

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING HELD ON JANUARY 28, 2008

Directors Present

Martin D. Payson, Chair
Leonard A. Benedict, MD, MPH
Lawrence E. Elovich, Esq.
John M. Brickman, Esq.
Joseph Capobianco, Esq.
Bradley L. Gerstman, Esq.
Rosemarie Guercia, MD
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.
George W. Miner, MD, MBA
John F. Ragano, Esq.

Non-Voting Directors Present

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

Hospital Administration

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

Not Present

Barbara Ross-Lee, DO
Frank J. Saracino, EdD

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 made and duly seconded, the minutes of the December 17, 2007 Board of Directors meeting were approved, all in favor.
3. **Report of the Chairman.** Mr. Payson said that after an overview of the financial report, the Board members and other attendees would see that NHCC is doing well with major challenges and strategic planning. The operational challenges will be to keep the census up for our revenue base because that is not where NHCC wants to be. Psychiatry and Emergency Medicine to a large degree are building relationships with the community and attracting physicians. In 2008, the emphasis will be to establish and reestablish relationships with the community physicians and their patients.
4. **Report of the President/CEO.** Mr. Gianelli reported that in 2007 the Corporation had 675 more discharges than the previous year. When broken down, most of that 675 is attributable to the new psychiatric units. Broken down further there were some increases on the medical/surgical side, but decreases in pediatrics which is a problem because it is a core service and the trend factors are not getting any better. The challenge to the Corporation is to work with the Union regarding cost containment and strategically grow volume by partnering with community doctors. The Corporation has been closed to community doctors for some time. For example, in 2003, when Hempstead General closed, NUMC discharges increased by 2,000 or \$20 million in revenue. In 2004, every one of those discharges was lost because the community physicians could not find a home here at NUMC because NUMC did nothing to keep them. NUMC needs to change the internal processes and it is Mr. Gianelli's intention along with the Chief Medical Officer and Chiefs of Service to have discussions and invite the community physicians to come here. Dr. Weiss has attracted a voluntary physician group that was displaced when Brunswick closed. NUMC needs to change its culture and the way things are done. Mr. Gianelli would like to provide physicians with a greater incentive to grow the business. On the outpatient side, this is the first time primary care doctors have been asked to grow volume and build their practices here. At some point in the future, the inpatient doctors will take more of their Part B billing based upon incremental volume growth (distribute more money to the physicians for incentives). Visits and admissions are up in the ER by 500. The clinics at the hospital are only up 147 on

a base of 171,000 visits and 6% growth at the health centers with New Cassel having 18% growth.

State Budget. This budget is very different than other budgets by the State and previous analyses by NHCC. This is a very surgical, very different budget; for example, with money moving in a number of different ways from outpatient to inpatient, GME, and bad debt and charity distribution in an attempt to restructure health care financing in New York State. Mr. Gianelli was not optimistic, but once NHCC has a better sense of the Budget, he will report to the Board and work with legislators. One place that NUMC will lose is inpatient reimbursement for detox and there is an emergency meeting this Friday with the Greater New York Hospital Association to discuss those issues. There will be cuts to the nursing home as well.

The good news is we have had meetings with Deborah Bachrach, who heads up the Medicaid program, regarding Group Pricing. Ms. Bachrach did state that NUMC is doing all of the right things and wants administration to come back and speak with her regarding the budget on February 14, 2008 and to look at the impact of the State Budget on our finances and where she can come up with ways to meet our financial targets. In the meantime, Mr. Gianelli continues to work with Assemblywoman Hooper and Senator Hannon to move group pricing through the Senate and Assembly.

Successor Agreement. The Nassau County Legislature should be approving the Successor Agreement today which would provide significant capital infusion to the Corporation and relief from restrictions on assets and allowing the Corporation to execute capital loans. It will not provide operating support. The capital support is for the modernization program. The terms are substantially the same as what the Board had approved last month. One technical point was the retirement of debt. To the extent that NHCC sells land in Uniondale, the proceeds from the sale can be used to retire debt provided that within the first three years after closing the Corporation does not use the proceeds from sale to retire principal debt that it currently pays out of operating budget (\$2.5 million which grows to \$6-7 million next year).

