

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING AND THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS HELD ON JUNE 4, 2007

Directors Present

Martin D. Payson, Chair
Leonard A. Benedict, MD
John M. Brickman, Esq.
Lawrence E. Elovich, Esq.
Bradley L. Gerstman, Esq.
Rosemarie Guercia, MD
George W. Miner, MD, MBA

Not Present

Patrick F. Carone, MD
Barbara Ross-Lee, DO
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.
John F. Ragano, Esq.

Non-Voting Directors Present

Arthur A. Gianelli, President/CEO
Asif M. Rehman, MD
Frank J. Saracino, EdD

Hospital Administration

Gary Bie, SVP/CFO
Julie L. Mirkin, RN, SVP for Patient Care Services
Larry Slatky, SVP Extended Care
Steven J. Walerstein, MD, SVP Medical Affairs
Sharon Popper, Esq., VP for Legal Affairs
Joan A. Soffel, Assistant to the Board/CEO

1. George W. Miner, Chair Pro Tem, Board of Directors of the Nassau Health Care Corporation, opened the meeting at 8:50 a.m. Dr. Miner observed the absence of a quorum; therefore, minutes could not be adopted, nor any actions taken that require full Board participation, but that Mr. Payson would convene a meeting of the Executive Committee of the Board following the report of the President to address matters within the purview of the Executive Committee.
2. **Adoption of Minutes.** Minutes of April 23, 2007. Tabled.
3. **Report of the President/CEO.** Mr. Gianelli welcomed a new Board member, Dr. Asif M. Rehman, who was appointed by the County Executive.

Finances. Mr. Gianelli reported that the Corporation lost \$1.5 million through April 30, 2007 (\$772 thousand at NUMC and \$755 thousand at AHP). Finances do not yet factor in State cuts to AHP and the community health centers (CHCs). The final adopted State budget includes a reduction to trend factors and redistribution of bad debt and charity from voluntary CHCs to private CHCs. NHCC continues to work on the graduate medical education (GME) cuts. If we are successful NHCC could benefit \$1.1 million. A proposed draft legislation was forwarded to Senator Hannon asking for clarification of language. Mr. Gianelli should have a response by the next Board meeting.

There are still problems with volumes and discharges. Discharges were down 38 from last year (0.5%), 162 from budget (2%). Discharges were down in Nassau County by about 1%. Medical/Surgical discharges are down 79 (1.9%) and Pediatrics are down 160 (23.2%). It was noted that pediatric admissions are down Island-wide. Mr. Gianelli will meet with staff to brain-storm on how to bring those admissions back into NUMC. The health centers are up 3%, though down from budget. Mr. Gianelli thought that certain positions would have been filled by this time at the clinics to increase volume. The general clinics are up 3.8% and ED visits/admissions are up slightly in May.

May and June last year were not strong months. This is where we can pick up and discharges were up for the month of May. Adult and Pediatric discharges were up by 77; Psychiatry by 13, Chemical Dependency by 4, Rehab by 8, and Newborns by 22. Patient

days is Psychiatry were up by 257 from the 2006 budget. Volumes and discharges were working in our favor for the month of May. Mr. Gianelli will be focusing on things to help grow business such as opening adult psychiatry, the multi-year plan, and working with Dr. Weiss and PM&R with their increased volume. There have been numerous discussions with other facilities to augment and develop services.

Quality and Culture. NHCC continues to make progress with quality and culture with the assistance of the Krasnoff Institute. Dr. Yosef Dlugacz meets with the Executive Committee of the Medical Staff and there will be a series of kick off meetings to improve quality care in a demonstrable way. It is critically important to increase the public report cards, especially since the Niagara Report of 2005 was not positive. Although NHCC questioned the report and their methodology, we must perform on these measures in a very convincing way to show people that we are making the progress we are making.

Corporate Goals include core measures, IHI, ambulatory services and patient satisfaction. Meetings have begun with department heads regarding patient satisfaction, it is a floor by floor analysis comparing the first quarter with 4th quarter of 2006. The challenge has been mandated to each floor for improvement.

Mr. Gianelli will be adding three components to the Organizational Chart: Paul Rowland, Chief Operating Officer, Mitch Rubin, VP Health Centers and Ambulatory Services and Jack O'Connell as Special Advisor. Mr. O'Connell is the former President of The Health and Welfare Council and his position will be funded through the Institute for Minority Health Care and Disparities program.

