

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING HELD ON SEPTEMBER 24, 2007

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Directors Present

Martin D. Payson, Chair  
John M. Brickman, Esq.  
Lawrence E. Elovich, Esq.  
Bradley L. Gerstman, Esq.  
Rosemarie Guercia, MD  
Jemma Marie-Hanson, RN  
Greg-Patric Martello, Esq.  
George W. Miner, MD, MBA  
Frank J. Saracino, EdD

Not Present

Leonard A. Benedict, MD  
Patrick F. Carone, MD  
Barbara Ross-Lee, DO  
John F. Ragano, Esq.

Non-Voting Directors Present

Arthur A. Gianelli, President/CEO  
Asif M. Rehman, MD

Hospital Administration

Paul J. Rowland, SVP/COO  
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., SVP for Legal Affairs  
Joan A. Soffel, Assistant to the Board/CEO

1. Martin D. Payson, Chairman, Board of Directors of the Nassau Health Care Corporation, opened the meeting at 8:40 a.m.
2. **Adoption of Minutes.** Upon a motion, duly seconded, the minutes of the July 23, 2007 Board of Directors meeting were approved, all in favor.
3. **Report of the Chairman.** Mr. Payson noted that a quorum was not yet achieved and announced that other topics would be discussed until a quorum was in attendance.

Mr. Payson congratulated Frank J. Saracino, EdD on being appointed as a voting member of the Board of Directors (Mr. Saracino has been a non-voting member for many years).

Mr. Payson also reported that <sup>Harvey</sup>Harry Susnick, CPA, has been added as an adjunct member of the Board of Directors Legal-Audit Committee for the purpose of enabling the Committee to access his expertise in that area.

Mr. Payson reported that there continues to be a struggle for the operating budget, but the capital needs seem to be in good order, although there is not enough to accomplish all that the Corporation would like to complete. Included in the Board packet was a schedule of the total available funds and allocations to each project.

4. **Report of the President/CEO.** Mr. Gianelli welcomed John O'Connell, Special Advisor to the CEO, who was formerly the executive director of Health and Welfare Council of Long Island, an organization that works with not for profit hospitals, Mr. O'Connell has a network of relationships with not for profit providers that NHCC has never had access to or relationships with.

**Finances.** Mr. Gianelli reported that through August 2007, the Corporation lost \$2 million. A. Holly Patterson essentially broke even. This is the first time that A. Holly Patterson has broken even since the Corporation was created. The census is high and the ventilator census is high. Mr. Gianelli commended Mr. Slatky for achieving this through good management—A. Holly Patterson is not the liability it was in the past (\$7-8 million in losses). In order to maintain that stability, the Corporation now needs to build a new and more streamlined facility. In addition, the Corporation opened two new psychiatry units, and has a high census in PM&R because Dr. Lyn Weiss has introduced a voluntary group that sees

patients here. The Corporation also received restoration of proposed State budget cuts to our graduate medical education (GME) cost reimbursements (thanks to Gary Bie, Richard Perrotti and Manatt). There are still two areas that are problematic for the Corporation: pediatric inpatient volume continues to drop (down 200 patients) and ambulatory surgery procedures are weak (second lowest ambulatory surgery anywhere on Long Island). These two areas will be the focus of the Master Planner. The rest of the psychiatry units will open in October. The projected loss of \$3-4 million for the year will be the lowest loss in Corporation history.

2008 Budget. The Corporation was hurt by the State and Federal cuts and salary increases. The gap measures include increases in Orthopedic and PM&R services. If the Corporation is successful in its group pricing appeal, that would provide enhanced reimbursement to which NHCC believes it is entitled to (\$5 million annually). Discussions with the NYS Department of Health continue. Staff has met with the Assembly and Senate elected officials (both Republican and Democrat) who have written letters in support of a group pricing adjustment for NHCC. Another meeting is scheduled for Thursday. If the Corporation is not successful with the Department of Health, it will look to press for legislation. Because this has not yet been accomplished, there is a question whether or not this reimbursement should be included in the 2008 operating budget proposal. In 2009 and beyond the structural gap will be driven by wages and benefit increases that exceed \$10-12 million. If the Corporation does nothing, that number will compound each year. NHCC must implement the business plans that were developed. A draft document identifying business strategies will be presented in October; it must be successful in obtaining reimbursement, it must secure a labor agreement that works with expenses and revenues about which there will be discussions with Union leadership and workers during the next 6-7 months. The modernization plan, community and patient satisfaction, Uniondale property, emergency room, ambulatory and quality projects all must be continued. The challenge given to NHCC is to publicize the quality data on our website.