Mission, Vision, Values. The revisions to NHCC's Mission Statement and Vision Statement and adoption of Values that the service excellence committee developed. The Mission and Vision came out of the off-site retreat and encapsulate the points being made and the direction NHCC is going. Mr. Payson noted that the drafts that were distributed along the way were excellent and he would like to get the statement out to the public as soon as possible. **Upon a motion made, duly seconded and unanimously adopted, the Board approved the Mission/Vision/Values Statements as attached to these minutes. Resolution No. 028-2008.**

Community Health Centers. Some time ago, Mitchell Rubin, MD was appointed as the VP for Ambulatory Services and he has been working on the creation of a Department of Community Medicine. This is important operationally because previously there was no one person held accountable for our ambulatory services and as a result, the ambulatory services were treated as an adjunct. They are needed for continuity of care, practice growth, community groups, quality, and developing subspecialty practices. Also there is a need to create a Federally Qualified Health Center status and better drug pricing. In reality, NHCC has a jewel that other hospitals would like to have with over 300,000 captive visits. In order to get that done, NHCC needs to have a department that owns the business with accountability. The process has gone to the Executive Committee of the Medical Staff (ECMS) and the Medical Staff to create a Department of Community Medicine and appoint Mitchell Rubin, MD, as chair. Consultants have been hired to help transition the health centers to a Federally Quality Health Center model that would require 51% governance by users of the health center. It would provide added reimbursement for primary care, access to 340B pharmaceutical pricing (heavily discounted). It is a huge opportunity for NUMC.

There are no FQHC's or 340B's in Nassau County. In addition, Mr. Gianelli is sending out an RFP to pharmacies to run a 340B outpatient pharmacy here at the medical center. 340B would provide low cost drugs for primary care and the health centers. Mr. Payson asked what the process was to get NUMC to that point. Mr. Gianelli noted that the process to be a FQHC look-alike is a lot of paperwork, but there are no major hurdles. The Corporation has to make the decision to turn over control from this governing board to the community. Mr. Brickman noted that there are considerable legal and statutory structures under which NHCC operates. Mr. Gianelli did not believe it would be a problem or too complicated, NHCC wants to be the first FQHC in Nassau County. It would be more complicated if NHCC wants to be a FQHC "grantee" which is a competitive classification because the Corporation would receive federal grant dollars to make up the difference in revenue and tort protection for malpractice.

A. Holly Patterson Extended Care Facility. There are a number of strategic plans on the way with respect to AHPECF. The Corporation is pursuing three tracks simultaneously. A regulatory certificate of need (CON) amendment which needs approval by the State, a real estate resolution, that was handed out to the Board today, relative to an environmental quality review and an application to the nursing home before the new facility is built.

SEQRA. Mr. Benrubi reported that NHCC is required by New York State law to go through an environmental review process for the purpose of construction of the new A. Holly Patterson nursing home and 150-bed Assisted Living facility as well as the diagnostic treatment center on the Uniondale site. The law requires NHCC to take part in this review. An RFP was issued and Saccardi & Schiff was retained to prepare this Environmental Assessment Form under SEQR. The Board is being asked today to declare their intent to become lead agency for the SEQRA purposes, as the entity that is undertaking the action of review (building of new A. Holly Patterson facility, etc.). Other agencies then have the opportunity to review the assessment and if they have concerns, can become a lead agency themselves (Department of Health, Nassau County Fire Marshall, Town of Hempstead Building Department). **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the "Resolution of the Nassau County Health Care Corporation of its Intent to Declare Itself "Lead Agency" for SEQRA Purposes in the Construction of an Assisted Care Facility, an Assisted Living Facility, a Community Health Center and a Dialysis Center on the current A. Holly Patterson Property, located at 875 Jerusalem Avenue, Uniondale, New York, Identified on the Nassau County Land and Tax Map as Section 50, Block G, Lot 257" in the form and content attached hereto (see attached resolution). Resolution No. 029-2008.**

