the Office 365 licensing program. The decision considered pricing as well as other important benefits, such as improved reliability (>99.99%), enhanced archiving and legal litigation hold functionality, and expansion of Roswell's single user license to include up to five devices (laptop, desktop, phone, etc.) per user.

In March 2020, this agreement was renewed for three years. Having leveraged the Office 365 tools during the COVID-19 pandemic and associated work from home initiatives, it became clear that these tools are a vital part of clinical and business operations, ensuring secure and persistent communication, collaboration, and document creation.

As Roswell's current renewal with Microsoft is nearing expiration, this request for an additional three-year renewal will build on the current agreement while providing additional safeguards and tools for both onsite and remote workers. This extension includes Office 365, OneDrive (unlimited individual cloud-based storage), SharePoint, Microsoft Windows 10, email (Exchange), MS Teams (communication/collaboration platform), MS Stream (video streaming service), Visio, Project, PowerBI, Enterprise Mobility & Security Suite (e.g. Mobile device management and improved secure access to Office365 applications and cloud hosted systems), Teams Phone Calling, Cloud Access Security Broker (CASB), Risk Based Conditional Access and other productivity, compliance and security tools.

Justification

The Microsoft Suite of productivity and security tools have grown in diversity and capability over the years and Roswell Park, like many other businesses, has leveraged many of these changes to enhance employee productivity as well as improve security. With this renewal, IT leadership is proposing an upgrade from the E3 level license to the ES level license, which provides significant functionality and operational upgrades.

By consolidating on the comparable Microsoft products, we are positioning ourselves to align with the application rationalization strategy that Roswell Park as a whole is striving to undertake. Moving away from the above listed 3rd party products and consolidating to the Microsoft ecosystem will provide operational efficiencies, easier integrations and should reduce inter-application incompatibilities.

Procurement Process

The products under this procurement are available through an approved NYS OGS contract. Dell is the sole-authorized

reseller of Microsoft products on this contract. The current pricing available directly through the OGS contract
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Financial Summary

Roswell Park's current spend for the MS E3 licensure is approximately \$5.9 million over the past 3 years. In order to compare the functionality offered in the higher level E5 licensure, the five related security applications described above that will be replaced must be added to the current spend. The following table compares total current spend for all relevant applications to the proposed future state E5 licensure:

As shown above, the requested approval constitutes an aggregate increase of roughly 20% compared to the prior suite of contracts. The increased cost is comprised of a higher number of average annual licensed users (5,850 vs. 5,070, a 15% increase) and an approximately 4% increase in the total cost per licensed user (when considering all applications to be replaced by the E5 license), which reflects general inflation and the enhanced security features described above.

Further, as described above, management anticipates approximately 3-6 months to fully transition away from the five applications that will be replaced. The overlapping cost of these applications during that timeframe is estimated to be between ~\$130k to \$260k.

Roswell Park's previous twelve month spend (October 2021 - September 2022) with Dell totaled \$3.1M.

Recommendation

IT Leadership recommends IT and Finance Committee approval for a 3-year renewal of the Microsoft contract for a total cost of up to \$9M to cover existing services utilized by Roswell Park as well as new technology. Funding for this renewal will be provided by the IT operating budget for FY 24-26.



Revenue Cycle System Replacement: Phase 3 & 4: Implementation and Post-Go-Live

December 2022

Proposed spend approval:	\$42.9M (phases 3 and 4)
Project duration:	21 months
Procurement method:	Competitive Bid / Various

Executive Summary

Roswell Park has utilized the Cerner Invision (registration and billing) and SCI (scheduling) platforms, hosted remotely, since 1999 and 2003 respectively for its hospital revenue cycle needs. As previously discussed with the IT Oversight and Finance Committees (the "Committees"), Cerner has indicated they will no longer continue to develop and support the Invision product, and while a definitive timeline for sunset has yet to be announced, we anticipate this will occur within the next 5 years. In response, management has been actively following a plan for its replacement.

The Committees and Board previously approved the award of the software needs to Athena Health for its IDX platform, as well as total expenditures of approximately \$12.3 million to a) negotiate contracts with various implementation support vendors (phase 1), and b) conduct a roughly 9-month planning and design phase (phase 2). The objective of phase 2 was to complete all material design requirements of the new software platform, as well as to develop a fully informed project timeline and budget for the implementation (phase 3) and post-go-live (phase 4) components of the project.

Phase 2 has been ongoing and is nearing completion with phase 3 (implementation) set to commence on or about January 1, 2023. Based on the work conducted to date, the material design elements are expected to be completed prior to the start of phase 3, and the full project timeline and budget (cost estimates) have been developed. The current timeline contemplates the implementation effort to last approximately 18 months from January 1, 2023, with an expected go-live date of July 1, 2024. Following the go-live event, there will be an estimated 3-month post-go-live monitoring phase, after which the project will be complete.

Based on the discovery and design work in phase 2, the total cost of phases 3 and 4 is now estimated to be approximately \$42.9 million, which is the subject of this approval request. Including the previously approved spend for phases 1 and 2, the total one-time project cost is expected to be approximately \$55.5 million.

Accordingly, management is seeking approval by the Committee and Board for phases 3 and 4 of the project at a cost of \$42.9 million. Management also estimates a potential one-time, negative impact to patient revenue of

approximately 1.5% (\$15 million)¹. Funding is provided as part of Center's capital and operating budgets for fiscal years 2023 through 2025.

Background

As described above, the revenue cycle replacement project is executed in four phases:

Phase 1 – Initiation and contract negotiations were approved by the Committees in March 2021. This work has been completed within budget.

Phase 2 – Planning and design: This work was approved by the Committees and Board in October 2021 and began in late March 2022, with projected completion by the end of December 2022. Planning & Design was deemed a critical component of work that was expected to result in the identification and design of all material workflows and related decisions needed to ensure a successful implementation, including a project timeline and cost estimate. Planning and design includes but is not limited to, evaluation and redesign of current state workflows, optimization, definition of project business and technical requirements, project governance, resource planning, refinement of project budget, evaluation of all Revenue Cycle system interfaces and required future state design/modifications/upgrades, and financial risk mitigation planning. It was always anticipated that planning and design would inform the refinement of the implementation budget since there significant decisions as well as integration details (with Roswell's many other applications and systems) that were not known prior to a detailed planning and design exercise. Management also intends to begin implementing workflow changes that are not software dependent in this phase to provide adequate time for re-training of staff and to begin layering these changes into the day-to-day work well in advance of go-live where possible. Phase 2 has been led by Deloitte working in concert with Athena IDX. Phase 2 is anticipated to complete on time and within or slightly above budget approval thresholds.

Phases (3) and (4) – Phase 3 encompasses implementation of the software. Phase 4 includes post-go-live monitoring and support from Athena IDX and Deloitte. These phases involve the technical build out of the Athena IDX system, testing and validation, training, organizational change management, and post go live support. In addition, a robust financial risk mitigation plan will be put in place early beginning early in phase 3 to monitor for system stability and to mitigate the potential for any unforeseen operational and financial impacts after system go-live. Phase 3 is anticipated to be 18 months in duration, beginning January 1, 2023, with Phase 4 completion later in the Summer of 2024.

Financial Summary

Based on the work completed during phase 2, the cost of phases 3 and 4 are estimated to be approximately \$42.9 million, bringing the total estimated one-time incremental cost of the complete project (inclusive of Phases 1 & 2) to be approximately \$55.5 million. Previously, the costs of all 4 phases were estimated at roughly \$43 million. Table 1 below illustrates the total project cost componentized by phase (original and updated estimates). The highlighted section represents the current project approval request of \$42.9M for phases 3 and 4.

¹ Potential impact to patient revenues is expected to be approximately 1.5% or \$15M and remains unchanged from prior estimates. In developing this estimate, management sought insight and feedback from a variety of sources, including third party consultants/experts as well as several healthcare institutions that have undertaken similar revenue cycle implementation projects in recent past, all of which estimated potential one-time revenue loss of between 1% to 3%. This figure represents potential revenue loss from a variety of issues stemming from the implementation of the new system, including but not limited to charge capture loss, delayed billing and other such impacts.

Based on the discovery work in Phase 2, the following are the major drivers of the project cost variance for phases 3 and 4 (~\$12.3M) from the preliminary estimates:

Implementation (phase 3) – \$11M

- **Addition of professional (physician) fee billing - \$2.2M**

During phase 2, Management determined it advantageous to build out the ability to conduct professional (physician) billing in the Athena IDX platform. Historically, professional billing has been outsourced to a third-party vendor. Utilizing the new IDX platform is expected to save RP approximately \$500k per year, net of incremental software licensing fees (expected payback on this investment of approximately 5 years). In addition, RP will now be able to produce a single consolidated patient invoice, as opposed to two separate (professional and hospital) invoices in the current state. It is expected this change will result in significant increase in patient satisfaction relative to the current state.

- **Implementation effort - \$5.7M**

Preliminary estimates for Phase 3 (Implementation) totaled approximately \$25 million. Based on the discovery work in phase 2, revised estimates total roughly \$30.7 million, a difference of \$5.7M or 23%. Major drivers for the increase include:

- **Workflow configuration and integrations \$3.7M:** efforts to configure all identified workflows and integration points with surrounding clinical and other IT systems. Approximately \$2 million of the increase relates specifically to integrating the new IDX system with the existing Allscripts electronic medical record, the complexities of which could not be known without detailed knowledge of Athena IDX as well as the interfaces to our many applications and systems that would be required. Accordingly, it was always intended that the implementation cost estimate would be refined during planning and design (Phase 2). In addition, since the preliminary estimates were established, Roswell Park implemented new patient status tracking board functionality in all of its clinics and perioperative areas requiring integration with the new IDX scheduling module. The remainder (\$1.7M) relates to refinements of estimates to complete all needed configuration of the IDX system to meet Roswell Park's needs.
- **Enhanced testing strategy to ensure proper configuration \$1.2M:** Based on the testing strategy developed during phase 2, the testing effort has now increased from 7 staff resources to 10 over the course of the project. In addition, computer aided testing is being utilized to ensure significant coverage of transaction level data.
- **Reporting \$1.5M:** Preliminary estimates lacked clarity on the ability and extent of reporting from the IDX system. Based on discovery, the reporting capabilities of IDX were found to be insufficient. As such, additional effort is now needed to build out Roswell Park's existing data warehouse to enable the required reporting needed for day-to-day operations and management. This will be achieved using RP's existing Microsoft Power BI suite (our single data analytics platform) with interface to our in-house enterprise data warehouse for reporting.
- **All other changes (\$0.7M)** – reductions in cost relate predominantly to lower-than-expected travel costs for vendors and contractors, given the enhanced ability to perform work remotely.

Post-go-live effort (phase 4) - \$1.3M

Preliminary estimates totaled \$5.7; an additional need of \$1.3M has been identified revising the total to approximately \$7M. Major drivers include enhanced performance monitoring and testing (\$702k) to ensure the system functions as expected following the go-live event in July 2024, as well as project management and oversight to ensure a successful transition into the new environment (\$414k).