Modernization Program. Work continues and ground-breaking for Freeport is projected for July, early August. The bids are out and feedback is expected before the end of June. Two locations have been identified for the Hempstead health center and there are some additional funds from the County and HEAL NY program. Mr. Gianelli is also discussing market tax credits that would add about 30% in equity for the construction and is applying for Nassau County Industrial Development Agency funds to purchase equipment for Hempstead. Earmark requests for high-end equipment (CAT scan, x-ray) have been submitted to Representative Carolyn McCarthy.

Work on the shell floors begins in July. An architect is on board to design the new Emergency Department; the Master Planner is meeting with departments and management. Included in those discussions are ways to present ourselves to the public such as the main entrance, and unified signage. Since NUMC and AHP were part of the Berger Commission report, the facilities are eligible to apply for HEAL IV grant monies (\$550 million will be available state-wide), as well as DASNY and FSHARP finances.

Real Estate. The A. Holly Patterson campus will sell land for equity to fund construction of a new facility. A. Holly Patterson will provide a transition plan to downsize according to the Berger Commission recommendations, utilize a portion of its land to build a Medicaid Assisted Living facility, and retire debt.

NUMC will receive reimbursement of costs incurred relative to satisfying the Berger Commission directives to construct the shell floors and psychiatry units. There will be a stand-alone ambulatory center, new ICU's and a labor, delivery and recovery area (averaging about \$12 million).

A second round of community meetings will begin regarding the Uniondale property regarding land use, time frame and construction. There is a separate RFP for the Uniondale property. The East Meadow campus will be mapped out by the Master Planner.

Business Development. There are significant land use opportunities, resident housing, upgrades, improved research and clinical facility and partnering with other institutions.

4. Report of the Chairman. Mr. Payson noted that it is the first anniversary of the new leadership and Mr. Gianelli as CEO. Mr. Payson wanted to congratulate Mr. Gianelli and staff on all of the accomplishments and improvements that have been made this year.

Mr. Payson welcomed Dr. Asif M. Rehman, a new Board member appointed by County Executive Suozzi. He noted that Dr. Rehman is a cardiologist at St. Francis, who was formerly a resident of NUMC.

Mr. Payson acknowledged Dr. Marilyn A. Robertson for her tenure on the Board since 1977 and as Chairman of the Board while Mr. Payson was a member of the NIFA team. Dr. Robertson also served on numerous Board committees. Dr. Robertson was presented a plaque for her devoted services at Nassau Health Care Corporation from 1997 through 2007.

Mr. Payson said NHCC has come a long way in one year and there is still a long way to go. The Corporation has resources, a significant body of new chairs, in addition to the prior chairs, there is a body of medical leaders with superb experience, we have strategic plans, and receive support from various communities. Our reputation is not where it should be and we need to go out and continue to tell our story.

Mr. Payson reported that he and Mr. Gianelli would be making a presentation to the Executive Committee of North Shore/LIJ to bring them up to date with NHCC's progress. North Shore/LIJ has been a terrific partner to this enterprise. We have one shot to turn this place into a model of what it should be. A. Holly Patterson is on its way along with the community health centers. We are working with the County to support our terms of the Successor Agreement, and there are significant issues that need to be resolved. He noted that issues that hung over the institution have been resolved such as the JCAHO inspection. NHCC received wonderful coverage in Newsday and noted that the Niagara Report was two years old. Mr. Payson thanked Shelley Lotenberg for all she has done with the media and especially Newsday which has given NHCC good and fair coverage. The GME programs, Justice Department review of A. Holly Patterson and Correction Center problems have been resolved. The Justice Department feels that A. Holly Patterson is a model of what a public health nursing home should be. Mr. Payson acknowledged Larry Slatky for the tremendous job he has done at the nursing home. Mr. Gianelli will be preparing a report to the public regarding the challenges and accomplishments that have been made.

5. Conflicts Disclosures. Ms. Popper reported on two conflicts: Board member Barbara Ross-Lee has asked that the minutes reflect her having advised the Board of a conflict of interest arising from her employment relationship with the New York Institute of Technology/New York College of Osteopathic Medicine due to the fact that discussions are underway toward expanding the relationships between NYIT/NYCOM and the Nassau Health Care Corporation. Should any business decisions require a vote of the NHCC Board of Directors, Dr. Ross-Lee intends to recuse herself from any such vote.