Modernization. The proposal for the Emergency Department will be presented to the Board in October, the Master Plan in November, a report regarding IT and medical equipment in November and in December the Board will be asked to vote on the 2008-2011 Capital Plan. The Burn Center is moving forward. The Hypertension, Diabetes and Vascular Medicine proposal will be presented in late December or early January with a detailed business plan and accountability. Mr. Gianelli reviewed some of the projects and completion dates including courtyard repairs (completed by March 2008) and the pouring of the shell floors (expected completion in October 2007). A final report on the parking garage with recommendations will be presented in the near future. The Master Planner should have proposals by November 2007. The Corporation has enough money to pay for the major projects listed in the "preliminary 2008-2011 Capital Plan". Sources of funding are \$50 million in capital, tobacco funds, and HEAL II. NHCC is also seeking funds from Nassau County IDA. Regarding ED construction, there are two options to either rebuild with elevation and frontage on Hempstead Turnpike (\$35-40 million) or a cosmetic rebuild (\$25 million). There is an assumption that NHCC will outsource dialysis for construction and management (if not, it would cost \$5 million); there is an RFP out for the dialysis project which will be evaluated and has been discussed with the Union representatives. One of the shell floors will be rebuilt for critical care units because ours are not currently in compliance with guidelines (\$30 million of Tobacco funds). The Capital Plan will also include World Trade Center upgrade, Hempstead, Freeport and VA clinics, an ambulatory care pavilion, labor and delivery suite, an ambulatory surgical unit, 8<sup>th</sup> floor psychiatry build out and PM&R. Gilbane was given a budget for the major reconstruction. The long term items will connect with plans for the rest of the East Meadow property with development consistent with an academic village which would resolve the parking garage issue, perhaps being constructed by the developer.

Community Health Centers. Property has been located at 380 Nassau Road, Roosevelt for the new Freeport/Roosevelt Health Center (24,000 square feet, brand new building, ready for internal construction). Located within that facility will be the Community Health Center, Institute for Minority Health Care Disparities and an Imaging Center and will serve as a catalyst for improved health care and economic development in Roosevelt. Property has been identified in Hempstead for the Hempstead Health Center, but if NHCC receives funds from HEAL IV, the location may be changed. Mitchell Rubin has been meeting with Family and Children's Association and he will be meeting with the Haitian and El Salvadorian Consulates. The volumes and wait times are down at the centers and NHCC is awaiting CON approval for service expansion. RFPs will be sent out for an inpatient pharmacy for NUMC, a consultant for the FQHC's and 340 B Medicaid low cost drugs. We can provide outpatient pharmacy services with a private vendor outpost here at the hospital and community health centers (a waiver application from CMS is underway). Bad debt and charity care support was cut for the health centers. The appointment of a Director of the Institute for Minority Health Care Disparities is imminent. Mr. Gianelli was in Washington, DC last week at the National Association of Public Hospitals (NAPH) conference. NAPH has expressed interest in working with NHCC to address health care disparities. By November 15<sup>th</sup>, Mr. Gianelli will be submitting a Table of Organization and an NHCC Board member will be appointed to the NAPH board. Mr. Gianelli gave testimony in Syracuse on future allocations for indigent care and he will be meeting with Deborah Bachrach with a proposal on how to convert emergency care funds into health insurance capitation for uninsured. (San Francisco has a similar program). The next generation of Vital Signs was conducted through Adelphi and co-sponsored with the Institute for Health Care Disparities NS/LIJ. Mr. Gianelli had very favorable expressions of interest from Representatives Carolyn McCarthy and Peter King relative to earmarking \$200 thousand for outreach and health care disparities.

AHP/Uniondale. Today Mr. Gianelli will be asking the Board to declare its intent for NHCC to become lead agency for SEQRA on construction of AHPECF, assisted living and diagnostic treatment center. RFPs for a pharmacy and the AHPECF replacement facility have gone out. NHCC is requesting funds from HEAL IV and is awaiting CON approval for AHPECF and the dialysis extension. In October, Manatt will present the business strategy recommendations and in November, Ms. Forman will present the 4-year IT program. In addition, in November, the 4-year medical equipment proposal will be presented along with the Master Plan. In December the 2008-2011 Modernization plan will be presented. The Business Process Plan is a series of business processes regarding design efforts under the direction of Paul Rowland and range from reorganization, admissions/discharges, denial management, security, operating room, etc., each with a mission, objective and goals.