Underwriters. Mr. Gianelli will report at a future Board meeting or Executive Committee regarding underwriters for investment banking and how NHCC can best finance the nursing home projects. The complications faced are the fact that NHCC is a corporation that loses money and the balance sheet is not strong which makes it difficult to access the market. There are two approaches needed and Mr. Gianelli will take a dual approach. One is a HUD 232 financing, a traditional program with the Department of Housing and Urban Development that could facilitate financing of the nursing home. The strength of a 232 financing is reasonably low interest rates, but a long process to execute. The second track is to obtain financing with regular credit which would be quicker, but will have higher interest rates, a portion of which the Department of Health may not reimburse. The cost of construction of a new nursing home would be reimbursed through the Department of Health through the Medicaid Program. Mr. Gianelli will be recommending two firms regarding bond counsel.

Long Island Health Care Survey 2008. The Corporation was very fortunate to participate in a sizeable study of the uninsured on Long Island that was conducted by Adelphi University (copy of the report was handed out to the Board). It was a landmark study on Long Island

with North Shore/LIJ, Nassau Health Care Corporation assisting in the design of the survey. Now NHCC must decide how to utilize this survey. Does NHCC follow the Governor's lead in his desire to maximize enrollment of government insurance products for patients eligible under the current rules of Child Health Plus. That number will increase in Nassau because it is behind in enrollment. Does NHCC adopt a model used in Richland, South Carolina called Richland Care that is structured with a coalition of tertiary and community hospitals to provide ID cards and proactively find enrollment for the uninsured. This is a way NHCC can play a role independent of the State level. Richland Care is recognized by the AHA as a national model.

Capital. Mr. Gianelli would like to discuss this topic in Executive Session. The Capital Plan is consistent with the Master Plan that has been prepared for the Tower and the centerpiece is the construction of a new Emergency Department. An RFP will be issued for a Master Plan of the rest of the East Meadow property.

Offsite Retreat. An offsite retreat is being planned for quality and patient satisfaction in the near future and the Board will be notified of those dates. Report cards are being developed for all of the clinical chairs and nursing leadership to identify targets in quality improvement and satisfaction.

Dialysis. During a survey of the dialysis unit several issues were found and need to be addressed. Drs. Miner and Dlugatz were extremely helpful in coordinating the response to the Department of Health. Mr. Gianelli wants to drive accountability through the report card process and hold people accountable for quality improvement. Related to all of the quality improvement, NHCC will be posting on its website quality data and patient satisfaction data and include quality links to every other report card that address NUMC. NHCC will try to make the website a portal for decision-making better than the public expects.

6. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner reported that the Committee met on January 24, 2008. There were no special issues with credentialing or recredentialing. The Committee reviewed the CV for Mitchell Rubin, MD and interviewed him for the Chair of the Department of Community Medicine. Bylaws that were approved last month were revised with changes to create the Department of Community Medicine. A report of the Dean of Academic Affairs regarding Graduate Medical Education was included in the Board packet.

Dr. Walerstein reported that in order to be consistent with the Bylaws of the Medical Staff, for the creation of a clinical department, the process went through the Executive Committee of the Medical Staff who recommended the creation of the Department of Community Medicine. The Executive Committee of the Medical Staff also recommended the appointment of Dr. Mitchell Rubin as Chair of the new department. Dr. Rubin starting working at NUMC less than one year ago and started his career as a pediatrician, director of community medicine, and director of residency programs. Dr. Rubin is ideal for this position.