Board member John Brickman has asked that the minutes reflect his having advised the Board of a conflict of interest arising from his firm having provided legal services to certain members of the third party administrator/law firm with which NHCC contracts to assist with managing its malpractice defense program (Barnett Ehrenfeld). Should any business decisions arise regarding NHCC's relationship with Barnett Ehrenfeld, Mr. Brickman intends to recuse himself from any such vote.

6. Executive Committee. Mr. Payson called to order a meeting of the Executive Committee of the Board of Directors consisting of himself as Chair, John M. Brickman, Lawrence E. Elovich, Rosemarie Guercia, George W. Miner, and John F. Ragano (absent), and noted the presence of a quorum of the Committee. The Executive Committee, in public session addressed the following matters:
7. Amendment of Stabilization Agreement. Mr. Gianelli requested a vote to further extend the payment provisions of the Stabilization Agreement, noting that he was not 100% sure that the County would act affirmatively on another extension. He explained that in 2004, the Stabilization Agreement was contemplated as an interim agreement pending negotiation of a Successor Agreement that would be more permanent. There are a number of reasons why the parties have not reached accordance on the material terms of the Successor Agreement. **Upon a motion made, duly seconded and unanimously approved the Executive Committee authorized the CEO to execute and deliver to the County of Nassau an amendment to the Stabilization Agreement dated as of September 22, 2006, as amended to date, in substantially the form and content as set forth in the letter amendment attached hereto and made a part hereof. Resolution No. 058-2007.**
8. Report of the Medical Professional Affairs Committee and Medical Director. Dr. Miner reported that the report of the Medical Professional Affairs Committee would be given in Executive Session.

Dr. Walerstein reported that the Joint Commission on Accreditation of Hospitals will be posting the results of the recent resurvey on their web-site. A teleconference was held for the annual submission of Periodic Performance Reviews (PPR) self analysis, either NUMC is compliant or lacking compliance. Under the leadership of Maureen Shannon, that went smoothly and they accepted all of our recommendations for plans of correction. Dr. Walerstein also thanked Shelley Lotenberg for the New York Times article on the Joint Commission resurvey results. GME: our rotating internship under the American Osteopathic Association (AOA) received a full 5 years accreditation which is the maximum you can receive. Dr. Walerstein expressed appreciation to Dr. Steier for spearheading those efforts.

9. Report of the Finance Committee.

Contract Actions Taken. Lawrence Elovich, Chair of the Finance Committee reported on contracts requiring action by the Board.

Advisory Board Company. Ms. Mirkin reported that NHCC is a charter member of The Advisory Board Company, a Washington, DC based research company that assists nurses, physicians and management on best practices. NHCC nursing will participate in an exciting demonstration project entitled "E Compass" which provides a dashboard that will extract data from NHCC's scheduling, payroll, budgeting and time/attendance systems with real-time data to access staffing, quality and budgeting. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved entry into a contract with The Advisory Board Company in the negotiated amount of \$380,138 for three years (one-time setup/implementation fee for year 1 in the amount of \$104,088; \$109,293 in year 2 and \$114, 757 in year 3) subject to termination without penalty on 30 days notice, deliverables to include a nursing management dashboard that will extract data from NHCC's scheduling, payroll, budgeting and time/attendance systems. Resolution No. 045-2007.

**Lund International Personal Services. Mr. Bie recommended renewal of the contract for one-year not to exceed \$377,200 for customized Lawson System services. The system was installed in 2001 at which time consultants were provided to us to help maintain and

customize the system. The service will be re-assessed to see if consultants can be brought in-house. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved renewal of the contract with Lund International Personal Services for one-year in an amount not to exceed \$377,200 for customized Lawson system services. Resolution No. 047-2007.**

*****Compliance 360 Software.** Ms. Popper reported that the Compliance 360 Software provides the mechanism for maintenance of NHCC policies and procedures. Management is recommending that NHCC standardize to this product for continuity over a period of years. Since standardization of a contract requires a 3/5 full Board approval (9 votes in favor), the standardization aspect of the contract will be tabled. Meanwhile, the Committee authorized management to proceed with execution of the contract with the question of standardization to await the next Board meeting.