News. The NHCC Golf Outing sponsored by the NUMC Auxiliary was very successful with the assistance of Board member, Frank Saracino. The upcoming NHCC Gala will take place on November 14 and Board member, Greg-Patric Martello is assisting with plans for a totally different evening.

IT Web Site and Big Bang. Christine Forman reported that significant developments will be occurring in the next few months. On October 1<sup>st</sup>, a new NHCC web site will reflect all that NHCC has to offer. This major project was undertaken in-house by Justin Hosman and NHCC is the host internally with no extra cost. The website will be used as a marketing tool and to attract voluntary physicians, residents and patients. Clientele will be able to find a doctor by insurance coverage, name and specialty, there is a link to Google and campus map. It is a work in progress that will include spotlights on departments, educational tools, links to the coffee shop, etc.

The Big Bang will go live in May with a new pharmacy system and all remaining physician electronic orders. In June of this year, Radiology and Labs went live. The system will

manage Medicaid/Medicare on line with flow sheets for nursing for documentation. Clinicians will be dressing up as cave men to advertise this event. (So easy, a caveman could do it.)

Lyn Weiss, Chair, PM&R. Dr. Weiss reported that she has written her fourth book entitled "Easy Injections", a one-of-a-kind manual guidance, step by step through the most common injection techniques for a full range of disorders.

Gala. Mr. Martello reported that the Gala is November 14, 2007 and will be held at the Crest Hollow Country Club. A kick off reception will be held on Tuesday evening at 6:00 p.m. in the hospital auditorium to show support for the Gala. The concept will be heroes in healthcare.

5. Change of November Board Meeting Date. A motion was made, duly seconded and unanimously approved to change the November Regular Meeting of the Board of Directors to November 19, 2007. Resolution No. 092-2007.
6. CEO Delegation of Authority to Senior Vice Presidents. Mr. Gianelli reported that from time to time when he is away from the office, authority to sign in his stead is needed. A motion was made, duly seconded and unanimously adopted to approve the attached resolution to authorize the President and CEO to delegate his signing authority to the Senior Vice Presidents and Chief Operating Officer. Resolution No. 093-2007.
7. Successor Agreement. Mr. Gianelli reported that the discussions with the County are still ongoing and Manatt is involved in mediating differences. Today, Mr. Gianelli is seeking to receive approval of an extension to the Stabilization Agreement until such time there is a Successor Agreement. A motion was made, duly seconded and unanimously approved to adopt the Resolution regarding Amendment of Stabilization Agreement in the form and content as attached to these minutes. Resolution No. 094-2007.
8. Report of the Medical Professional Affairs Committee and Medical Director. Dr. Miner reported that there would be a report on Core Measures in the Executive Session.
9. Report of the Finance Committee.

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

\*\*Procurement Authority - Legal Services. [professional service relationships that continue over periods in excess of one year; panel rates and negotiated rates] **Upon a motion made, seconded and unanimously approved, the Board approved, in the best interest of NHCC, to procure legal services, from time to time, in a manner set forth (attached) thereby assuring, among other things, the prudent and economical use of NHCC resources in the best interests of the public and NHCC. Resolution No. 079-2007.**

\*\*United Medical Systems. [professional service relationship that has continued over a period in excess of one year] **Upon a motion made, seconded and unanimously approved, the Board approved a renewal of the United Medical Systems contract (sole source in NY Metro area) for steteotactic biopsy services for breast imaging patients in an amount not to exceed \$50,000/year plus reimburseables (March 9, 2007 – March 8, 2008). Resolution No. 080-2007.**

**\*\*Schwartz Gynecologic Oncology, PLLC.** [professional service relationship that has continued over a period in excess of one year; negotiated rates] **Upon a motion made, seconded and unanimously approved, the Board approved renewal of an annual contract, in the best interests of the Corporation, to provide gynecologic oncology services, resident teaching and oversight of the tumor board in an amount not to exceed \$170,000 for two-year contract. Resolution 081-2007.**