Department of Community Medicine/Amend Medical Staff Bylaws. Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the resolution recommended by the Executive Committee of the Medical Staff and the Board of Directors Medical and Professional Affairs Committee to create a Department of Community Medicine at the Nassau Health Care Corporation and to amend the Medical Staff Bylaws to include a clinical department of Community Medicine. **Resolution No. 030-2008.**

Chairman of the Department of Community Medicine. Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the resolution recommended by the Executive Committee of the Medical Staff and the Board of

Directors Medical and Professional Affairs Committee to appoint Mitchell H. Rubin, MD as Chair of the Department of Community Medicine. Resolution No. 031-2008.

Report of the Dean. Dr. Kenneth Steier, Dean of Academic Affairs, distributed the "Annual Report of the Dean/Designated Institutional Official to the Governing Body". Submission of the report to the Board of Directors is a regulatory requirement and requires official acknowledgement. The report is for 2007 regarding activity of Academic Affairs and Graduate Medical Education regarding subcommittees and new rotations set up during the year. It also includes resident supervision, resident responsibilities, resident evaluations, results of site visits, and resident participation in patient safety and quality of care education. Mr. Gianelli noted that an additional report will be forthcoming from outside consultants regarding Graduate Medical Education.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors accepted the "Annual Report of the Dean/Designated Institutional Official to the Governing Body" dated January 2007 regarding the annual review of Academic Affairs and Graduate Medical Education activities. Resolution No. 032-2008.

Dr. Walerstein reported that after a long search, Dr. Chaur-Dong Hsu, was hired as the Chair of the Department of OB/GYN and there has been a rejuvenation and excitement within the department. Mr. Gianelli noted that he was impressed with Dr. Hsu and what he is doing. Mr. Gianelli said that he would like to thank Dr. Lennox Bryson for acting as the chairman under very complicated and difficult circumstances.

Mr. Payson publicly thanked Dr. George W. Miner, member of the Board of Directors and chair of the Medical and Professional Affairs Committee, for all of the time he spends chairing the various committees and hospital committees.

7. **Report of the Legal and Audit Committee.** Mr. Brickman, chair, noted that the Committee met on January 16, 2008. At that meeting, the committee heard a report from Robert Gioia, an internal auditor hired by the Corporation, regarding internal reviews in many areas of billing, payroll and other financial processes. Sandra Maliszewski, Associate General Counsel is embarking on a new role as Corporate Compliance Officer. Ms. Maliszewski will be responsible for adherence to various regulatory requirements and will report to the Chief Executive Officer and to the Legal and Audit Committee. She will put together a business plan for the operation of that function.
8. **Report of the Finance Committee.** Mr. Payson noted that the Finance Committee reviews the contracts that are subject to Board approval. Mr. Elovich, Ms. Popper and Mr. Payson discussed a proposed change in the process for contracts requiring action by the full Board. Mr. Elovich noted that the Finance Committee spends hours reviewing the contracts in depth and to go over each one again with the full Board duplicates the work already performed by the Finance Committee. All board members receive a copy of the Contract Exhibit of the Finance Committee meeting, which is normally held during the week prior to the Board meeting. Ms. Popper said that the structure was set up a year ago whereby the Finance Committee reviews the contracts and then recommends what action should be taken by the full Board. It is proposed that in the future a Master Resolution will be presented to the Board in advance of the Board meeting and if there are any issues regarding contract negotiations regarding any of the contracts, they can be discussed in Executive Session and subsequently acted upon individually. If not, the Board can adopt the Finance Committee by a single "Master Resolution".

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, without exceptions, approving Resolution Nos. 001-2008, 002-2008, 003-2008, 004-

2008, 005-2008, 006-2008, 007-2008, 008-2008, 009-2008, 010-2008, 011-2008, 012-2008, 013-2008, 014-2008, 015-2008, 016-2008, 017-2008, 019-2008, 020-2008, 021-2008, 022-2008, 024-2008, 027-2008 as set forth in the attached Master Resolution M033-2008.