****Ridgefield Associates.** Mr. Bie reported that that this is a one-year renewal of a contract to provide regulatory monitoring services at A. Holly Patterson which has been in effect for five years. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved entry into a one-year renewal of the contract with Ridgefield Associations to provide regulatory monitoring services at A. Holly Patterson in an amount not to exceed \$77,400. Resolution No. 049-2007**

****Precision Health Incorporated.** Mr. Bie reported that this is a six-month extension in excess of one year for providing EKG services to Medicaid residents at A. Holly Patterson. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved extension of the Precision Health Incorporated contract for six months (resulting in a contract for a period in excess of one year) for services for Medicaid residents at A. Holly Patterson, in an amount not to exceed \$2,400/6months. Resolution No. 051-2007.**

****Medifax Portable Diagnostic.** Mr. Bie reported that this is a six-month extension in excess of one year for providing X-ray services to Medicaid residents at A. Holly Patterson. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved extension of the Medifax Portable Diagnostic contract for six months (resulting in a contract for a period in excess of one year) for radiology services for Medicaid residents at A. Holly Patterson, in an amount not to exceed \$2,400/6months. Resolution No. 052-2007.**

****American Pharmacotherapy, Inc.** Mr. Bie reported that this is an extension of an existing contract for an additional \$5,650. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved the extension of the American Pharmacotherapy, Inc. contract for an additional \$5,650 (total contract \$40,650) resulting in a contract for a period in excess of one year. Resolution No. 055-2007.**

****Amendment of Procurement Authority Resolution No. 031-2007.** Ms. Popper reported that last month the Finance Committee recommended approval of the Corporation's procurement policies permitting the CEO to enter into contracts relating to projects previously approved by the Board as long as the procurement procedures are followed. The Committee revisited the issue at its most recent meeting regarding whether a limit on that authority should be established to protect the Corporation and its CEO from outside criticism. The Committee is recommending an amendment to the policy to require approval by the Finance Committee for any such contract that exceeds \$1 million.

Mr. Payson noted that it seems odd that the Board must approve contracts for \$2,000 and then grant the CEO authority for contracts up to \$1 million. However, it is very important that on major construction projects worth \$100 million that subcontracting contracts can be approved expeditiously to complete the major project. Those major projects have already been approved by the Board and as long as those subcontracts meet procedures and safe guards which were set in place (competitive bidding, etc.) to allow the CEO to keep things moving, otherwise, construction will come to a halt. Mr. Gianelli noted that much of the construction funding comes from the HEAL NY program which has certain timing requirements regarding expenditures that need to be met. The County Tobacco funds also have conditions under the tax certificate requirements that the proceeds are spent within certain periods of time. Action on this recommendation was tabled for action by the full Board at a meeting where a quorum of the full Board was present.

Mr. Elovich reported that the Finance Committee approved the Cannon Design contract for \$1.95 million for architectural and engineering services in connection with renovations and construction of the Emergency/Radiology Department as part of the previously approved NHCC Modernization Program.

Ms. Forman spoke to the issue that the 360 Compliance contract was only for \$21 thousand annually for three years and is necessary to maintain the policies and procedures of the institution. Ms. Popper explained that to standardize to this software would need full Board approval (a super majority of 3/5—nine votes in favor) or otherwise go through an RFP process or other type of competitive pricing process at the end of the contract term. Since the Corporation would like to standardize this software package, standardization needs approval at the next meeting.

10. Report of the Chief Financial Officer. Mr. Bie reported on the May financials. He reported that the Corporation showed a surplus of \$240 thousand, after investment income. There are two extraordinary items in that surplus: sale of receivables with a revenue of \$500 thousand for April, and A. Holly Patterson received PRI case mix upgrade (CMI 1.01 to 1.07) for \$1.2 million on an annual basis. In April the Corporation recorded \$400 thousand (\$100 thousand for April and the other \$300 thousand for January, February and March).

Mr. Payson noted that Patient Review Instrument (PRI) was \$1.2 million which is significant for the ongoing operation of A. Holly Patterson. Mr. Gianelli noted that A. Holly Patterson lost almost the equivalent in the State budget.