**\*\*Precision Health Inc.** [professional service relationship that has continued over a period in excess of one year; negotiated rates] **Upon a motion made, seconded and unanimously approved, the Board approved, in the best interests of the Corporation, renewal of the Precision Health, Inc. contract to provide full time portable cardiological and sonogram services for AHP's Medicare/Medicaid population in an amount not to exceed \$4,800/year. Resolution No. 082-2007.**

**\*\*Medfax Portable Diagnostic.** [professional service relationship that has continued over a period in excess of one year; negotiated rates] **Upon a motion made, seconded and unanimously approved, the Board approved, in the best interests of the Corporation, a renewal a contract with Medfax Portable Diagnostitic to provide x-ray services for A. Holly Patterson's Medicare/Medicaid population in an amount not to exceed \$4,800/year. Resolution No. 083-2007.**

**\*\*Robert Gioia, CPA.** [professional service relationship that has continued over a period in excess of one year; negotiated rates] **Upon a motion duly made, seconded and unanimously approved, the Board approved, in the best interests of the Corporation, to renew the personal service contract with Robert Gioia for an additional one-year period in an amount not to exceed \$70,200 per year. Resolution No. 085-2007.**

**\*\*Mill Neck Interpreting.** [professional service relationship that has continued over a period in excess of one year; negotiated rates] **Upon a motion duly made, seconded and unanimously approved, the Board approved, in the best interests of the Corporation, to amend and renew an annual contract with Mill Neck Interpreting to authorize payment of an additional amount not to exceed \$20,000 for the period 1/1/07-6/30/07 and annual contract not to exceed \$72,000 for the period 7/1/07-6/30/08. Resolution No. 086-2007.**

**\*\*Success Advertising.** [professional service contract for an amount in excess of \$250,000 for the expiring contract; professional service relationship that has continued over a period in excess of one year] **Upon a motion duly made, seconded and unanimously approved, the Board approved the amendment and renewal of an annual contract with Success Advertising to authorize payment of an additional amount of \$35,000 for the expiring contract and in an amount of \$240,000 for the contract period 10/10/07-10/11/08. Resolution No. 087-2007.**

**\*\*Smith Seckman Reid, Inc. (SSR).** [professional service contract for a period in excess of one year] **Upon a motion duly made, seconded and unanimously approved, the Board approved, in the best interests of the Corporation, a contract with Smith Seckman Reid, Inc. (SSR) to provide consulting services for Joint Commission environment of care in a total amount not to exceed**

**\$64,800 for services to be rendered over a three-year period (10/1/07-10/2/10). Resolution No. 088-2007.**

**Finance Report.**

2<sup>nd</sup> Quarter Faculty Practice Plan. Mr. Bie reported that the plan was reviewed by the Finance Committee on September 20, 2007 and is consistent with past distributions. The plan is based on productivity and is driven by a formula. **Upon a motion made, duly seconded and unanimously approved, the Board approved the Faculty Practice Plan Distribution at June 30, 2007. Resolution No. 095-2007.**

August 2007 NHCC Internal Financial Statements. Mr. Bie reported that through August 31, 2007, the Corporation lost \$2.2 million against a budgeted loss of \$738 thousand on \$325 million in revenue. Mr. Bie expects to end the year with a \$3-4 million deficit. The disproportionate share (DSH) appeal that was expected to be successful in 2007 was not and dates back to 2000 which created a \$2.5 million shortfall. Bad Debt and Charity Care was lost at the Community Health Centers at a loss of \$1.1 million. Mr. Payson noted that A. Holly Patterson is running close to break even, which is big news. Mr. Gianelli noted that going forward, it must be noted that there is a structural gap between expenses and revenue, mostly at the hospital due to wages and benefits for the workers. The hospital is under pressure every year and in 2008, business strategies must be executed and discussions held with labor.

NUMC. Mr. Bie reported that in August 2007 NUMC had a surplus of \$263 thousand on \$34 million in revenue. Year-to-date, the hospital had a deficit, after investment income, of \$413 thousand on \$265 million in revenue. Discharges for the eight month period were 15,446 vs. a budget of 15,534—short 88 discharges (in 2006 discharges were 15,173). The census is climbing up primarily in behavioral health programs with 78 new beds with the addition of 35-bed psychiatry unit opening on October 15. It is projected that those beds will be 95% filled. Census has been in the 385-390 range and should be in the 425 range. Mr. Gianelli noted that the census in August was up to 400 driven by the new units and PM&R.