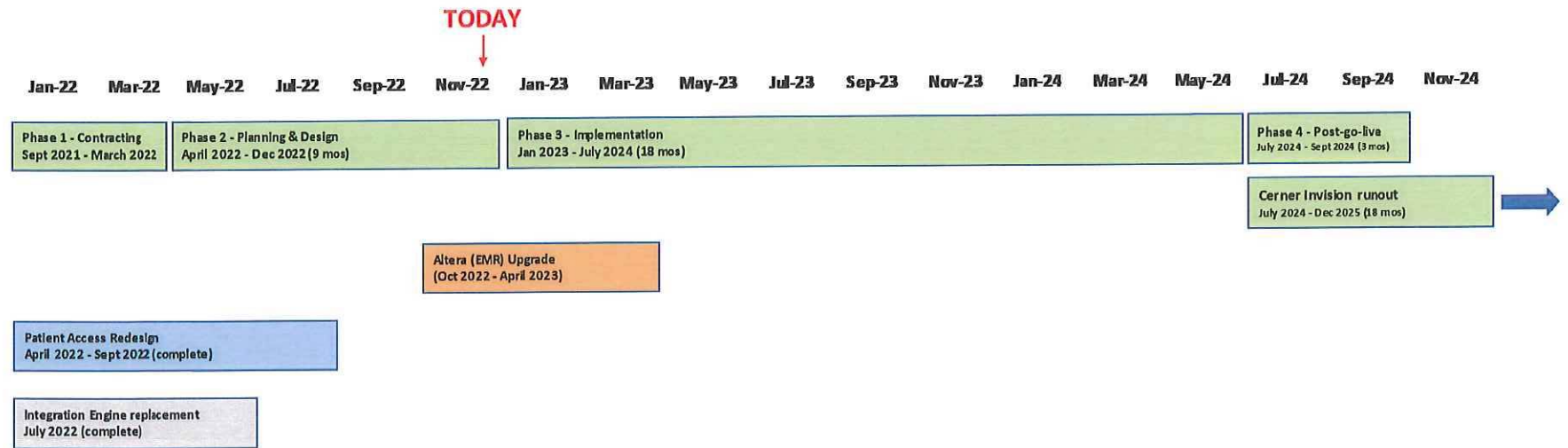
Table 2 below illustrates the components of the estimated project costs by phase and vendor/source. Based on the discover work to date, management estimates the total one-time incremental implementation costs to be approximately \$55.5 million, including the current approval request for phase 3 (\$35.9M) and phase 4 (\$7M). Including estimated potential one-time impact to patient revenues, the total financial impact of the project is expected to be approximately \$70.5M as detailed below:

Recommendation

Management is requesting approval to execute the agreements with Athenahealth, Deloitte and KPMG for phase 3 (Implementation - \$35.9M) and phase 4 (Post Go Live Support - \$7M), as well as other needed costs as shown in the table above, for a total of \$42.9 million, as shown in Table 2 above. The total project cost (including previously approved amounts for phases 1 and 2) is estimated to be \$55.5M, plus a one-time expected impact to patient revenue of roughly 1.5% or \$15 million, for a total estimated financial impact of approximately \$70.5 million. Funding is included in the FY 23, 24 and 25 capital and operating budgets.

Appendix - Project Timeline

(Includes related enabling projects)





Valet Parking and Cashiering Services Contract

Department of Facilities Management

December 2022

Proposed spend approval: \$4.63M
Proposed term: 3-year initial term with two 1-year extensions (total 5 years)
Procurement method: RFP

Executive Summary

Facilities Management is requesting Finance Committee and Board of Directors approval to enter an estimated \$4.63M service contract with ABM Industry Groups (ABM) for valet parking and cashiering services at Roswell Park's Main Campus as well as at the Park Club Lane campus. The contract is anticipated to be a three-year term with the option to renew for two additional one-year terms. The current contract with ABM ends in February 2023, and the initial three-year term of the proposed contract would begin immediately at the conclusion of the current contract. Funding for the contract is included in the Facilities Management operating budget.

Background & Justification

Roswell Park has provided contracted valet parking and cashiering services to patients for more than 30 years. The current five-year contract was approved in 2018 and awarded to ABM with contract dates of February 2018 to February 2023. On average, Roswell valets about 325 cars per day, greatly assisting the mobility-challenged patient population. The valet staff is skilled at double parking cars in a section of the garage, creating up to 100 additional parking spaces. Without the valet, employee parking would need to be reduced to create these additional 100 spaces. The parking garage also generates \$3K to \$4K per weekday in parker revenue, which is made possible by the cashier function. The valet and cashier functions are a critical part of the overall parking program for the campus that in total generates about \$2.6M annually.

The hourly cost for contracted valet and cashier services for the proposed contract is \$19.70/hour, which compares favorably with the cost of a Motor Vehicle Operator to perform the function in-house, which would cost approximately \$25.42/hour.

Procurement Process

An RFP was issued in accordance with Procurement Guidelines and six vendors submitted proposals. A selection committee consisting of the Executive Director of Public Safety, Transportation and Parking, Parking and Transportation Manager, Director of Service Contracts and Compliance, and a Supply Chain Contract Analyst was established to evaluate and score the proposals. Scoring criteria were established in advance and included a financial component (50%), the vendor's ability to provide Roswell's requested Valet and Cashiering Services (15%), vendor qualifications, experience, and references (25%), and other components (10%).

Results of the RFP scoring are below:

Vendor	Proposed Cost	Total Score
ABM Industry Groups, LLC	\$4.69M*	93.70
Premium Parking of Buffalo, LLC	\$6.60M	80.25
Imperial Parking (U.S.), LLC	\$5.76M	80.05
Valet Park of America	\$5.43M	79.80
SP Plus Corp.	\$6.10M	76.55
LAZ Parking	\$5.90M	68.45

*This proposed cost assumes full year for PCL, actual spend will be prorated to account for mid-year opening

A. Financial Component (50%)

The financial section considered the vendor's hourly rate for all positions outlined in the formal bid. Scoring of the financial section was strictly algorithmic, following guidelines published by the NYS Office of General Services. ABM was the low-cost bidder and received the highest score accordingly.

B. Vendor Requested Services (15%)

With respect to the component considering the vendors' ability to meet all RPCI's requested needs, the scoring committee considered aspects such as valet and traffic control responsibilities, cashiering responsibilities, customer service measurement program, availability of uniforms and supplies, quality assurance program, employee training and development, and claim/incident report, investigations, and corporate legal department.

In this section, ABM Healthcare Parking and Valet Park of America scored the highest. The main difference between the two firms surrounded proposed staffing levels and staffing level recommendations. ABM described their process of utilizing a combination of full and part time employees to allow a more flexible workforce to meet changes in Roswell's need.

C. Qualifications, Experience (25%)

With respect to the qualifications and experience component, the scoring committee considered the vendors' experience in areas such as proposed management staff, references, healthcare experience, joint commission experience, long-term clients, and Park Club Lane operations plan. All six organizations have a wide variety of healthcare experience and provided adequate RFP responses and business references. ABM and Premium Parking of Buffalo scored the highest in this section based on the proposed management team including Account Manager and dedicated site Operations Manager.

D. Other Components (10%)

With respect to the other elements, the scoring committee considered the vendor's NYS status and MWBE (Minority and Women-Owned Business Enterprise) status. Premium Parking of Buffalo, LLC is the only bidder headquartered in New York State. None of the organizations that submitted a proposal is certified MWBE.

Financial Summary

The contract is structured with an initial term of three years, with two one-year possible extensions. The five-year cost of valet and cashiering services is anticipated to be as follows:

	ABM Industry Groups, LLC		
	Main Campus	Park Club Lane	Total
Year 1*	\$ 745,372	\$ 117,019	\$ 862,391
Year 2	745,372	175,529	920,901
Year 3	745,372	175,529	920,901
Year 4	767,733	180,795	948,528
Year 5	790,765	186,219	976,981
Total Spend	\$ 3,794,614	\$ 835,091	\$ 4,629,703

*Year 1 PCL cost is prorated for mid-year opening

The current contract with ABM costs an average of \$631K annually for the Main Campus based on the current patient and visitor volume and the Federal Minimum Wage. The proposed contract is for an initial cost of \$745K per year for the Main Campus, a \$114K or 18% increase over the current contract. The 18% inflation accounts for current market conditions, including the increasing costs of labor and fuel. The new contract is structured with zero inflation in Years 1-3 with 3% inflation in both years 4 and 5.

Additionally, the provisions of this contract include estimated patient volumes for the Park Club Lane campus. These estimated patient volumes translate into a prorated valet cost of \$117K per year initially and grow to an annual cost of \$176K when the new campus is open for a full year. The costs associated with Park Club Lane may vary and will increase as patient visit volumes increase.

Roswell Park's previous twelve month spend (October 2021 - September 2022) with ABM totaled \$631K. Funding for this contract is included in the Facilities Management operating budget.

Recommendation

Facilities Management recommends Finance Committee and Board of Directors approval to award ABM Industry Groups a contract for valet parking and cashiering services at Roswell Park's Main Campus as well as at the Park Club Lane campus for a total value of \$4.63M. Funding for the contract is included in the Facilities Management operating budget.



Echocardiogram Services

Department of Internal Medicine

December 2022

Proposed spend approval: \$4.1M
Proposed term: 7 years (5 years plus one two-year renewal)
Procurement method: RFP

Executive Summary

Management is requesting Finance Committee and Board of Directors approval to enter a contract with Buffalo Ultrasound for echocardiogram services. The proposed contract is for a five-year term with the option to renew for an additional two-year term for an estimated value of approximately \$4.1M over seven years. Funding for this contract is available in the Internal Medicine operating budget.

Background and Justification

An echocardiogram is a non-invasive ultrasound imaging test that provides a comprehensive evaluation of the heart's function and structure. The test is used to assess a patient's cardiac risk before surgery. It is also used for the evaluation of therapy-related cardiotoxicity in oncology patients, as many cancer therapies can be cardio-toxic or detrimental to the heart. A specialized cardiovascular technician typically performs the test, and a cardiologist interprets the results.

Since 2004, Roswell Park has been contracting the technical components of the Echocardiogram service, which include: a) staffing the service with skilled and certified technologists and their supervision; b) provision of ultrasound equipment and maintenance; c) maintaining the IT interface for reporting and transmission of studies electronically to the EMR; and d) maintaining the required accreditation for echocardiography in good standing.

Buffalo Ultrasound has provided adequate service for the echo function since 2015 and has demonstrated an ability to meet Roswell Park's Echocardiography needs while maintaining the required accreditation in good standing. Buffalo Ultrasound provides on-site coverage with two technologists during normal business hours and ensures on-call coverage for urgent requests after-hours and on weekends. The technicians perform the tests within 24 hours of the request, and Roswell Park's on-staff cardiologist interprets the results. Roswell Park pays the vendor a flat rate for each test performed, and Roswell bills and collects for these services. Over the years, echocardiogram volumes have steadily increased in pace with overall Roswell Park volumes. Around 3,900 echocardiogram tests were performed in FY22, and the expected volume for FY23 is around 4,200. Projected spend under this approval is based on anticipated future volume.

Roswell Park has evaluated insourcing the echo function and has determined that while insourcing and outsourcing are roughly the same cost (including needed capital equipment to insource), there are numerous operational advantages to outsourcing. Outsourcing is preferential due to avoidance of needing to invest in the required equipment (approximately \$500k), the ongoing burden of maintaining the required accreditation and operational concerns, as well as providing coverage for time off and supervision.

Procurement Process

In accordance with Roswell Park Procurement Guidelines, a Request for Proposal (RFP) was posted to the NYS Contract Reporter. Buffalo Ultrasound was the sole responder to the RFP. The scoring committee considered the following factors and concluded that it would be acceptable to award the bid to Buffalo Ultrasound.

Roswell Park's previous twelve month spend (October 2021 - September 2022) with Buffalo Ultrasound totaled \$521K. Funding for this contract is included in the Internal Medicine operating budget.

Recommendation

Management requests Finance Committee and Board of Directors approval to award a five-year contract with a two-year renewal option to Buffalo Ultrasound for echocardiogram services for an estimated spend of approximately \$4.1M based on estimated volume growth. Funding is available in the Internal Medicine operating budget.