Mr. Bie reported that NUMC had a surplus of \$31 thousand for the month including the \$500 thousand for sale of receivables. The issue at the medical center is primarily discharges which were up 90 for the month or \$1.6 million revenue stream. We would have had a stronger month, in May the volume is coming back. Year-to-date the discharges are down 162. A. Holly Patterson reported a surplus of \$193 thousand for the month including the \$400 thousand PRI adjustment. The census is climbing—575—on target with budget. There are currently 13 vented patients (total 16 vents). The community health centers continue to break even with a surplus of \$16 thousand. Visits were 5,889 vs. 5,910, up by 21 for the month.

Mr. Gianelli said that the census fluctuated in an interesting way in May. In the beginning of May NUMC had slightly over 300 patients and it peaked at the end of May with 413, the volume was so strong that staff literally had to find beds that were in storage. There has been slow movement at the DOH regarding the CON for extension of dialysis beds at A. Holly Patterson. The census for vent residents was 16, we could easily fill 20. It would be attractive to LIJ who is looking to discharge vent patients to the nursing home. The additional beds are worth \$700 thousand. Mr. Brickman asked what attributed to the increase in census

in May. Mr. Gianelli said that normally the census bottoms out around a holiday; census was low in early May. Mr. Gianelli attributed this to the article regarding the Niagara Report and within 24-48 hours, the census was down and stayed down for one week. Admissions that come through the ED now are about 24-25%. Last month it was 26% with thirty discharges. There were a handful of discharges with the opening of the chemical dependency unit, by end of May, 10-11. PMR was extremely aggressive in working with leadership at New Island to receive transfers of patients that were going elsewhere. In 2003 the censuses increased by 2,000 attributable to the Hempstead General closure, after that one year, discharges normalized back out—2001 and 2006 had almost the same volume and discharges although length of stay is better now.

Borrowing Resolution – NHCC, Ltd. Mr. Bie reported that last February, NHCC entered into a loan agreement with NHCC, Ltd. for \$10 million, that loan expires August 10, 2007. Without an extension, NHCC would need to pay back \$10 million to the captive. NHCC has not used that money and would like to extend the loan and use it as a line of credit. If NHCC were to go to a bank for a loan, there would be fees attached. Essentially with the NHCC, Ltd., we are paying fees to ourselves. If approved by the Board, NHCC would still need Cayman regulatory authority as well. The potential amount is not to exceed \$17 million. Ms. Popper noted that the original loan was up to \$17 million, but NHCC only borrowed \$10 million. Thus, the renewal resolution continues to recite "not to exceed \$17 million". Mr. Payson said that this would provide flexibility and liquidity to NHCC. Mr. Brickman, chair of the Legal and Audit Committee, noted that he was impressed with the quality of people handling the malpractice account, everything is in order. He also learned in the recent meeting that public hospitals, such as NUMC, have certain statutory protections regarding malpractice, keeping it safe from unknown cases coming up. He was quite comfortable with the borrowing. Mr. Gianelli said that this money is placed in a designated account; it has not been tapped, and will not be tapped, unless it is absolutely necessary and the interest is paid to our own captive account. **Upon a motion made, duly seconded and unanimously approved, the Executive Committee, in the best interests of NHCC, approved and authorized and expressly delegated authority to the CEO and CFO, acting jointly, to renew the note payable to NHCC, Ltd. and/or extend the due date of the note on or before August 10, 2007 and from time to time thereafter, in principal amount not to exceed \$17 million plus interest at rates not to exceed 6% per year for the purpose of establishing a cash reserve upon which the Corporation can draw from time to time to meet its needs for operating capital. Resolution No. 059-2007.**

Faculty Practice Plan Distribution. Mr. Bie recommended the distribution of the first quarter 2007 Faculty Practice Plan. Mr. Payson asked if there was anything unusual about this distribution for the first quarter. Mr. Bie said that no, the distribution has been approximately \$2 million each quarter over the last several years. It is \$1.85 million for first quarter 2007. Mr. Gianelli said that the last distribution included a minor "penalty" that was determined due to incomplete charts. Based upon discussion with the chairs, Dr. Walerstein and Mr. Bie, they reached the conclusion that although the point must be understood that there must be better compliance, a penalty approach was not the best resolution to the problem. Mr. Gianelli felt that administration would work with the chairs to grow compliance by department. Ms. Forman is working on electronic physician charge capture that will be available in about a year and a half. Mr. Gianelli will also be discussing, with the chairs, the long-term structure of the practice plan in the future. **Upon a motion made, duly seconded and unanimously adopted, the Executive Committee, approved the Faculty Practice Plan Distribution at March 31, 2007. Resolution No. 060-2007.**

11. Report of the Community Health Committee. Dr. Guercia, chair, reported that the committee discussed the closure of the Long Beach health center and transferring patients to Long Beach Hospital and the closure of the Inwood health center and transferring patients to

Peninsula Hospital. Dr. Guercia reported that Peninsula does not have a maternity service. A solution could be assigning a family practitioner to the Peninsula Hospital for one day and transportation could be arranged for patients to transfer to NUMC.