A. Holly Patterson. The nursing home is running at or near break even. In August, after investment income, the nursing home had a \$29 thousand deficit on a revenue stream of \$4.8 million. The average daily census was 576. AHPECF was successful in receiving bed-hold status by decertifying 300 beds down to 589. Bed-hold is worth \$1 million/year. Hospital based status was received last year for \$5.5 million and the case mix index went up from 1.01 to 1.07 worth \$1.2 million to AHPECF. AHPECF looks stable. Mr. Gianelli said that the State approved the CON for the extended dialysis at AHPECF and it should also improve ventilator beds. Referrals from outside sources increased by 33%.

Community Health Centers. The Community Health Centers lost \$1.4 million in New York State Bad Debt and Charity funding in 2007. In August on \$1.2 million in revenue the health centers lost \$183 thousand. Year-to-date, the health centers lost \$747 thousand on a revenue stream of \$10 million. The health centers were running close to break even for the past two or three years. The health centers need FQHC status which drives more Medicaid revenue (50%) and needs to build the two new facilities.

2008 Operating Budget. Mr. Bie reported that since 2001, the Corporation has lowered the deficit from \$41.4 million in 2001 to \$3.9 million in 2007. Mr. Bie is projecting a surplus of \$142 thousand in 2008. The budget includes certain initiatives and a decision needs to be made as to whether or not a successful group pricing appeal should be included in the budget (\$5 million).

Discharges in 2001 were 21,914 and in 2007 they were 22,982 (\$10 million for every 1,000 discharges). The budget includes an increase of 1,196 discharges. Mr. Bie said that NHCC is typically very conservative in budgeting discharges. The new Psychiatry units are slated for 877 discharges in 2008 and an additional 319 in PM&R and surgery, who are presently experiencing an average daily census of 23 per month due to admissions from an outside physiatrist. The new Orthopedic spine surgeon and joint surgeon should also bring in approximately 150 discharges in 2008. Otherwise, the budget assumes flat volume. The average daily census in 2001 was 360 and in 2007 it was 364. New programs came on in May, but were not operational until August. The length of stay for adults and pediatrics in 2007 was 4.37 and 4.57 in 2006. The projected length of stay for 2008 is 4.48. Full time equivalents per adjusted occupied beds was 6.17 in 2001, and in 2008 projected at 4.8 (industry norm). Over the last six years, NHCC has become more efficient and FTE's are down 1,100 (from 4,500 to 3,400). With the additional occupancy, NHCC will be adding 130 FTE's in 2008 with three new programs. Bad Debt and Charity is about \$50 million/year or 14%. Mr. Payson asked what other hospitals bad debt percentage is and Mr. Bie responded 3-5% at a typical voluntary not for profit hospital.

Some major budget assumptions are COLA – 2.50%, step increases – 1.25%, Supplies and Expenses increase of 3%, health insurance increase of 8.50%, Pharmacy expenses up 7%, pension expenses – 8.94% of total payroll, Medicaid trend – 2%, Medicare trend – 1.50%.

The 2008 baseline gap is \$12.093 million. The initiatives are: group pricing appeal (\$5 million), DSH appeal (\$2 million), AHP vent beds/hemodialysis (\$375 thousand), revenue cycle (\$1.750 million), expanded services (\$2.110 million), reduction of 1:1's (\$1 million) for a 2008 budget surplus of \$142 thousand. The DSH appeal relates to the years 2002/2003 and identifies Medicaid days that NHCC should be eligible to receive and Mr. Bie is confident that NHCC will receive those funds. The group pricing appeal may not be as definite. Mr. Payson noted that NHCC's reputation has been increasing, along with performance and was not comfortable with the projected \$5 million group price appeal in the budget. The Board discussed this topic noting that the entire budget is made on assumptions, that the uncertainty of the refund could be noted, that if NHCC took out the projected reimbursement, it may be assumed that NHCC does not expect to receive the group pricing and therefore won't. On the other hand, including it to bring the budget to breakeven may be viewed by the Department of Health as being presumptuous. Mr. Gianelli noted that if the Department of Health does not approve the group pricing, NHCC will try to achieve the same result through legislation. Upon further discussion, it was decided that other gap closing measures would be utilized to accomplish a break-even budget. **Upon a motion made, duly seconded and unanimously adopted, the Board approved the 2008 Operating Budget. Resolution No. 096-2007.**

Dr. Rehman had a question regarding the high 2003 census and discharges and asked why it went down so dramatically after that. Mr. Gianelli noted that it was a perceptive observation. NHCC started trending in 2003. Two hospitals closed, Hempstead General and Massapequa General and NHCC benefited from those closings. After 2003 the hospital did nothing strategically to keep those patients and all of that volume dissipated and went to other hospitals. 2003 is an outlier and does not reflect normal operating trends.