Theranostics

Diagnostic and Interventional Radiology/Nuclear Medicine

December 2022

Proposed spend approval:	\$3.1M (construction) Direct buy nuclear medicine products per attached business plan ¹
Proposed term:	N/A
Procurement method:	Term Contract, RFP (construction) Sole source (direct buy nuclear medicine products)

Executive Summary

Management is requesting Finance Committee approval for a \$3.1M construction project to build a Theranostic infusion center, and sole source approval for the required nuclear medicine products from Novartis. Theranostics is a combination of the terms therapy and diagnostics. Theranostics is an emerging field of precision nuclear medicine which uses one radioactive drug to diagnose/image cancer and a second radioactive drug to treat the cancer. This type of treatment is currently used for eligible patients with rare, metastatic neuroendocrine tumors. In March, the FDA approved a similar therapy for the treatment of advanced stage prostate carcinoma. Prostate cancer is the most common cancer diagnosis in men, and therefore a significant increase in volume is expected as a result of offering this novel therapy.

In order to provide this therapy, special lead-lined treatment space is needed due to the radioactive nature of the products. The construction costs of \$3.1M will build a dedicated outpatient treatment facility on the 2nd floor of the main hospital. Funding for the construction will be provided entirely by the Alliance Foundation.

The nuclear medicine products will be procured via sole source procurement exemption from Novartis, the only manufacturer of these products. Funding for the products will be provided for in the radiology department's annual operating budgets pursuant to the attached business plan.

Background

Currently, Roswell utilizes Lutathera for therapy of advanced GI neuroendocrine tumors, which are relatively rare. Lutathera treatments, which take approximately four hours, are performed on an outpatient in a bed (OIB) basis in one of three shielded inpatient rooms on 6 West.

In March 2022, the FDA approved the pair Pylarify and Pluvicto for prostate specific membrane antigen (PSMA) to treat advanced stage metastatic prostate carcinoma, diagnosed through a PET/CT scan. This novel combination therapy provides a new treatment for patients with metastatic cancer who have failed standard therapy and who were relegated to palliative/hospice care and serves to enhance the quality and length of life. As a result of these newly approved PSMA therapies (conducted as an outpatient treatment requiring six infusions per patient) Roswell Park expects a significant increase in theranostic volumes. Prostate cancer is the most common cancer diagnosis in men with 269K new diagnoses

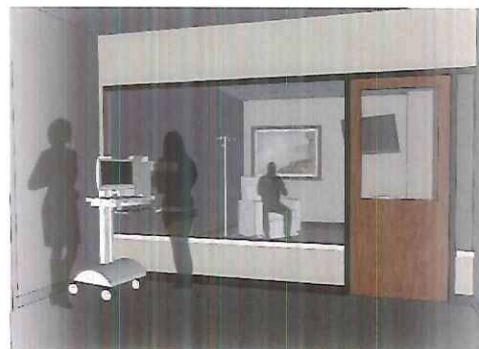
¹ Pursuant to the attached business plan, the per patient cost in year 1 for Lutathera is approximately \$58,500 per treatment, and Pylarify/Pluvicto is roughly \$47,000 per treatment. Products are ordered on a per treatment basis, after required approvals are received from respective payers. There are no minimum commitments or spend for these products, which are ordered and used at will.

nationally in 2021. This is approximately 20x the incident rate of endocrine tumors, with 12K new diagnoses annually. Furthermore, it is expected that theranostic volumes will increase as indications expand to earlier stage disease.

In addition, there is an FDA approved theranostic pair for the treatment of estrogen positive breast cancer, which Roswell Park will be evaluating in the near future. There are also several other theranostic pairs under investigation for the diagnosis and treatment of multiple myeloma, neuro, lymphoma, leukemia, sarcoma, and melanoma.

Justification

These therapies are currently performed in one of three shielded inpatient rooms on 6 West for patients with rare neuroendocrine tumors. These rooms are shared with the inpatient service, resulting in limited access to these shielded rooms and restricted outpatient throughput. Therefore, creating an outpatient treatment center within Nuclear Medicine will allow Roswell the ability to provide innovative, targeted treatment to patients in need and improve their overall experience. In addition, this would reduce or eliminate the need to utilize the rooms on 6 West and allow them to be used for multiday inpatient admissions.



The dedicated theranostic infusion center will be on the second floor of the main hospital, located within the Nuclear Medicine section in proximity to the PET/CT scanner and the lab where radioactive materials are handled. Phase I of the project will result in two shielded infusion rooms and a nurse's station. Phase II of the project includes the build out two additional shielded infusion rooms to ensure that Roswell has the capacity to accommodate the expected volume growth.

Procurement Process

Construction

Elements of the construction project have been or will be procured through different mechanisms. The CON and design will be completed by CPL Architects, Engineers, and Planners under the authority of one of our Term AE contracts. Given the complexity of the project, the construction work will be procured through a Construction Management at Risk (CMAR) agreement. The CMAR will be procured through a competitive RFP process. The construction will be competitively bid by the CM as the bid packages for each element of work are prepared by the designer. Procurement of the Fixtures, Furniture, and Equipment (FFE) will be through a combination of State contracts and competitive bidding. The above procurement processes have been and will be completed in accordance with RPCI and State procurement policies and guidelines.

Nuclear Medicine Products

Novartis is the sole manufacturer of these products. Consequently, the products will be procured under a sole source exemption. There is no minimum spend for these products, which are ordered and used at will.

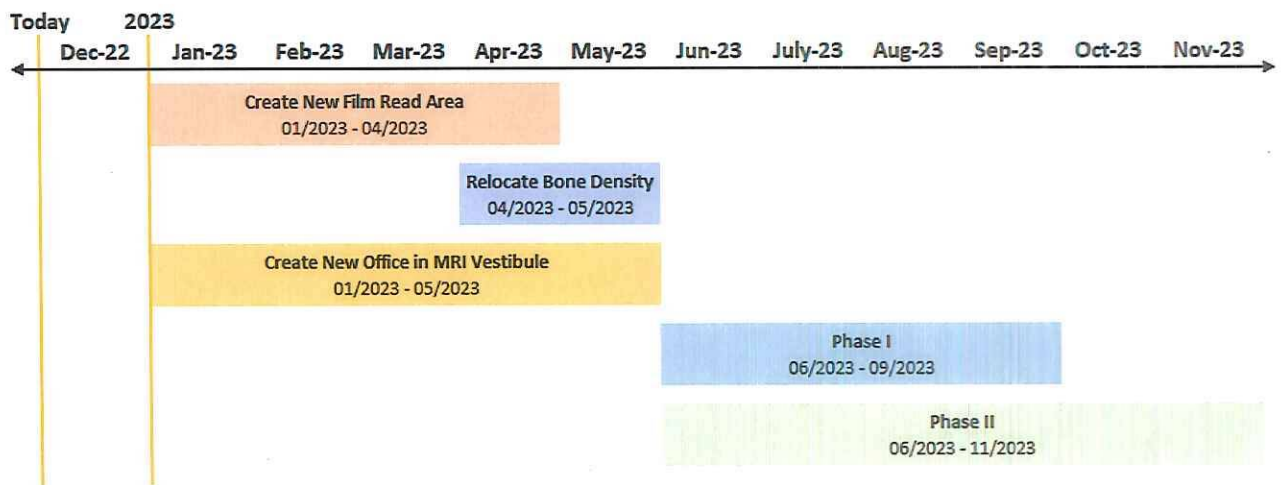
Business Plan Summary

Appendix A includes the estimated incremental profit & loss statement, as well as the estimated incremental statement of cash flows resulting from the project. The total upfront costs of the project are estimated to be \$3.1 million.

Also included in the appendix are sensitivities around volume estimates.

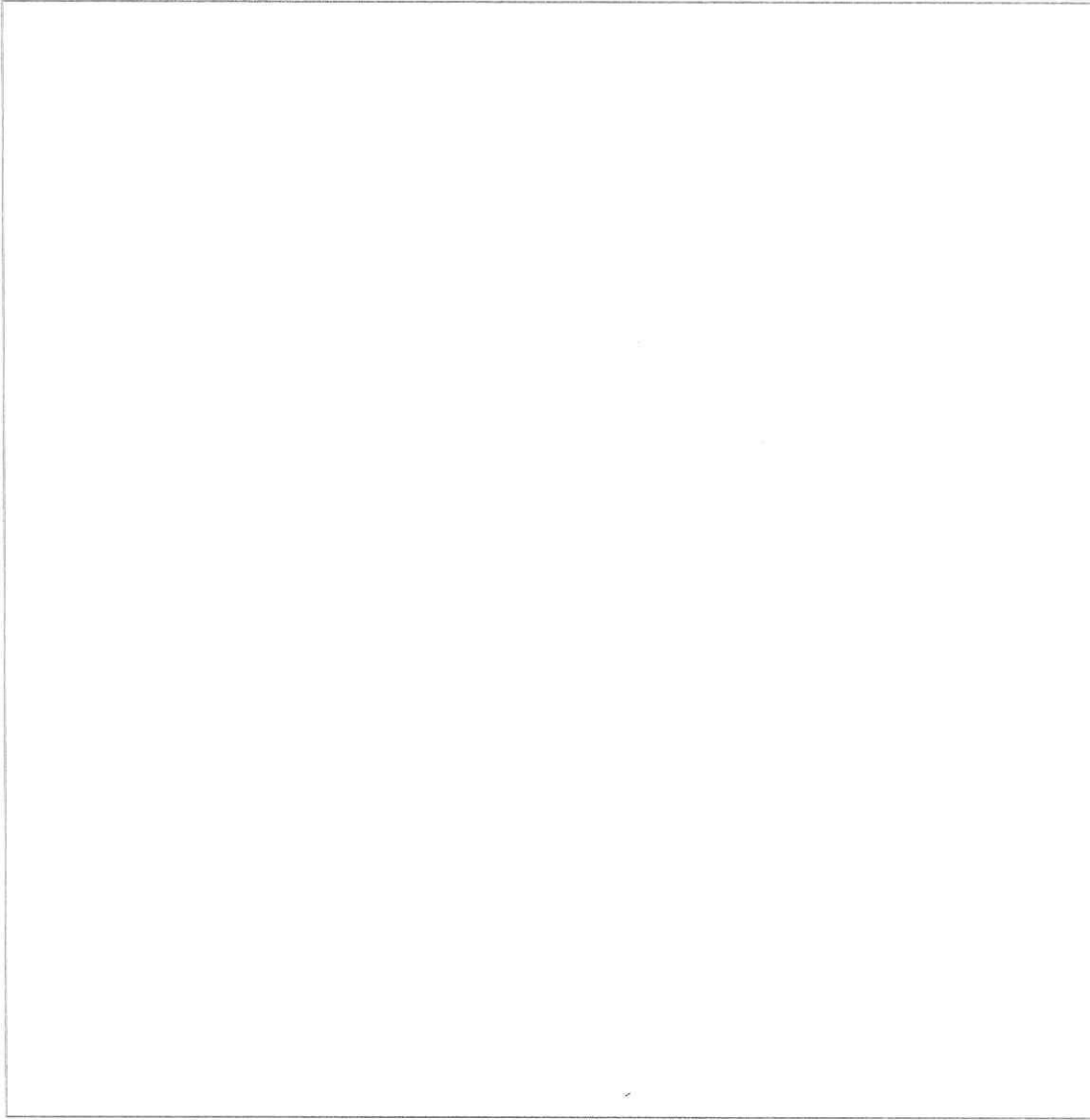
Schedule

A Certificate of Need for the overall program is anticipated to be approved in Summer 2023. The project design will be complete in early 2023. The project will be executed in two phases consisting of an interior renovation and an exterior addition. Phase I will result in two shielded infusion rooms as well as a nurse’s station, and Phase II will result in two additional shielded infusion rooms. The overall project is anticipated to be complete in Fall 2023. Availability of long lead items including lead lined doors, lead windows and structural steel will dictate the schedule for both phases.