Finance Report. Mr. Bie reported that on \$490 million in revenue, the Corporation lost, after investment income, \$4.9 million with a 1% negative margin. The loss is broken down as follows: NUMC \$2 million, AHPECF \$1.5 million and CHC's \$1.4 million. AHPECF is at breakeven with a loss of \$23 thousand in December vs. \$4 million last year. The Community Health Centers lost \$1.4 million Bad Debt and Charity revenue in the 2007 NYS budget cuts. Mr. Payson said that until that is restored or other steps are taken, the Community Health Centers will continue to lose. The Community Health Centers are core to the mission of NHCC. Mr. Gianelli said that the likelihood of Bad Debt and Charity restoration is nil. Broader outpatient issues will be the issue of the State budget. NHCC is investigating changing the model of the health centers to Federally Qualified Health Centers (FQHC).

Mr. Bie reported that the good news is that AHPECF could break even for 2008 if the census is maintained and operational expenses are under control. The Community Health Centers will continue to see a deficit in 2008, unless the volume is increased or changed to an FQHC status. Medicaid reimbursement, if the FQHC conversion is successful, could be \$1.5 million in 2009 which would eliminate the deficit. The hospital is where the challenge primarily is with a \$2 million loss and expenses growing at a higher rate than revenue. NUMC expenses will continually increase and that \$2 million will grow automatically by \$8 million (cost of living, salaries, etc.) assuming volumes remain constant. Mr. Bie cannot calculate the impact of the State budget cuts at this time.

There are two significant accounting estimates that are made each year by the internal accounting department but are not finalized until the audit is complete in June 2008. Reserve bad debt on accounts receivable and reserve for actuarially calculated malpractice liabilities. Two other accounting items OPEB (Other Post Employment Benefits) are required to put on the financial statement for 2007. Health insurance benefits for retirees – this number for the County is \$4 billion. The number for the hospital is up in the air, around \$500 million, which is broken down between hospital responsibility and County. Currently pro rata health insurance benefits for retirees is based on number of years an employee worked for the County vs. NHCC. It does not affect the operating budget. Secondly, the cash infusion from the Tobacco and Successor Agreement (\$80 million) could get into positive fund balance at NHCC. However, OPEB will require a large liability be recorded offsetting this positive adjustment. Mr. Gianelli said that private companies and not-for-profits already report under this FASB requirement; we report under GASB requirements. The second option recognizes the OPEB liability over a long period of time, which is the option we are taking, more fairly representing the financial condition of the Corporation. Reduced to the bottom line, the OPEB does not have to be cash funded right now.

Mr. Bie also discussed treatment of IGT program funds. NHCC receives approximately \$15 million in IGT revenue annually. Ernst & Young takes the position based on FASB to the extent IGT received is for capital improvements, NHCC must recognize this as an addition to net assets as opposed to net patient service revenue on the income statement. Mr. Gianelli said the IGT normalizes next year. County opted to fill gap with dollars that are restricted. DSH by definition is supposed to be payment for operating losses incurred through the Medicaid Program.

Mr. Bie said that the Successor Agreement is key to our cash position. The County Legislature is voting on that today. NHCC ended the year with \$7 million in unrestricted cash (12/31/07). That is one week of cash flow. We are constantly challenged on this unrestricted cash position. The Successor Agreement is great for the Modernization Program of the Corporation. The \$95 million reported is not completely accurate. There are