10. Report of the Community Health Committee. Dr. Guercia, chair, reported that the committee met on September 20, 2007 with four members present. They discussed increasing clinical sessions and the scope of service. Legislator Ford had some concerns regarding the closing of Long Beach and asked that they meet with the community before finalizing this decision. That was the same situation in Inwood. The committee discussed the federally qualified health center (FQHC) change from diagnostic treatment centers (DTC). Member, Gladys Serano, is seeking resources to meet the needs of her clients in Hempstead. The

next meeting is scheduled for October 24, 2007. Dr. Guercia noted that everyone was delighted with the proposal for Freeport.

11. Freeport/Roosevelt Health Center. Mr. Gianelli reported that NHCC needed options regarding the Freeport/Roosevelt Health Center due to bids that came back substantially higher than expected. Mr. Benrubi was familiar with and aware of a location at 380 Nassau Road in Roosevelt that would be available. It is a building with 24,000 square feet and a shell building that is perfect for construction needs. The developer welcomes NHCC in that space and feels it is beacon in the Roosevelt community. The building would house the health center, Institute for Minority Health Disparities and an imaging center. It is located a half mile from the old center. If NHCC is successful in achieving FQHC status, 51% of the governance must be from the community.

Contracts. Mr. Gianelli reported that there are a number of construction initiatives and the Gilbane contract was brought to the Finance Committee who in prior meetings requested further negotiations, which Paul Rowland followed through on. The RSB&D contract relates to the Freeport/Roosevelt site (they were involved with MEDC regarding architectural design). Mr. Gianelli would like to keep that association.

Paul Rowland reported that at the July meeting, Gilbane submitted a contract proposal for \$4.5 million. The Board had issues with the dollar commitment and accountability. Mr. Rowland presented a proposal not to exceed \$3.6 million, and that Gilbane staff use time card submissions rather than a fixed monthly fee because NHCC from time to time has changed CONS that take time for approval and we do not want to be paying when work is delayed. The ED, ICU and ambulatory surgery projects are very complex with mechanical and electrical shutdowns involved. Some of the projects will occur simultaneously. Gilbane had a 3.5% capital dollar value on the original contract and it was taken down to 2.5%. It was noted that Gilbane is a major construction managing company, with expertise in hospitals. NHCC staff will supervise Gilbane.

Mr. Benrubi reviewed the proposed Freeport/Roosevelt Lease terms. It is a seven year lease with an option to purchase at the end of seven years (the delayed purchase date is required by the Town of Hempstead). During the time that the building is being built out and lease payments are made, the rent will be applied to the purchase price at the end of the 7 year term. The building will be sold to NHCC at fair market value based on the empty building at the commencement of the lease and not on the renovations made by NHCC. The building is high profile and will be a catalyst for revitalization in the community. Mr. Benrubi started conversations with the Town of Hempstead for PILOTS to get some assumptions from the County regarding taxes. RSB&D (who were previously contracted for the Freeport construction) are ready to provide architectural and related services to build out the interior of the space. NHCC would sublease space to the Nassau County Women and Children's Association (WIC) and in order to recognize the efforts of MEDC in working towards a new health clinic in the past, some space would be put aside for their offices.

Mr. Gianelli thanked Mr. Benrubi for negotiating the lease and Mr. Rowland for negotiating the Gilbane contract. Mr. Gianelli also noted that there is a possibility of securing new market tax credits for the combined Roosevelt/Freeport projects.