Recommendation

Management recommends Finance Committee and Board of Directors approval to construct a dedicated theranostic infusion center for \$3.1M to be funded by the Roswell Park Alliance Foundation to provide innovative, targeted treatment to patients in need. In addition, management recommends sole source approval of the procurement of needed nuclear medicine products from Novartis, as shown in the attached business plan. Funding for the products is provided by the Radiology department's operating budgets.





Linear Accelerator Replacement Eclipse Enhancements & Software Service Agreement

Department of Radiation Medicine

December 2022

Proposed spend approval: Not to exceed \$6.29M
Proposed term: 5 Years
Procurement method: Single Source

Background

The Roswell Park Department of Radiation Medicine provides 28,000 radiation treatments annually, treating an average of 110 patients daily. Currently the department has four Varian linear accelerators, two of which are newer Truebeam units implemented in 2018 and 2013, and two older Trilogy units implemented in 2009 and 2006. The oldest Trilogy unit is now 16 years old and is experiencing recurring downtime as it has reached the end of its useful life. Given current radiation treatment volumes, the average utilization of all four machines during operating hours is 85%.

The vision and strategic plan for the Department of Radiation Medicine (Department) over the next 3 years is to:

- (1) Replace end-of-life treatment units,
- (2) Move to a fully integrated single vendor database for software and hardware to achieve improved operational efficiencies and enhanced patient safety in treatment planning and delivery, and
- (3) Avail our patients of advancements in radiation oncology treatment technology that will aid in continuing to improve patient outcomes and patient quality of life after cancer treatment.

Throughout the past year, the department has embarked on a strategic planning process to identify new technologies and program enhancements that will continue to improve and expand the radiation services provided to Roswell Park patients. The department's vision is to offer advancements in radiation oncology treatment technology that will aid in continuing to improve patient outcomes and quality of life after cancer treatment. Phase I of this project involves replacement of equipment at the end of its useful life, as well as enhancements and increased licensure for needed software.

Justification

Linac Replacement

To maintain optimal interoperability between linear accelerators, the department recommends the purchase of a Varian Truebeam linac unit to replace the oldest Trilogy unit (put in service in 2006). As a result of this purchase, Roswell Park will have three Truebeam machines and one remaining Trilogy machine to be replaced in the future.

With matched beam configurations, when one machine experiences downtime, it is possible to seamlessly transfer a patient's treatment from one unit to another without full replanning of their treatment. This is critical to avoid treatment delays for patients as well as to manage radiation oncology operations efficiently and effectively. It would be impossible to achieve this level of interoperability and efficiency with a different vendor's linac, as it is only possible to match beam configurations within the same vendor's equipment.

Based on the need for compatibility and interoperability between treatment units, the department recommends replacing the end-of-life Trilogy unit with a Varian Truebeam linear accelerator, to be procured through a single source exemption.

Eclipse Treatment Planning System Enhancements

Roswell Park utilizes Varian's Eclipse treatment planning system for planning radiation treatments. As part of this purchase, necessary enhancements to the Eclipse treatment planning system have been negotiated. These include:

- Additional physician and dosimetry licenses (as the current limited number of licenses is causing bottlenecks and constraints in the treatment planning process);
- FAS servers necessary for improved computation speed during treatment planning, as well as the ability for plan optimization and calculation to be carried out in a Citrix environment to allow for gradual phase-out of existing hard planning stations & associated upgrade/maintenance costs.

This proposal includes renewal of the overall Eclipse service agreement with Varian, due to expire in December 2022. Roswell's current contract spend is \$129K annually on the base contract. The new contract spend will be \$142K annually, which includes a one-time 10% inflation adjustment as compared to the current contract, plus \$36K annually for the incremental Eclipse licenses and hardware. The total service contract amount is estimated to be \$890K over five years. Negotiations are ongoing to reduce this inflationary adjustment.

Procurement Process

The Radiation Medicine and Purchasing Departments collaboratively conducted an extensive Request for Information (RFI) process. Published in February 2022, the RFI document comprehensively outlined the department's strategic vision and goals for the next three years. Vendors were asked to provide their capabilities and product offerings that had the potential to meet the department's goals and objectives. Responses were received from Varian, Elekta, and Viewray. A fourth vendor and niche supplier (Brainlab) provided a response for only one component of the project.

Since receiving responses, in-depth due diligence was performed, including numerous meetings with each vendor, extensive internal team meetings to evaluate each vendor's products, and virtual meetings with other cancer programs. These meetings included all members of the Radiation Oncology multi-disciplinary team, as well as colleagues from IT and purchasing.

Interoperability, integration, patient safety, patient experience, and operational efficiency were all key criteria in the decision-making process leading to a recommended vendor. All aspects of vendor capabilities were evaluated against these criteria.

Based on the decision criteria, it was determined that Varian is the vendor that could best meet the objectives of integration and interoperability. Considering the needs, goals, and vendor capabilities, approval of a single source procurement exemption was approved by legal counsel and is being requested as part of this proposal.

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Funding for the capital portion of this project is included in the Radiation Medicine capital budget. The operating budgets includes funding for the annual maintenance agreements.

Recommendation

Management recommends Finance Committee and Board of Directors approval to execute a contract, including approval for a single source procurement exemption, with Varian Medical Systems, not to exceed a total cost of \$6.29 million.

This purchase includes replacement of an end-of-life linear accelerator (linac) with a Varian Truebeam unit and necessary enhancements to the Eclipse Treatment Planning system for one-time project costs of \$4.57M (including \$450K related facilities costs). Additionally, management requests approval for the related Eclipse software maintenance agreement with Varian for a 5-year cost of \$890K. A two-year warranty period for the linear accelerator has been negotiated. Upon expiration of the warranty, the new Truebeam unit would be added to the broader Varian service agreement for related equipment maintenance, the estimated cost of which is \$825K over the remaining 3 years.

Funding for the capital portion of this project is included in the Radiation Medicine capital budget in FY 24. The operating budget includes funding for annual maintenance agreements.

SIR-Spheres

Interventional Radiology/Nuclear Medicine

December 2022

Proposed spend approval:	\$4.3M
Proposed term:	3 years
Procurement method:	Single Source

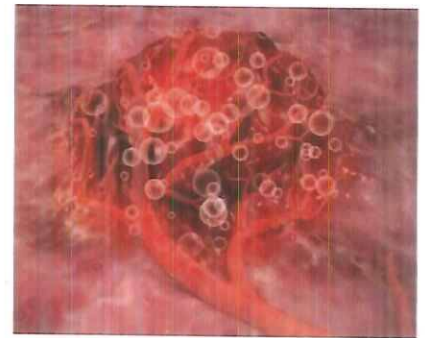
Executive Summary

Management is requesting Finance Committee and Board of Directors approval of a single source procurement exemption to renew a contract with Sirtex, the manufacturer of SIR-Spheres (pronounced “seer spheres”) microspheres. SIR-Spheres are used in patients with unresectable liver tumors. To continue to provide this treatment to patients in need, management is requesting funding for a 3-year contract with an estimated cost of \$4.3M. Funding for this contract is currently budgeted in the Nuclear Medicine operating budget.

Background & Justification

Roswell Park’s Interventional Radiology and Nuclear Medicine departments have utilized SIR-Spheres since 2006 for the treatment of non-resectable primary and metastatic liver cancer. Traditionally, curative treatment for these patients has been surgical resection (removal), however, less than 20% of these patients are candidates for surgery due to comorbidities, tumor extent and underlying liver dysfunction. For these unresectable patients, the use of selective radioembolization therapy, such as SIR-Spheres, has prolonged disease-free survival within the liver without subjecting the patient to systemic toxicities that can be seen with chemotherapy. The procedure is generally well tolerated and is done as an outpatient allowing patients with complex medical comorbidities to be treated.

SIR-Spheres microspheres are implanted into a hepatic (liver) tumor by injection into either the common hepatic artery or the right or left hepatic artery using a catheter. The SIR-Spheres microspheres distribute non-uniformly in the liver, primarily due to the unique physiological characteristics of the hepatic arterial flow, the tumor to normal liver ratio of the tissue vascularity, and the size of the tumor. The tumor typically gets higher density per unit distribution of SIR-Spheres microspheres than the normal liver tissue. The density of SIR-Spheres in the tumor can be as high as 5 to 6 times of the normal liver tissue. Once the SIR-Sphere microspheres are implanted into the liver, they are not metabolized or excreted, and they stay permanently in the liver. One SIR-Sphere device is utilized per patient and most patients require two treatments.



- The microspheres are extremely small resin beads, approximately 32 microns in diameter, about a third of the width of a human hair.
- They have a density similar to that of blood cells which allows them to travel easily within the bloodstream.
- Y-90 resin microspheres contain the radioactive element yttrium-90, which delivers radiation over a relatively short distance in human tissue.

While the treatment is effective alone, Roswell Park has begun clinical trials to evaluate this selective radioactive therapy with systemic immunotherapy to attenuate the effects of both therapies with initial promising results. SIR-Spheres have

become a mainstay of Roswell's liver directed therapy program and it is anticipated that these devices will continue to be widely utilized in the foreseeable future as novel combination therapies evolve.

Procurement Process

Management is seeking a single-source procurement exemption for the purchase of Sirtex SIR-Spheres microspheres. While one similarly priced competitor does exist, Boston Scientific's Thera-Spheres, there are numerous downfalls to this alternative that make SIR-Spheres the preferred choice for both patients and physicians.

Roswell's Interventional Radiology department prefers SIR-Spheres as this product provides maximum dosing flexibility to treat both primary and metastatic liver cancer. The SIR-Spheres delivery system allows the physician complete oversight of the process without breaking scrub and therefore allowing better control of arterial flow. In cases of hepatocellular carcinoma, physicians can order a high radiation-low particle dose in attempt to completely ablate the lesion. In cases of metastatic disease, physicians can order a low radiation-high particle dose to treat multiple tumors simultaneously without compromising liver function. The alternative, Thera-Spheres, is only available in a limited amount of dosing options which reduces the physician's ability to effectively dose different types of liver cancer.

Both products require the placement of a transfemoral catheter under x-ray guidance and administration of the microspheres via an administration box connected to the patient's catheter. Due to the sensitive nature of the microspheres and precise preparation associated with providing this treatment, both Sirtex and Boston Scientific strongly recommend that the physicians themselves are the ones preparing the administration boxes when providing this treatment to patients.

The administration of SIR-Spheres is significantly more efficient than Thera-Spheres and does not require the physician to leave the patient's bedside during the treatment. When administering SIR-Spheres, the administration box can be prepared in advance as well as completed at the bedside, resulting in a total procedure time of only a few minutes for most patients. Additionally, Sirtex redesigned their administration box in recent years, further streamlining the preparation process for the Interventional Radiology physicians.

Unlike SIR-Spheres, the administration box for Thera-Spheres cannot be prepared in advance or at the bedside, requiring the physician to scrub in, prep the patient and place the catheter, break scrub to set up the Thera-Sphere administration box, and then re-scrub to administer the treatment. This results in reduced capacity in the Interventional Radiology suites as the administration of an identical dose of Thera-Spheres can take 4-5x as long as SIR-Spheres. With current Interventional Radiology scheduling as well as projected future growth in this treatment as well as others, it is important to consider the efficiency and ease of administration.

SIR-Spheres are preferred due to the larger selection of dosing options as well as more efficient administration requirements. Historically, Sirtex has demonstrated adequate customer service by providing doses quickly when needed. Additionally, Sirtex has provided Roswell with important treatment data to allow for the effective treatment of rare types of liver cancers, which would be lost should a different vendor be chosen. As a result, management is requesting a single-source procurement exemption to continue to utilize the preferred product.