three major areas of infusion from the Successor Agreement: \$80 million to NUMC for capital improvement (ER/Hempstead), \$12 million comes in over three-year period to replace the jail subsidy, \$6 million for the Institute for Minority Health Care Disparities to fund that program over time until it breaks even, and \$13.9 million is earmarked for capital projects. It does not help us with the \$7 million unrestricted cash. It is critical that programs be put in place to drive volumes and discharges, and that AHPECF maintain census, plus improvements at the CHCs. Mr. Elovich said that there is no question that we need to cut expenses. Mr. Bie said there have been major restructurings since 2001. On the expense side, supply chain initiatives, better contracts for materials, pharmacy, medical/surgical supplies. Salaries have fringe benefits. FTE's are in line with industry norm, we are in line. There is only limited opportunity to drive those numbers down. Regarding fringe benefits, pension relief, relief on health insurance, there is not a lot of room. Mr. Gianelli said the big picture is that the \$5 million loss is the lowest since NHCC started. The problem every year is that the cost structure (salaries, fringe benefits, health insurance) significantly affects the trend factor by \$8-12 million. Other hospitals can negotiate with commercial payers. However, NHCC needs 3-5% growth in our discharges each year, but our discharges have only grown 6% in total over many years. Reality is conversation and discussions with the Union who have been tremendously supportive about the long term problems. Reality is NHCC has to turn around in five years and can do so if we can deal with the Union and grow and get through that period of time. It hurt NHCC this year that the Detox unit has had to scale back while we are getting licensure from the DEA, an issue that dates back to 2001 that we only stumbled upon this year. For the seven months, NHCC lost over \$1 million associated with the license. The paperwork is now on someone's desk in Washington. The gap compounds every year. NHCC needs to attract voluntary physicians, grow revenue, grow volumes and work with the Union. Mr. Payson said that the costs are fixed, there are some areas where NUMC cannot compete with other hospitals, but there are other areas they are not interested in where we can compete. NUMC needs to get into the under served population, control expenses and speak with the Union.

9. **Report of the Community Health Committee.** Dr. Guercia, chair, reported that that the committee met on January 16, 2008 and there was a 6% increase in attendance at the health centers. The Freeport/Roosevelt location is moving forward. The Institute for Health Care Disparities will be located at 380 Nassau Road. Negotiations for the new Hempstead site continue. When the centers change to a FQHC there needs to be adequate representation with consumers. One area that needs to be worked on is the Elmont area where Sr. Lamoureux is trying to get a new committee up and running.

Mr. Gianelli said that the certificate of need approval for Freeport could either be quick or take forever because it is a decision of the State. The imaging center at 380 Nassau Road will expedite construction. Mr. Gianelli will speak on the Hempstead negotiations in Executive Session.

Dialysis Stations. Mr. Gianelli reported that NHCC has had existing approval of a certificate of need (CON) for twenty-nine (29) dialysis stations for more than twenty years. There are currently 13-14 operational in the "S" Building. Some time ago, NHCC filed a CON to create a dialysis extension clinic at A. Holly Patterson for four (4) stations to service ventilator residents and that CON was approved and we are awaiting construction. In the process of filing for the four stations, DOH asked what happened to the other stations and they want to see an immediate turn around as to what we are doing in dialysis. We came up with the following solution to expand what we are doing at A. Holly Patterson and build out the temporary 29 seat dialysis center at the A. Holly Patterson facility. It is critically important because in 2006 there were 12,886 dialysis sessions and 14,327 in 2007. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution "Certificate of Need Transfer Dialysis Stations from the Nassau University**

Medical Center to the A. Holly Patterson Extended Care Facility" (see attached resolution). Resolution No. 034-2008.

10. **Report of the Extended Care Committee.** Mr. Saracino, chair, is away and will report after his next meeting is held.
11. **Report of the Facilities Committee.** Mr. Gerstman, chair, reported that the committee met, but there was no new information to report.
12. **Other.** None
13. **Close of Regular Meeting.** Martin D. Payson, Chair, closed the meeting and opened the floor for public comment.

Ms. Cantonese from UNITE asked to be included in discussions regarding SEQRA and the nursing home property, senior housing, assisted living facility and dialysis unit. UNITE would like to work with the hospital and ensure that all residents in Nassau County benefit. Mr. Benrubi explained that SEQRA is a process that any entity would need to follow prior to construction such as the new nursing home facility and dialysis unit. It is an environmental review regarding the impact of that construction (sewage, water). Mr. Gianelli noted that he has many meeting with the various groups in Uniondale as the process was moving along. NHCC will locate a community center on the Uniondale property and are awaiting the land use planner which is coming in April and then another round of community meetings. With respect to assisted living, NHCC is contemplating a Medicaid Assisted Living facility which is very important for Nassau County and was mandated by the Berger Commission along with the 320 bed nursing home.