The Freeport center lacks a dental clinic. Freeport originally had a dental service, but the equipment was antiquated. The advisory board agreed that the new Freeport health center would have a dental service. Mr. Payson asked if NHCC needed a certificate of need (CON) for that. Mr. Gianelli said that we have a CON for Freeport and it is included in that. Mr. Payson questioned whether Freeport is behind schedule. Mr. Gianelli said that it is on target with groundbreaking in late July. Mr. Ade noted that on July 7th the materials will be delivered to the site and two weeks from then, construction will begin. From that point, it will be 12-14 months before an opening. Mr. Gianelli noted that MEDC has control of the Freeport project. The original CON was put together 2-3 years ago, construction costs have gone up since that time. MEDC had a 108 loan and used some of that to capitalize on interest; Mr. Gianelli will know what the construction costs will be when the bids come in. An option is to attempt to get funding for equipment at Hempstead which is independent of HEAL and then go back to the State and amend the HEAL funds to go to Freeport, or see if we can identify additional 108 loans, or utilize market tax credits to augment money in Hempstead to free up money for Freeport. Dr. Guercia reported that one option was a mobile dental van, which is less than satisfactory. She noted that Freeport has many examining rooms, and one of those rooms could be a dental area. She would also like to see more representation from the community, more outreach and better signage. Mr. Payson asked if the dental issue would delay ground breaking. Mr. Gianelli said no, that they would move ahead as is, and assuming there will be variances to the budget, go back to DOH to get an amendment to the CON to increase the project budget.

Mr. Elovich asked if NHCC would close Long Beach. Mr. Gianelli said that he is in discussions; Long Beach does not have its own operating certificate. It is only open one day/week and since January, we have moved the practitioner elsewhere to cover other gaps and grow business. Long Beach does not have much of an impact. A Legislator is interested in our being out of the Martin Luther King center, which is seeking expansion. Mr. Gianelli felt that a decision should be made on closing Long Beach and Inwood which would require further discussions and negotiations with Peninsula Hospital. The health center operation is critically important to the Corporation and we need to start fixing inefficiencies and grow volume at Hempstead, Freeport, New Cassel and Elmont. The pediatric van is run by NSLIJ System and is absorbing our pediatric population. Mr. Gianelli called Jeff Kraut and asked if we could work more constructively with NSLIJ. The approach Mr. Kraut would like to take now that the van has developed a practice in Hempstead, is for the doctor who works the van become credentialed with NHCC and bring his practice to NHCC. In addition, it is important to note that NHCC is trying to expand services and has had a CON filed with DOH since October, with no response as yet. Once that CON is approved, NHCC can provide greater services. There is money to build the new Hempstead health center and money for equipment. The Hempstead Health Center will be the location for the Institute for Minority Health Care Disparities, chaired by Aloysius Cuyjet. NHCC must also decide whether we want an FQHC look alike and if NHCC should pursue discussions on geriatrics.

12. Report of the Facilities Committee. Mr. Gerstman reported that they are working on a standardized report for the Board to follow the status of each multi project. They discussed the current WICKS law, multiple bidding requirements of the Corporation. Mr. Gerstman was pleased to report at this moment there is a tremendous amount of excitement from the construction community about what is going on here at the Corporation and the potential projects. The Committee is receiving a lot of bids for architects and construction firms which makes pricing more competitive. The downside is there will be many construction projects more so in New York City and into 2008 and there might be a shortage of labor and

contractors to do the work here which results in potentially more challenges in bidding prices for some of our projects. One of the next notable projects will be the beginning of the construction of the new Freeport Health Center. The Master Planner will help in sorting through and putting order to the projects and organize the layout and operation of the Corporation. As a side note, Michael Ade has been doing a tremendous job in keeping it organized and moving projects along with the construction management firm of Gilbane. The third party construction manager, Neil Heyman, is also doing a terrific job and maintains representation from their organization and is working closely with us. Gilbane will be providing a view of what they do for us at a future Board meeting. Mr. Payson thanked Mr. Gerstman for all of his participation and work on this Committee.