Recommendation

Management recommends Finance Committee and Board of Directors approval for a single-source procurement exemption to renew a three-year contract with Sirtex, the manufacturer of SIR-Sphere microspheres. This unique treatment type is essential to providing ongoing care to Roswell Park patients with unresectable (inoperable) liver tumors. The total contract value is estimated at \$4.3M. Funding for this contract is currently budgeted in the Nuclear Medicine operating budget.

Policy & Procedure Committee Report
September - December 2022

Existing Policies Renewed or Updated and Approved

Policy Number	Title
120.1	Ethics Governing Patient Care Issues
201.6	Faculty Recruitment
202.1	Probation Period Policy
204.1	Conflict of Interest - Nepotism
210.1	Family Medical Leave Act (FMLA) Policy
221.1	Military Leave
223.1	Position Descriptions
237.1	Employee Requests for Leave without Pay
239.1	Seasonal Influenza Vaccination for Personnel
240.1	General Leaves of Absence
408.11	Temporary Absence of Patient
408.6	Patients Who Leave Against Medical Advice
422.1	Patient Complaint of Service
427.1	Pregnant Patients
428.2	Prevention & Management of Extravasations & Infiltrations
433.1	Immunization Screening For Pediatric Patients
436.1	Policy & Procedure for Patient Family Education
454.1	Patient Controlled Analgesia
471.1	Telemetry Monitoring: ECG Monitored Patient Beds Outside of IMCU
480.1	Enteral Policy
502.1	Federal and New York State Healthcare Program Exclusion Review
503.1	RFP Response Evaluation and Scoring
519.1	Receiving Packages Weekends and Holidays
605.1	PBC and HRI Paycheck Release and Distribution
615.1	Recording and Maintaining Time Records
621.1	Equipment Control
622.1	Equipment Inventory
624.1	Purchases Made With Roswell Park (PBC), HRI and RPAF Funds
625.1	Roswell Park Value Analysis Team Process
630.1	Procurement Card Policy
806.1	Employee Directory
811.1	Catering Functions
909.1	Passwords
927.1	Data Center Access
938.1	Information Technology Assets

Policy Number	Title
1004.1	Central Venous Catheter Insertion, Maintenance and Removal Policy
1035.1	Policy Against Information Blocking of Electronic Health Information
1104.2	Academic Appointments – Clinical Faculty
1504.2	Access Management: Keys, Locks, Badges and Security Sensitive Areas

Deleted Poicies*

420.1	Administration Of Non-Chemotherapeutic Medications By The IV Push Method
479.1	Collaborative Drug Therapy Management
616.1	Payroll Direct Deposit

* Policies are deleted when the process if no longer needed or redundant policies are combined into one

A. **Other Exemptions from Formal Competition**

1. Centralized Contracts. Goods, commodities, technology or other materials may be obtained through contracts established by the New York State Office of General Services or the United States General Services Administration without competitive bidding.
2. Group Purchasing Organizations. Roswell Park may participate in one or more group purchasing organizations (“GPOs”). Procurement Contracts entered into pursuant to a GPO arrangement shall not be subject to competitive bidding. Procurement Contracts entered into pursuant to purchasing consortium agreements established by health care organizations, networks, cooperatives, educational institutions or local governmental entities shall not be subject to competitive bidding where procurement of such consortium agreements complies with applicable procurement laws, regulations and guidelines.
3. Sole Source. A sole source procurement is one in which only one source can supply the product or service, and there are no functionally equivalent products or services available from other offerers in the marketplace. The sole source justification for the procurement must be established by the department with data from sources other than the vendor. A typical example of a sole source procurement is the purchase of equipment that utilizes patented technology owned by or licensed exclusively to the sole source vendor. Sole source procurements must be documented using the Roswell Park Procurement Exemption Request form, including a fair market value assessment. The Vice President/Department Chair must attest to and sign the Request and the Request must be approved by the General Counsel. For all sole source procurements, a notice of award shall be published in the NYSCR in accordance with Section V. **Where the Contract Value of a sole source Procurement Contract equals or exceeds five hundred thousand dollars (\$500,000.00), the Board of Directors must approve the Procurement Contract by resolution in accordance with Section VI.** Where the Contract Value of the sole source procurement exceeds one million dollars (\$1,000,000) the Office of the State Comptroller must also approve the Procurement Contract in accordance with Section VI.
4. Single Source. A single source procurement is one which, although there are two or more potential offerers, Roswell Park has determined that a single offerer has a unique advantage, rendering competitive process impractical or otherwise not in Roswell Park’s best interest. A typical example would be where Roswell Park needs maintenance for a particular piece of equipment, and that maintenance must be provided by a particular vendor in order to maintain the equipment warranty. Single source procurements must be documented using the Roswell Park Procurement Exemption Justification form, which includes fair market value assessment, the alternatives considered and the rationale for selection. The Vice President/Department Chair must attest to and sign the form and the form must be approved by the General Counsel. For all single source procurements, a notice of award shall be published in the NYSCR in accordance with Section V. **Where the Contract Value of a single source Procurement Contract equals or exceeds five hundred thousand dollars (\$500,000.00), the Board of Directors must approve the Procurement Contract by resolution in accordance with Section VI.** Where the Contract Value of the single source Procurement Contract exceeds one million dollars (\$1,000,000) the Office of the State Comptroller must also approve the Procurement Contract in accordance with Section VI.
5. Exigency. In the case of a set of exigent circumstances or an emergency arising out of an accident, strike, natural disaster, materials shortage, or other unforeseen

occurrence or condition whereby circumstances affecting property or resources of Roswell Park or the life, health or safety of Roswell Park's patients or employees require immediate action, the President/CEO, or other Officer designee may award a Procurement Contract without competitive procedures. However, Roswell Park should make a reasonable attempt to obtain at least three (3) oral or written quotes prior to award. Failure to properly plan in advance for a foreseeable situation does not constitute an exigent or emergent situation. Requests for approval shall be submitted to the President/CEO or his/her Officer designee utilizing the Procurement Exemption Justification form. A notice of exigency award shall be published in the NYSCR in accordance with Section V. **Where the Contract Value of an exigency Procurement Contract equals or exceeds five hundred thousand dollars (\$500,000.00), the Procurement Contract shall be presented to the Board of Directors at the next Board meeting in accordance with Section VI.** A record setting forth the circumstances under which such contract was let shall be maintained in the Procurement Record for a period of at least ninety (90) days following the date of approval of the next annual report of Procurement Contracts.



Roswell Park (RP) Consolidating Margin Summary
FY23 September YTD

Below is a summary of the consolidated financial performance for Roswell Park (including HRI Buffalo), OmniSeq, and GBCT as consolidated subsidiaries. The detailed financial performance of OmniSeq and GBCT are presented under separate cover.

For the 6 Months Ending September 30, 2022

<i>Dollars in Millions</i>	Total			
	Actual	Amended Budget	Variance	PY
1 Total operating revenues	\$ 576.8	\$ 572.6	\$ 4.2	\$ 537.6
2 Total operating expenses	581.5	591.0	9.5	527.7
3 Non operating revenue (expense)	9.7	16.0	(6.3)	24.0
4 Excess (deficiency) revenue over expenses	5.0	(2.4)	7.4	33.9
5 Add back non-cash retiree health and pension	(1.4)	8.8	(10.2)	7.6
6 Deduct gain from sale of OmniSeq Interest (PY only)	-	-	-	(8.0)
7 Excess (deficiency) revenue over expenses - excluding non-cash items	\$ 3.6	\$ 6.4	\$ (2.8)	\$ 33.5
8 <i>Total margin %</i>	0.9%	-0.4%		6.0%
9 <i>Total margin % - excluding non-cash items</i>	0.6%	1.1%		6.0%
10 <i>Operating EBIDA margin % - excluding non-cash items</i>	6.1%	5.4%		9.6%
11 <i>Total Days Unrestricted Cash & Investments</i>	95	95		95



**Roswell Park (RP) Consolidating Margin Summary
For the Quarter Ending September 30, 2022**

- Below is a summary of the consolidated financial performance for Roswell Park (including HRI Buffalo), OmniSeq, and GBCT as consolidated subsidiaries.
- The detailed financial performance of OmniSeq and GBCT are presented under separate cover.

For the Quarter Ending September 30, 2022

<i>Dollars in Millions</i>	Total			
	Actual	Amended Budget	Variance	PY
1 Total operating revenues	\$ 296.1	\$ 291.9	\$ 4.2	\$ 270.1
2 Total operating expenses	293.6	303.1	9.5	262.0
3 Non operating revenue (expense)	3.8	10.1	(6.3)	15.2
4 Excess (deficiency) revenue over expenses	6.3	(1.1)	7.4	23.3
5 Add back non-cash retiree health and pension	(4.5)	5.7	(10.2)	1.1
6 Deduct gain from sale of OmniSeq Interest (PY only)	-	-	-	(8.0)
7 Excess (deficiency) revenue over expenses - excluding non-cash items	\$ 1.8	\$ 4.6	\$ (2.8)	\$ 16.4
8 <i>Total margin %</i>	<i>2.1%</i>	<i>-0.4%</i>		<i>8.2%</i>
9 <i>Total margin % - excluding non-cash items</i>	<i>0.6%</i>	<i>1.5%</i>		<i>5.7%</i>
10 <i>Operating EBIDA margin % - excluding non-cash items</i>	<i>6.3%</i>	<i>5.0%</i>		<i>9.5%</i>
11 <i>Total Days Unrestricted Cash & Investments</i>	<i>95</i>	<i>95</i>		<i>95</i>



Roswell Park (RP), Consolidated
 Net Income Budget to Actual Variance Analysis
 (Amounts in millions)

September 30, 2022						
	Q2			YEAR-TO-DATE		
	Actual	Amended Budget	Variance	Actual	Amended Budget	Variance
Direct Clinical Revenue	\$ 232.2	\$ 231.6	\$ 0.6	\$ 450.8	\$ 450.2	\$ 0.6
Direct Clinical Expense	184.9	185.3	0.4	361.9	362.3	0.4
Clinical Margin - Roswell Park	47.3	46.3	1.0	88.9	87.9	1.0
Margin %	20.4%	20.0%		19.7%	19.5%	
Direct Clinical Revenue	16.6	15.6	1.0	31.8	30.8	1.0
Direct Clinical Expense	18.2	17.6	(0.6)	35.4	34.8	(0.6)
Clinical Margin - PC's	(1.6)	(2.0)	0.4	(3.6)	(4.0)	0.4
Direct Clinical Revenue	248.8	247.2	1.6	482.6	481.0	1.6
Direct Clinical Expense	203.1	202.9	(0.2)	397.3	397.1	(0.2)
Clinical Margin - Total	\$ 45.7	\$ 44.3	\$ 1.4	\$ 85.3	\$ 83.9	\$ 1.4
Margin %	18.4%	11.3%		17.7%	17.4%	
Indirect Grant Revenues	5.8	5.0	0.8	10.8	10.0	0.8
Institutional Support for Research	(14.8)	(16.1)	1.3	(28.6)	(29.9)	1.3
Margin on Research Activities	(9.0)	(11.1)	2.1	(17.8)	(19.9)	2.1
NYS Support	28.2	28.2	-	56.4	56.4	-
Interest and Investment Income	(5.2)	0.9	(6.1)	(8.6)	(2.5)	(6.1)
Strategic Research Initiatives, Start-Up Funding, and New Initiatives	(2.1)	(2.9)	0.8	(4.0)	(4.8)	0.8
GBCT/OmniSeq	(0.1)	(0.1)	-	(0.2)	(0.2)	-
All Other	(51.2)	(60.4)	9.2	(106.1)	(115.3)	9.2
Total Margin	\$ 6.3	\$ (1.1)	\$ 7.4	\$ 5.0	\$ (2.4)	\$ 7.4
Margin %	2.1%	-0.4%		0.9%	-0.4%	
Add back non-cash retiree health and pension	(4.5)	5.7	(10.2)	(1.4)	8.8	(10.2)
Total Margin - excluding non-cash items	\$ 1.8	\$ 4.6	\$ (2.8)	\$ 3.6	\$ 6.4	\$ (2.8)
Total margin % - excluding non-cash retiree health, pension and other items	0.6%	1.5%		0.6%	1.1%	
Operating EBIDA:						
Add back: Depreciation & Interest Expense	11.8	\$ 11.4	\$ 0.4	\$ 23.6	\$ 23.2	\$ 0.4
Add back: GBCT / OmniSeq	0.1	0.1	-	0.2	0.2	-
Deduct: Investment Income	5.2	(0.9)	6.1	8.6	2.5	6.1
Deduct: Other Non-Operating (Revenue) Expense	0.2	(0.1)	0.3	0.1	(0.2)	0.3
Operating EBIDA excluding non-cash items	\$ 19.1	\$ 15.1	\$ 4.0	\$ 36.1	\$ 32.1	\$ 4.0
Operating EBIDA margin % - excluding non-cash items	6.3%	5.0%		6.1%	5.4%	