Ms. Mary Ellen Crane said it was important to keep the census up at A. Holly Patterson and asked what the current census was and how many rooms will be used for dialysis. Mr. Gianelli said the census has been between 570-585. Mr. Slalty said that there will be two dialysis units and each will have three rooms.

Bishop Harris said that Grace Cathedral is directly across from A. Holly Patterson. He said that no one is talking about next generation housing which is a problem in Nassau County. Mr. Gianelli stated that from a strategic standpoint, development of continuing care is independent of housing and that is a broader issue for the County. The school district has stated that they cannot accommodate more students. Mr. Gianelli said that he would be willing to meet with Legislator Abrahams and Bishop Harris regarding his issues.


14. **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.

15. **Report from Executive Session.** No actions regarding the expenditure of public funds were taken during the Executive Session.

The next regularly scheduled meeting is February 25, 2008 in the Auditorium.

Approved:


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

NASSAU HEALTH CARE CORPORATION
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. 033-2008

January 28, 2008

WHEREAS, by Resolution (No. 023-2007) of the Board of Directors of the Nassau Health Care Corporation, the Board of Directors delegated to its Finance Committee the responsibility for, among other things, overseeing and making recommendations to the Board regarding the Corporation's procurement and contracting policies; and

WHEREAS, there is attached to this Resolution a schedule dated **January 23, 2008** (the "Schedule") of resolutions regarding transactions and/or procurement and contracting policies, which require action by the Board and which the Committee has reviewed, discussed and recommends be adopted;

NOW THEREFORE,

BE IT RESOLVED, that the Board of Directors of the Nassau Health Care Corporation hereby approves and adopts the resolutions recommended by its Finance Committee as set forth in the attached Schedule, with the following exceptions:

Without Exception.

NASSAU HEALTH CARE CORPORATION
FINANCE COMMITTEE
January 23, 2008
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

***NCO Financial Systems, Inc.** (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of the extension of an existing contract for three months (until March 31, 2008), pending issuance of a new RFP, for NCO Financial Systems, Inc. for "Day One" self-pay dunning and customer service and increase the contract amount to an amount not to exceed \$180,000. Resolution No. 001-2008

***NCO Financial Systems, Inc.** (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an existing contract for three months (until March 31, 2008), pending issuance of a new RFP, for NCO Financial Systems, Inc. for inpatient bad debt collection services; outpatient insurance follow-up and increase the contract amount to an amount not to exceed \$12,000. Resolution No. 002-2008

***Peters & Dean.** (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an existing contract for three months (until March 31, 2008), pending issuance of a new RFP, for Peters & Dean for inpatient bad debt collection services; outpatient insurance follow-up and increase the contract amount to an amount not to exceed \$12,000. Resolution No. 003-2008

***NRA.** (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of the extension of an existing contract for three months (until March 31, 2008), pending issuance of a new RFP, for NRA for outpatient bad debt collection services and increase the contract amount to an amount not to exceed \$13,000. Resolution No. 004-2008

***Jzanus, Ltd.** (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to extend an existing contract for three months (until March 31, 2008), pending issuance of a new RFP, for Jzanus, Ltd. for Medicaid eligibility services and increase the contract amount an amount not to exceed \$85,000. Resolution No. 005-2008

***HCE LLC.** (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to extend an existing contract for three months (until March 31, 2008),

pending issuance of a new RFP, for HCE LLC for Medicaid eligibility services and increase the contract amount to an amount not to exceed \$60,000. Resolution No. 006-2008

*FMS. (Extend contract term; will exceed 1 year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to extend an existing contract for three months (until March 31, 2008), pending issuance of a new RFP, for FMS for outpatient workers' compensation billing and follow up services and increase the contract amount to an amount not to exceed \$12,000. Resolution No. 007-2008