13. Report of the Extended Care Committee. Mr. Saracino reported that he met with Larry Slatky on May 2, 2007 prior to scheduling a Committee meeting. He toured the facility with Mr. Slatky to get an idea of what type of items should be placed on the first agenda of the Extended Care Committee. Mr. Saracino had not visited A. Holly Patterson in two years. The difference since that time and since Mr. Slatky took over leadership, is exceptional. Mr. Saracino was extremely impressed with the cleanliness. Mr. Saracino reviewed the DOH Regulations, Section 415.26, Chapter 5 regarding the governing body of the medical facility and will propose the community makeup. After discussion, he will be ready to bring the full committee together and appoint three other people to the Committee. A full Committee will meet during the third week in June and Mr. Saracino will report his progress at the next Board meeting.

Mr. Payson suggested that the Board hold a Board meeting at A. Holly Patterson some time in October. Mr. Saracino noted that the Board had held meetings there in the past, and it was welcomed and very productive.

14. Report of the Compensation Committee. Ms. Popper reported that the first meeting was held to organize a work plan for the Committee which is now a statutory requirement for a public authority. The Committee will establish policy regarding salary compensation for the CEO and senior management. The Committee will be reviewing the present policy and make any updates or amendments to that policy. Other areas of review are time and attendance for senior management and there will be an annual review and report to the Board of Directors. A recent amendment to the Public Authorities Act asks that the Board approve a resolution recommended by the Committee to prohibit practices that we have never engaged in, namely, the Board will not extend credit arranged for extension of credit, personal loans for any Board member or officer or employee.

Upon a motion made, duly seconded and unanimously approved, the Executive Committee, adopted the Resolution regarding Extension of Credit and Loans in the form and content as attached to these minutes. Resolution No. 061-2007.

Ms. Popper noted that the Committee will continue to meet and will bring results of its work plan and any additional changes within the next few months.

15. Close of Regular Meeting. Martin D. Payson, Chair, closed the meeting and opened the floor for public comment.

Ms. Donna Kass spoke about the Freeport clinic and the people of Roosevelt/Freeport and that they are not being treated fairly regarding a dental clinic. She noted that five years ago the dental clinic could not pass a JCAHO inspection and was subsequently closed. They were promised a new dental clinic with the new facility. She noted that the public health agreement obligates the health centers to provide children and pregnant women with this service and now they have to take a bus to get to New Cassel which is not a realistic solution.

There will be a beautiful new clinic built with increased examining rooms from 7 to 18 and there is not room for dental services? Before the shovel is placed in the ground, two rooms should be set aside before it becomes too expensive to do this later. Ms. Kass did not like the idea of a mobile dental unit because it is not established in the community.

Mr. Payson said that they will examine the ability to do this and whether it will delay or cause additional costs to the construction project. Mr. Payson noted that NHCC does not have full control of the funding for this project and the 108 funding is limited. Mr. Payson would see if additional sources of funds could be identified. There is a significant need and desire and is consistent with the recommendation of the chair of the Community Health Centers.

Ms. Kass said that she accepts that Inwood is going to be closed, but felt it was a shame when Mr. Gulotta stopped Queens patients from using the Inwood facility. The State DOH identifies communities in Nassau County that have the highest percentage of birth and mothers who are not receiving prenatal care. There should be arrangements for OB/GYN care with outreach and education. Peninsula Hospital does not provide this service. There should be adequate and reliable service from Inwood to NUMC.

Mr. Gianelli said that he anticipates that any engagement with Peninsula would provide a family practitioner to provide the service, credentialed at Peninsula, making deliveries at NUMC. Mr. Gianelli noted that the admissions were not large and NHCC must regionalize and partner where appropriate. There may also be need in the community for geriatrics.

16. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 10:30 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

17. **Report from Executive Session.** During the Executive Session, no resolutions were adopted.

The next regularly scheduled meeting is Monday, July 23, 2007 in the Auditorium.

Approved



Martin D. Payson, Chair

Board of Directors

Nassau Health Care Corporation