**Roswell Park (RP), Consolidated
 Net Income Actual to Last Year Variance
 (Amounts in millions)
 FY23 September YTD**

September 2022
YEAR-TO-DATE

FY 2022 Actual Margin		\$ 33.9
	Variance	
Direct Clinical Revenue	\$ 27.2	
Direct Clinical Expense	(40.6)	
Clinical Margin Variance	(13.4)	
Indirect Grant Revenues	1.3	
Institutional Support for Research	0.4	
Margin on Research Activities	1.7	
NYS Support	5.1	
Interest and Investment Income	(10.2)	
Strategic Research Initiatives, Start-Up Funding, and New	(0.5)	
GBCT / OmniSeq	-	
All Other	(11.6)	
FY 2023 Actual Margin		\$ 5.0
Add back non-cash retiree health, pension & other items	(1.4)	
FY23 Margin - excluding non-cash items		\$ 3.6



**Roswell Park (RP), Consolidated
Consolidated Statement of Operations (Amounts in millions)
FY23 September YTD**

For the Quarter Ending September 30,				For the 6 Months Ending September 30,			
2022			2021	2022			2021
ACTUAL	AMENDED BUDGET	%	ACTUAL	ACTUAL	AMENDED BUDGET	%	ACTUAL
				1 OPERATING REVENUE			
\$ 26.3	\$ 25.6	2.7%	\$ 22.4	2 Grants & Contracts	\$ 49.5	\$ 48.8	\$ 46.9
247.1	243.7	1.4%	227.9	3 Patient Service Revenue, Net	478.0	474.6	452.3
13.9	13.9	0.0%	12.8	4 NYS Contributions	27.7	27.7	25.7
13.8	12.0	15.0%	10.3	5 Other Operating Revenue	29.0	27.3	20.7
301.1	295.2	2.0%	273.4	6 TOTAL OPERATING REVENUE	584.2	578.4	545.6
5.0	3.3	-51.5%	3.3	7 Less: Provision for Bad Debts	7.4	5.8	8.0
296.1	291.9	1.4%	270.1	8 TOTAL OPER. REVENUE, NET	576.8	572.6	537.6
				OPERATING EXPENSES			
130.4	144.4	9.7%	124.5	9 Salaries & Fringe	266.4	280.3	255.4
151.4	147.3	-2.8%	126.8	10 Supplies & Services	291.4	287.5	250.9
				TOTAL OPER. EXPENSES, EXCL			
281.8	291.7	3.4%	251.3	11 DEPRECIATION & INTEREST	557.8	567.8	506.3
				INCOME (LOSS) FROM OPERATIONS,			
14.3	0.2	N/M	18.8	12 BEFORE DEPRECIATION & INTEREST	19.0	4.8	31.3
11.8	11.4	-3.5%	10.7	13 Depreciation & Interest	23.7	23.2	21.4
2.5	(11.2)	N/M	8.1	14 INCOME (LOSS) FROM OPERATIONS	(4.7)	(18.4)	9.9
3.8	10.1	62.4%	15.2	15 NON OPERATING REVENUE (EXPENSE),	9.7	16.0	24.0
				INCL CAPITAL FUNDS FROM NYS			
6.3	(1.1)	N/M	23.3	16 EXCESS (DEF) REV OVER EXP BEFORE	5.0	(2.4)	33.9
				OTHER CHANGES IN NET POSITION			
4.8	4.2	14.3%	1.0	17 Contributions for Capital	5.0	4.4	1.6
\$ 11.1	\$ 3.1	N/M	\$ 24.3	18 INCREASE (DECREASE) IN NET POSITION	\$ 10.0	\$ 2.0	\$ 35.5



**Roswell Park - Balance Sheet (In millions)
FY23 September YTD**

	<u>September 30, 2022</u>	<u>March 31, 2022</u>
CURRENT ASSETS		
1 Cash & Cash Equivalents / Investments	\$ 285.6	\$ 272.1
2 Limited use current assets	63.4	86.4
3 Patient accounts receivable, net	169.8	162.4
4 Accounts Receivable-Operating	22.5	16.9
5 Inventories	22.0	18.9
6 Prepaid expenses & other current assets	29.7	18.0
7 Total Current Assets	<u>593.0</u>	<u>574.7</u>
NON CURRENT ASSETS		
8 Property, Plant & Equipment, Net	320.3	317.6
9 Limited use non-current assets	324.6	361.2
10 Lease Receivable	0.2	-
11 Intangibles	5.9	5.9
12 Investment in joint ventures / related parties	6.5	6.7
13 TOTAL ASSETS	<u>1,250.6</u>	<u>1,266.1</u>
DEFERRED OUTFLOWS OF RESOURCES		
14 Deferred Outflows of Resources - Pension & OPEB	235.7	235.7
15 TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,486.3</u>	<u>\$ 1,501.8</u>
CURRENT LIABILITIES		
16 Current portion of debt	\$ 16.1	\$ 14.3
17 Current Portion of Lease Liability	1.1	-
18 Accounts payable	38.8	33.4
19 Accrued expenses	94.4	97.6
20 Accrued malpractice	20.1	20.1
21 Due to third-party payors	18.0	17.6
22 Medicare Advance Payment - Current	-	27.2
23 Restricted advances & donations	36.2	33.1
24 Other current liabilities	1.8	2.6
Total Current Liabilities	<u>226.5</u>	<u>245.9</u>
NON CURRENT LIABILITIES		
25 Post Employment Benefits, Net of Current Portion	504.1	495.3
26 Long-Term Debt, Net of Current Maturities & Premium	45.8	62.5
27 Lease Liability, Net of Current Portion	1.4	-
28 Net Pension Liability	1.0	0.7
29 Total Non Current Liabilities	<u>552.3</u>	<u>558.5</u>
30 TOTAL LIABILITIES	<u>778.8</u>	<u>804.4</u>
DEFERRED INFLOWS OF RESOURCES		
31 Deferred Inflows of Resources - Pension & OPEB	396.7	396.6
32 FUND BALANCE (DEFICIT)	310.8	300.8
TOTAL LIABILITIES & FUND BALANCE (DEFICIT)		
33 & DEFERRED INFLOWS	<u>\$ 1,486.3</u>	<u>\$ 1,501.8</u>



**Roswell Park (RP), Consolidated
Limited Use Assets Summary (Amounts in millions)
FY23 September YTD**

	September 30, 2022			March 31, 2022
	Current	Long-term	Total	Total
Roswell Park Comprehensive Cancer Center				
BOARD DESIGNATED:				
BDF for Recruitment, Capital & Liabilities	\$ -	\$ 165.4	\$ 165.4	\$ 157.6
BDF for OPEB / Unfunded Liabilities	-	91.5	91.5	118.0
Deferred Revenue	0.3	-	0.3	0.9
Workers Compensation	1.0	8.9	9.9	9.6
5 Day Lag	-	2.6	2.6	2.7
Timing of Third Party Payments	-	-	-	27.2
Technology Transfer	1.0	-	1.0	1.0
Total Board Designated	2.3	268.4	270.7	317.0
HELD BY TRUSTEE UNDER MALPRACTICE AND GENERAL LIABILITY TRUST AGREEMENT:				
Malpractice Reserve	1.2	13.2	14.4	14.7
TIAA/CREF Escrow Acct	0.8	-	0.8	0.9
HELD BY TRUSTEE UNDER INDENTURE AGREEMENT:				
Funds Held by New York State	16.2	18.6	34.8	50.9
TOTAL Roswell Park Comprehensive Cancer Center	20.5	300.2	320.7	383.5
HRI				
Advance Grant Funds	36.2	-	36.2	33.1
Reserve for Post Retirement Health & Vacation	3.2	-	3.2	3.2
CPP				
CEO and Clinical Chair Funds	3.5	24.4	27.9	27.8
TOTAL ALL ENTITIES	\$ 63.4	\$ 324.6	\$ 388.0	\$ 447.6



**Roswell Park (RP), Consolidated
Cash Map (Amounts in millions)
FY23 September YTD**

	YTD For the Period ending September 30, 2022		
	Actual	Amended Budget	Variance
Beginning Unrestricted Days Cash & Investments on Hand	\$ 272.1	\$ 271.7	\$ 0.4
<u>Cash flows from operating activities:</u>			
Excess (Deficiency) of Revenues over Expenses Before Minority Interest	\$ 5.0	\$ (2.4)	\$ 7.4
Depreciation & Amortization	22.6	22.3	0.3
Add back non-cash equity (income) loss for JV's	0.2	0.3	(0.1)
Retiree Health, net	9.2	11.8	(2.6)
Pension costs, net	0.3	7.9	(7.6)
Working Capital Items	(40.3)	(32.9)	(7.4)
Total Cash Flow From Operations	(3.0)	7.0	(10.0)
<u>Capital and related financing activities:</u>			
Investment in PP & E	(24.7)	(45.5)	20.8
Capital Contributions	5.0	4.4	0.6
Principal payments on debt (including amortization)	(9.5)	(9.7)	0.2
Net cash used in capital and related financing activities	(29.2)	(50.8)	21.6
Net Cash Provided (Used) Before Release of Reserves	(32.2)	(43.8)	11.6
<u>Release/(Deposit) of Reserves:</u>			
BDF Release/(Deposit) and CPP Restricted Timing	45.7	61.1	(15.4)
Net Cash Impact	13.5	17.3	(3.8)
Ending Unrestricted Cash & Investments	\$ 285.6	\$ 289.0	\$ (3.4)
<u>Unrestricted Days Cash & Investments on Hand:</u>			
Beginning Unrestricted Days Cash & Investments on Hand	95	95	-
Change	-	-	-
Ending Unrestricted Days Cash & Investments on Hand	95	95	-

ROSWELL PARK CANCER INSTITUTE

NEW YORK STATE ABO BUDGET SUBMISSION

December 2022

Section 2801 of the NYS Public Authorities Law requires State authorities to submit budget information to the Authority Budget Office (ABO) no later than 90 days prior to the start of the authority's fiscal year. As a part of the filing, the authority's CEO or CFO must certify that the budget report is complete, accurate, and correct and that it has been presented to and accepted by the authority's Board.

To comply with the ABO requirements, RPCI has prepared an updated budget projection (enclosed) using information available to date. The format of the report is required by the ABO and expresses the financials in a modified accrual format. Considering that this budget report is required 90 days prior to the start of the fiscal year, we plan to continue to update budgetary assumptions over the next couple of months and provide any budget adjustments and a final budget for FY24 at the Board meeting in March 2023. The ABO does provide a process for amending the budget and RPCI has utilized this process in the past. We believe this approach provides the organization (and the NYS ABO) with the most accurate and up-to-date budget for performance measurement and decision-making for the next fiscal year.