**Upon a motion made, duly seconded and unanimously adopted, the Board approved the recommendation of the Finance Committee to enter into a lease with an option to purchase the building located at 380 Nassau Road, Roosevelt, New York, in which to relocate the NHCC Freeport Community Health Center, substantially in accordance with the terms set forth in the attached Term Sheet. Resolution No. 090-2007.**



**Upon a motion made, duly seconded and unanimously adopted, the Board approved the recommendation of the Finance Committee in the best interests of the Corporation to execute a contract with Gilbane Construction Company for project/construction management services in an amount not to exceed \$3,606,298 for the period 9/16/07 – 1/31/10 plus reimbursables. Resolution No. 089-2007.**

12. **Report of the Extended Care Committee.** Mr. Saracino reported that the committee held two meetings regarding the structural organization and the agenda for the work of the committee. At one meeting, Mr. Saracino had the occasion to watch Mr. Slatky run a BBQ for the residents while an unannounced visit by the Department of Health was in progress. Mr. Saracino noted that the monitors' report dated September 12, 2007 was distributed to the Board members and congratulated Mr. Slatky for an outstanding outcome from that visit.
13. **SEQRA Informational.** Mr. Benrubi reported that a SEQRA resolution has to do with the intent to establish the Corporation as lead agency for the A. Holly Patterson facility. The Berger Commission mandated the reduction of the current A. Holly Patterson building and to construct a new facility as well as an assisted living facility and DTC. Mr. Gianelli said the Berger Commission requires that NHCC construct a nursing home in Uniondale with 300 beds. NHCC is negotiating with NYSDOH for 320 beds. In addition, the Berger Commission recommends that there also be a 150-bed assisted living building. We have not made a determination as to whether NHCC will build it or contract another entity to do so. The current law states that NHCC could not get reimbursed for operating an assisted living facility. Further, NHCC has not fully decided its location or funding. Mr. Benrubi said that because NHCC is a PBC, it is required under law to perform an environmental review of any action that may impact the land or environment under the State Environmental Quality Review Act (SEQRA) regarding the Uniondale property. Meanwhile over the last few years NHCC has engaged members of the Uniondale community in a vision for the redevelopment of the entire 63 acres of the Uniondale property and retained the services of a land use planner (Saccardi & Schiff) to do that process until a comprehensive plan is developed and accepted. NHCC will not be ready to perform an environmental review until that plan is completed. Then NHCC will have an environmental review of that conceptual plan that includes the development of AHP and the diagnostic treatment facility. NHCC does not anticipate significant impacts on the environment but must go through the process. At the end of the environmental assessment, some time in December, Mr. Benrubi will be coming back to the Board to present the findings and at that time the Board will vote to accept or not and be declared as lead agency for SEQRA and take ownership of the project and proposed use. No action is needed at this time.
14. **Close of Regular Meeting.** Martin D. Payson, Chair, closed the meeting and opened the floor for public comment.

Marie Catanese, Co-president of the Uniondale Neighbors in Total Effort (UNITE) appeared before the Board and thanked them for inviting her to the meeting. As a resident of Uniondale, Ms. Catanese and UNITE are concerned about open space in the community. Ms. Catanese has lived in Uniondale for over 50 years and noted that the open space feeds wetlands that supply the residents in East Meadow and Uniondale with clean water with two water towers. She noted that AHPECF was the largest nursing home facility in New York State and was concerned about cutting it down to a 300-bed nursing home. She felt that the loss of jobs would turn Uniondale into a steel mill as was done in Gary, Indiana. She noted that many people work at the nursing home as well as live in the area. She also noted that the nursing home was there for those who cannot afford facilities like the Bristol. She asked that the Board join her in asking the County Executive to put this land into the Open Space bond issue. The community does not want another strip mall, but rather an employer who can hire the youth of the community at decent salaries.

Mr. Gianelli said that Ms. Catanese is a staunch advocate for Uniondale and well-respected in the community. Mr. Gianelli said that the 300-bed facility and 150-bed Medicaid Assisted Living facility was a decision made by State of New York and imposed on NHCC and is now law. NHCC is obligated to implement that law. Part of that mandate by the State was to reduce the number of nursing homes in NYS. The Medicaid assisted living facility is very important for Nassau County and NHCC; there are only two on Long Island. The concept of the design has been shared with the community, which also contemplates senior housing. There has been active discussion with the school district about the possibility of open space for a ball field or community center.

Another member of the public mentioned that since there is scaffolding on the Hempstead Turnpike building, why not take the time now to repair the NUMC sign that has not been lit up in several years. Mr. Gianelli said that they would like to do things in sequence once they have the Master Plan for the property. One of those things he would like to do is redesign signage both internally and externally.


15. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 11:20 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

16. **Report from Executive Session.** During the Executive Session, there were no actions taken.

The next regularly scheduled meeting is Monday, October 22, 2007 in the Auditorium.

Approved:

  
Martin D. Payson, Chair  
Board of Directors  
Nassau Health Care Corporation