CONDENSED BUDGETED REVENUES, EXPENDITURES AND CHANGES IN CURRENT NET ASSETS

<u>REVENUE & FUNDING SOURCES</u>	Last Year (Actual) FY22	Current Year (Estimated) FY23	Proposed Budget FY24	Proposed FY25	Proposed FY26	Proposed FY27
<i>Operating Revenues</i>						
Charges for Services	\$ 903,543	\$ 970,217	\$ 1,098,361	\$ 1,169,221	\$ 1,289,544	\$ 1,369,681
Other Operating revenues	24,728	27,260	33,314	34,070	35,916	36,512
<i>Non-operating Revenues</i>						
Investment earnings	(1,222)	(4,378)	13,679	15,411	13,237	12,844
State subsidies/grants	102,767	112,767	112,767	112,767	112,767	112,767
Federal subsidies/grants	3,142	3,563	-	-	-	-
Total Revenues and Funding Sources	\$ 1,032,958	\$ 1,109,429	\$ 1,258,121	\$ 1,331,469	\$ 1,451,464	\$ 1,531,804
<u>EXPENDITURES</u>						
<i>Operating expenditures</i>						
Salaries and Wages	\$ 347,751	\$ 383,469	\$ 427,733	\$ 453,132	\$ 479,526	\$ 501,830
Other Employee Benefits	102,119	102,051	113,092	123,070	132,151	140,216
Professional Services and Contracts	114,429	132,950	145,374	156,912	158,746	165,419
Supplies and Materials	367,903	425,769	474,913	518,357	567,689	605,726
Other operating expenditures	11,267	13,362	13,579	13,418	13,755	14,950
<i>Non-operating expenditures</i>						
Payment of principal on bonds and financing arrangements	19,084	19,350	18,977	16,285	14,188	-
Interest and other fiscal charges on debt	1,550	1,386	2,600	2,333	1,839	1,738
Capital asset outlay	38,234	69,851	89,399	81,804	51,748	50,997
Miscellaneous	-	-	-	-	-	-
Total Expenditures	\$ 1,002,338	\$ 1,148,188	\$ 1,285,667	\$ 1,365,311	\$ 1,419,642	\$ 1,480,876
Capital Contributions	3,526	10,841	16,817	3,580	-	-
"Excess (deficiency) of revenues and capital contributions over expenditures"	\$ 34,146	\$ (27,918)	\$ (10,729)	\$ (30,262)	\$ 31,822	\$ 50,928

Roswell Park Cancer Institute
Reconciliation of RPCI Full Accrual Budget to ABO Modified Accrual Budget Submission
(NOTE: ABO Filing Includes Only PBC)

	FY22 Actual	FY23 Forecast	FY24 Budget	FY25 Projected	FY26 Projected	FY27 Projected
STATEMENT OF OPERATIONS:						
Net Income - Modified Accrual Basis Filed with ABO	\$ 34,146	\$ (27,918)	\$ (10,729)	\$ (30,262)	\$ 31,822	\$ 50,928
ADD:						
Cash Outlays for Capital Expenditures, Lease & Subscription Payments and Principal Payments	57,319	90,712	121,407	111,379	79,316	64,632
DEDUCT:						
OPEB (non-cash)	(20,951)	471	6,070	4,917	3,503	2,043
Pension (non-cash)	12,568	21,126	4,368	7,683	9,516	10,104
Depreciation	(41,522)	(47,023)	(58,743)	(65,023)	(70,066)	(69,162)
Contributions for Capital	(3,526)	(10,841)	(16,817)	(3,580)	-	-
Other Changes in Assets & Liabilities	(5,582)	1,446	(353)	3,204	3,204	3,204
PBC Net Gain (Loss) Before Other Changes in Net Assets	\$ 32,451	\$ 27,973	\$ 45,203	\$ 28,318	\$ 57,295	\$ 61,749
Plus (Loss) Gain from HRI	3,016	2,098	(658)	151	1,482	1,820
Consolidated Net Gain (Loss) Before Other Changes in Net Assets	\$ 35,468	\$ 30,071	\$ 44,545	\$ 28,469	\$ 58,777	\$ 63,569
ADD:						
OPEB (non-cash)	\$ 20,951	\$ (471)	\$ (6,070)	\$ (4,917)	\$ (3,503)	\$ (2,043)
Pension (non-cash)	\$ (12,568)	\$ (21,126)	\$ (4,368)	\$ (7,683)	\$ (9,516)	\$ (10,104)
Consolidated Net Gain (Loss) Before Other Changes in Net Assets	\$ 43,851	\$ 8,474	\$ 34,107	\$ 15,869	\$ 45,758	\$ 51,422
Operating EBIDA %	8.1%	5.8%	5.3%	5.5%	6.1%	6.1%

Unleashing the Healing Power of Hope

ROSWELL PARK COMPREHENSIVE CANCER CENTER
INVESTMENT REPORT-
BOARD OF DIRECTORS

For the Period Ending September 30, 2022





Roswell Park Investment Report – Performance

For the Quarter Ending September 30, 2022

1

Roswell Park Cash & Investment Performance Statistics

Category	Group Fund	Portfolio %	9/30/2022	Net Return			9/30/2022	
			Asset Allocation \$ (Millions)	Q2 FY23	YTD FY23	Since Inception (9/1/16) (a)	Duration (2)	Avg. Expected Yield (Net) (3)
Short-term Funds	Liquid Funds (1)	9%	\$ 48.8	0.34%	0.44%	0.51%	N/A	1.42%
	Targeted Maturity - CDARS	8%	46.0	0.37%	0.46%	1.00%	0.2	2.31%
	Targeted Maturity - AUM	27%	143.4	-0.91%	-1.03%	0.75%	1.3	1.56%
	TOTAL SHORT-TERM	44%	238.2	-0.42%	-0.46%	0.75%	1.0	1.68%
Intermediate Funds	Intermediate Funds - AUM	56%	301.9	-0.88%	-1.13%	0.66%	1.3	1.32%
	TOTAL	100%	\$ 540.2	-0.67%	-0.83%	0.70%	1.2	1.48%

Fund	Q2 FY23	YTD FY23	Since Inception (a)	Duration (2)
Wilmington Trust - AUM (net of fees)	-0.89%	-1.10%	0.69%	1.3
Index - BofA 0-2 Yr US Treasury	-0.51%	-0.81%	0.84%	0.9
Index - BofA 0-3 Yr US Treasury	-0.99%	-1.36%	0.71%	1.3
Index - BofA 0-5 Yr US Treasury	-1.70%	-2.35%	0.50%	2.0

a – Returns greater than one year are annualized. Portfolio performance inception date of 9/1/2016.

1 – Includes operating accounts

2 – Policy limitation: Duration of the portfolio (defined as total available funds excluding deposit accounts) is limited to a maximum of 2.5 years

3 – Assumes securities within portfolio will be held to maturity

RP Malpractice Trust Performance Statistics

	AUM (Millions)	Duration (9/30/22)	Q2 FY23	Fiscal YTD	3-Yr (a)	5-Yr (a)	Since Inception (a)
RPCI Trust (Net Return)	\$ 14.4	1.9	-1.33%	-2.07%	-0.12%	0.74%	1.00%
Benchmark - ICE BofAML 1-5 Y US Trsy		2.5	-2.28%	-3.09%	-0.15%	0.77%	1.21%

a – Returns greater than one year are annualized. Portfolio performance inception date of 9/30/2009.



Roswell Park Investment Report – Activity (In Millions)

For the Quarter Ending September 30, 2022

2

ROSWELL PARK COMPREHENSIVE CANCER CENTER BOARD INVESTMENT REPORT (A) IN MILLIONS

For the Quarter Ending September 30, 2022

	HSBC	CHASE	FIVE STAR (B)	WILMINGTON TRUST (C)	WILMINGTON TRUST (C, D)	Total
BEGINNING BALANCE	\$ 0.1	\$ 2.0	\$ 87.9	\$ 462.4	\$ 14.6	\$ 567.0
NEW INVESTMENTS	-	-	-	7.0	-	7.0
LIQUIDATIONS	-	-	-	(20.0)	-	(20.0)
INTEREST	-	-	0.3	1.6	0.1	2.0
CHANGE IN MARKET VALUE	-	-	-	(5.6)	(0.3)	(5.9)
TOTAL INVESTMENTS HELD	<u>\$ 0.1</u>	<u>\$ 2.0</u>	<u>\$ 88.2</u>	<u>\$ 445.4</u>	<u>\$ 14.4</u>	<u>\$ 550.1</u>

(A) - Includes Roswell Park and Clinical Practice Plan's money market, insured cash sweeps (ICS), deposit accounts, C/Ds, and Investments.

- Does not include operating funds. Accrued interest included for investment securities only.

(B) - Includes Five Star money market account, insured cash sweep (ICS) account, and CDARS.

(C) - Reported at market value and includes accrued interest.

(D) - The Malpractice Trust is now invested with Wilmington Trust

Audit Committee
Mr. Dennis Szeffel – Chair
Committee Report Summary from October 27, 2022

1. Finance Update:

1.1. FY2023 Independent Audit Plan - approved:

Freed Maxick CPAs, the external audit firm, presented their service plan for conducting the audit of the consolidated financial statements as of and for the year ending March 31, 2023.

1.2. Accounts Receivable Implementation Project Status Update - approved:

Ryan Grady, Chief Financial Officer, provided a verbal update regarding the status of the Accounts Receivable Implementation project noting that the project planning phase is going as planned. Two identified risks that are being managed include: (1) the lack of staffing resources and the higher than budgeted staffing costs and (2) the multiple upcoming competing IT projects.

Martial Codjovi, Senior Manager Internal Audit, provided a verbal update regarding Internal Audit’s quarterly inflight Accounts Receivable Implementation project review, noting that this is the second status update on the revenue cycle project. The revenue cycle project planning is going well. The teams are very engaged and working well together. For this status report, two key risks were identified and agree to Ryan Grady’s update: The lack of resources and the multiple upcoming competing IT projects. The risk rating was changed from green to yellow as the result of these two risks. Management is aware of these risks and monitoring a plan to resolve these risks. The “yellow” status does not mean the project is at risk but requires management’s attention and action. If these risks are not effectively managed it could impact the implementation phase of the project.

Mr. Szeffel inquired if this update also reflected the overall anticipated additional budget needs moving forward. Both Ryan Grady and Eugene Cullen, VP Internal Audit, noted that this verbal update is “as of” the planning phase and not inclusive of the higher anticipated calculated budget needs moving into the implementation phase of the project. This risk will be reflected in the next Internal Audit status report.

1.3. Update on Non-Audit Services - approved:

Ryan Grady presented a summary update of the audit and non-audit related services costs incurred for FY 9/1/21-8/31/22 and budgeted amount for FY 9/1/22-8/31/23 for the current independent audit firm, Freed Maxick. The Audit Committee approved the FY 9/1/22-8/31/23 budget request.

2. Information Security & Organizational Readiness Assessment for Extended Downtime – approved:

Internal Audit noted: the audit scope included the design and effectiveness of the baseline information security controls, activities, and processes and the ability for the organization to continue operations if the IT systems go down due to a ransomware attack or other disaster. The audit was completed in two phases:

1. Information Security Department (ISD) Maturity Assessment - policies & procedures, training, security operations, network security, vulnerability management, incident response, and third-party risk.
2. Resilience Assessment - preparedness for an extended downtime.

Audit observations over ISD Maturity:

1. Technical observations, including repeat findings with the need for:
 - Improved Information Technology (IT)/ISD third-party vendor program including complete and accurate vendor database, adherence to a formal contract and performance evaluation program, and inclusion of key vendors in incident response and recovery testing.

- Enforcement of security policies through implementation of: (1) the Microsoft Cloud Access Security Broker (CASB) tool; (2) commercial Identity and Access Management solution; (3) vulnerability tracking and reporting; (4) a formal process to ensure that the organization maintains detection processes and procedures and tests to ensure awareness of anomalous events; and (5) implementation of a formal process to monitor changes to regulatory requirements.
 - Network segmentation including hardware upgrades.
 - Full failover test to the secondary data center (VTC).
 - Establishment of a baseline hardware, software, application, licenses, warranties, etc. inventory and utilization of ServiceNow asset management system to manage these assets.
 - Move of all IT policies to ServiceNow to manage the annual update and approval processes.
2. ISD governance structures have been established, but risk tolerances/acceptance levels for a security baseline have not been defined and approved by executive leadership and the board. Without a defined baseline for the ISD program, monitoring of effectiveness may be ad hoc and desired goals and objectives may not be met.
 3. Conflict exists between ISD and IT regarding hardware/application selection, maintenance, and ownership which are delaying progress. Clear roles and responsibilities for application selection, network compatibility assessment, and system maintenance require clarification, acceptance, and adoption.

Conclusion – ISD Program Maturity

ISD progress is counterbalanced by the increasing complexity of cybersecurity risk. These two opposing forces resulted in our determination that the ISD program remains at the 2018 maturity level with opportunities to further enhance our security posture.

Audit observations Organizational Readiness for an Extended Downtime Scenario:

The results of our ransomware attack with an extended downtime scenario risk assessment found that an adequate organizational plan for continued operations in the event of a successful ransomware attack or other incident that could bring down our network systems and applications for an extended period is not in place, although adequate plans appear to be in place for short term outages. Observations include:

1. Ransomware response, extended downtime procedures, and business continuity plans are technically and operationally deficient.
2. The current ransomware response plan is dependent on individuals' knowledge and perspectives, not based on a formal documented plan, decision tree, or approach.
3. Department downtime procedures obtained and read were outdated and provide limited to no guidance to clinicians for an extended downtime scenario.

Conclusion – Organizational Readiness for an Extended Downtime Scenario

The organization is ill-prepared to respond to a ransomware incident, or any incident, that results in an extended system outage that prevents our access to critical patient data and network-dependent equipment. There is a need to develop a strategy and approach supported by an operational and technical playbook for a ransomware response and business continuity plan for continued operations and patient care. The lack of a comprehensive plan and approach (playbook) poses risk as patient care can be compromised if access to critical clinical data is lost.

Audit Recommendations:

1. Establish an ISD Risk Tolerance and Acceptance Baseline.
2. Ransomware and Extended Downtime Response:
 - a. Establish a Cybersecurity / Extended Downtime Incident Response Team
 - b. Develop formal Ransomware and Extended Downtime Plan, Policies and Procedures:
 - c. Create a Ransomware and Downtime Playbook:

3. ServiceNow. Explore expanding the use of ServiceNow workflow functionality to track, manage, and report upon information security tasks and efforts.
4. Establish an IT Asset Management Program (ITAMP): An asset management program is an essential and baseline element of a cybersecurity program. An organization is unable to confirm its cybersecurity program effectiveness without a complete and accurate inventory of hardware and software assets.
5. ISD and IT to Define Roles and Expectations: Clearly define roles and responsibilities between ISD and IT. We recommend ownership delineation of infrastructure and processes, maintenance, and monitoring.

Management Response

Information Security Department and Information Technology Department: Management agrees with the observations and detailed recommendations and has begun remediation of their respective processes.

Clinical Operations: The Clinical Operations team established a working group tasked with reviewing, updating, and enhancing downtime procedures to be implemented in the event of long-term IT outages. The working group, which consists of representatives from clinical operations, clinical departments, IT, and Occupational & Environmental Safety, meets monthly to discuss project objectives and status. The project is managed by a dedicated project manager who coordinates with the working group members and the project sponsors (Chief Clinical Operations Officer, Deputy CIO, and Occupational and Environmental Safety Program Manager). Once downtime procedures have been revised, the project sponsors will be performing onsite walkthroughs of the procedures to verify adequacy and effectiveness.

3. Status Report and Audit Open Items

1. **Chemotherapy Audit Follow-up Status Update:** see below
2. **Pathology Audit Follow-up Status Update:** see below
3. **Operating Room Audit Follow-up Status Update:**
Mr. Cullen noted that IAAS continues to formally and routinely monitor the status of management’s remediation efforts over these three critical clinical operation services – Chemotherapy, Pathology and Operating Room. He noted that the remediation efforts are going well, and progress is being made in all three areas. He emphasized that the overall theme developing from the efforts by management is that no service is a silo and all activities and changes by those outside of the department impact the services and, vice versa, the services’ actions impact the work of others. He also emphasized the highly complex nature of this work and how important these services are to the organization. Internal Audit will continue to monitor management’s efforts and report on any risks on concerns that arise.
4. **Public Safety Risk Assessment Presentation:** Harvey Strassburg, Executive Director, Special Police/Public Safety and Transportation, and Gordon Carpenter, Chief, Special Police/Public Safety, provided the Audit Committee an overview of the Campus Special Police and Public Safety Department including the scope of operations, risk assessment process, staffing, challenges, and programs including customer service, law enforcement, life safety and workplace violence. The team provided an update on their remediation efforts related to the August 2021 Public Safety audit report.

4. Ambulatory Clinic Operations Risk Assessment Presentation:

Ronald Andro, Senior Vice President and Chief Clinical Operations Officer, and John Kuhns, Senior Executive Director, Ambulatory Disease Site Administration, provided an overview of their scope of operations, summary of key risk assessment findings, remediation efforts and action plan in response to the June 2022 Ambulatory Clinic Operations Risk Assessment Report provided in this audit committee package. The action plan includes use of an Ambulatory Productivity Dashboard, accountability via the Clinic Dyad Model with day-to-day administration conducted via a partnership of the physician leaders and the clinic manager and identification and plan to remediation issues related to governance and leadership, physician practice management and information technology.

The risk assessment focused on existing governance and operational structures and associated internal controls and found that many of the current structures and processes are not effective and need improvement. The existing governance model, staff roles and responsibilities, monitoring efforts, and oversight are not well defined or sufficient to support current operations and not scalable for future growth.

Key Matters of Concern:

1. Governance and Leadership

- a. Diffused responsibility with multiple reporting lines within each clinic results in a lack of accountability for performance, acceptance of suboptimal processes, poor inter- and intra-departmental communication, lack of teamwork, territoriality, and a lack of innovation.
- b. Inefficient scheduling and coordination cause extended wait times and patient dissatisfaction.
- c. Operational inefficiencies can negatively impact our ability to accrue patients to clinical trials as staff do not have the bandwidth, time, or resources to identify and counsel patients regarding potential clinical trials.
- d. There is a need for key performance indicators (KPIs) by clinic, service, and provider, to monitor performance, assess trends, and identify opportunities for improvement.
- e. There is a need for improved employee engagement including daily huddles to plan for the clinic day, identify matters causing dissatisfaction or inefficiency, and to brainstorm / develop action plans for improvement.
- f. Reduced staffing levels due to vacancies, FMLA, conferences, and time-off are not planned resulting in overscheduled clinics and patient and staff dissatisfaction.

2. Physician Practice Management

- a. Schedule templates are outdated and do not reflect the provider's practice.
- b. Clinic space, clinic operating days and times, and provider availability are not coordinated, intra- or inter- service, to meet patient needs or improve throughput and access. We observed late clinic starts, early end times, and space constraints.
- c. Clinic level loading is not performed creating inefficiencies in the daily clinic schedules.
- d. Roles and responsibilities of the clinic managers, practice managers, and administrators vary by clinic.
- e. Independent APP use is minimal.
- f. Staff are not always functioning at the top of their license; this is a waste of resources and adversely impacts patient throughput.
- g. The float-staff model does not allow for the development of clinical expertise, teamwork, relationships, and customer service.
- h. EHR expertise and use vary by provider.

3. Information Technology

- a. Clinic and EHR workflows are not reconciled resulting in workarounds, compliance matters, inefficiency, and safety concerns.
- b. EHR physician education and training are not mandated resulting in varying levels of EMR use.
- c. Order set management is not timely causing frustration and dissatisfaction among physicians.

Conclusion

The ambulatory clinics have grown organically over the years without a strong central governance and operating structure having established KPIs and monitoring. This poses risk to future growth as it is not scalable.

Recommendations

The ambulatory operating model should be a patient focused model that simultaneously addresses staff and physician needs while providing timely and exceptional care to our patients. There is a need for a baseline

standard ambulatory operating model with standard clinic workflows to establish a reliable, repeatable, and efficient clinic process with high patient satisfaction that supports the research mission.

The improvements to ambulatory operations can be realized focusing on known operational inefficiencies and engaging staff and providers by setting expectations, establishing KPIs, and monitoring progress. The effort will require a coordinated approach by a multidisciplinary team and a commitment to change.

The risk assessment recommendations are designed to improve timeliness and scalability through improvements in efficiency, workflow design, quality control, and culture.

1. Ambulatory Clinic Leadership

There is a need for centralized clinical, physician, and non-clinical executive oversight to provide guidance, leadership, and accountability. Any clinic transformation team should place reliance on the respective Chair/Chief, Practice Manager, and Nurse Manager to help drive, monitor, and report on performance within their respective clinic operation. The goal should be to establish standard workflows, bring ambulatory operations into alignment, reduce variability, and improve throughput.

2. Transformation Project Team

Establish a transformation project team. A formal project management plan and/or “war room”¹ approach would rely on individuals that understand the organizational culture and the approach needed to foster change. This approach has the endorsement of the clinical faculty as there is a recognition for the need to improve ambulatory operations. Several clinics have volunteered to participate in any pilot project, if there was a need.

3. Project Recommendations

<i>Workstream</i>	<i>Recommendations</i>
Project Office	1. Establish a PMO to support the plan and approach.
Governance, Planning and Strategy	1. Define the guiding principles for the project and include these principals in clinical department and individual performance goals. 2. Include future ambulatory strategy in the project plans, e.g., homecare, telemedicine, etc. 3. Evaluate clinic policies and operating standards, revise as needed. 4. Develop a baseline staffing model that can be refined by practice. 5. Establish clear lines of authority and accountability for performance. 6. Define key performance indicators (KPIs) to be used to monitor, compare, and trend performance. 7. Improve communication and coordination amongst the providers and staff. 8. Increase access and use of the portal to facilitate the pre-admission process, documentation requests, and patient contact prior to the day of the ambulatory service, and after the visit.
Physician Practice Management	1. Redesign templates to reflect individual physician practice and monitor the new template effectiveness. 2. Evaluate schedule against provider workload to ensure adequate coverage is available throughout the day.

¹ A room used for conferences and planning regarding a specific initiative.

	<ol style="list-style-type: none"> 3. Define KPIs such as: the number of new patients placed on trials, wait time for new patient visit, number of patients referred to survivorship, number of APP visits, etc. 4. Improve order timeliness and accuracy.
<p>EMR and Supportive Technology</p>	<ol style="list-style-type: none"> 1. Assess medical records scanning process and approach to digitize paper documents. 2. Obtain and implement effective verification and authorization software. 3. Implement a process to update or create order sets in 30 days or less. 4. Provide clinic leadership with clinical and financial data to monitor and improve clinical operations by service. 5. Identify opportunities to improve and coordinate clinic and EMR workflow and mandate EMR training.

Management Response

At the end of fieldwork, management started their ambulatory transformation journey. Past efforts appear to have had a top-down approach which has not been successful or sustainable. The new approach appears to be holistic using a multidisciplinary team leveraging objective data and analysis.