*The Advisory Board-Spend Compass. (Term exceeds one year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract for The Advisory Board-Spend Compass to provide access to web-based reporting and business intelligent solutions, onsite training, access to best practices and research in an amount not to exceed \$136,000 first year, \$110,000 second year and \$115,000 third year (\$361,250). Resolution No. 008-2008

**Standardize to Advisory Board Services. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends to the full Board, in the best interest of the Corporation, to standardize to services and products offered by The Advisory Board. Resolution No. 009-2008

*Emdeon Business Services a/ka/ Envoy LLC (WEBMD). (Extension of term, contract exceeds one year). Resolved, that NHCC extend the terms of its contract with Emdeon Business Services a/ka/ Envoy LLC (WEBMD) for the provision of Medicaid enrollment management services for an additional year (1/1/08-12/31/08) for an additional amount not to exceed \$7,680. Resolution No. 010-2008

*Cashin Technical Services, Inc. (contract term could exceed one year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract for Cashin Technical Services, Inc. for a consultant who will assess deployment and productivity of clerical and administrative staff in an amount not to exceed \$184,625. Resolution No. 011-2008.

*The Ferguson Group, LLC. (contract term exceeds one year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract for The Ferguson Group, LLC to provide Federal lobbying Services in an amount not to exceed \$126,000 per year (\$10,500/month) plus expenses per annum not to exceed \$12,000 per year for the period 1/1/08-12/31/09. Resolution No. 012-2008

*Jack Sherman, MD (Pediatric Geneticist). (Renewal of a contract term, will exceed one year). Upon a motion made, seconded and unanimously approved as being in the best interests of NHCC, the Finance Committee recommends Board approval of a

professional services with Jack Sherman, MD, Pediatric Geneticist, in an amount not to exceed \$25,000 for the period 01/01/08-12/31/08. Resolution No. 013-2008

*MMERF. (Contract Renewal will exceed one year; price). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract for MMERF that provides personnel to NHCC at various hourly rates, currently in the following areas: volunteers, academic affairs, HIV education grant, and staffing for the Institute for Healthcare Disparities in an amount not to exceed \$800,000 for the period 01/01/08-12/31/08. Resolution No. 014-2008

*Financial Medical System, Inc. (Contract Renewal will exceed one year; price). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract for Financial Medical Systems, Inc. to provide billing and collection services on behalf of NHCC Faculty Practice Plan and related service providers in an amount not to exceed \$133,000/month, with a bonus provision tied to increase in collections above a baseline for the period 2/1/08-2/1/09. Resolution No. 015-2008

*Island Occupational Medical Resources, P.C. (Contract amount could exceed \$250,000). Upon a motion made, seconded and unanimously approved, the Finance Committee recommended for full Board approval a contract for Island Occupational Medical Resources, PC to provide comprehensive physical examinations and occupational health services to NHCC and NHCC clients (corporate, governmental, school districts, etc.), negotiated in the best interest of NHCC, based on fee-for-service model and negotiated fee schedule for the period 08/29/07-08/29/08 with authority delegated to the CEO to amend said schedules from time to time. Resolution No. 016-2008

*Jorge Gardyn, MD. (with bonus, amount could exceed \$250,000). Upon a motion made, seconded and unanimously approved, the Finance Committee recommended for full Board approval a contract for Jorge Gardyn, MD to serve as Chief of Division of Occupational and Corporate Medicine, to provide expertise to ensure proper function of the Division, maintain agreements for current customer base for occupational health services, solicit new occupational health business on behalf of NHCC, negotiated in the best interest of NHCC, for \$100,000; with incentive provisions tied to increases in new business for the period 08/29/07-08/28/08. Resolution No. 017-2008

*Care Medical Products, Inc. (Contract Renewal exceeds one year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a renewal of a third year option on the contract for Care Medical Products, Inc. to maintain on behalf of A. Holly Patterson Extended Care Facility its enteral and urological program and management of necessary supplies and billings for such products in an amount not to exceed \$45,000/year for the period 01/01/07-12/31/07. Resolution No. 019-2008

*Advanced Health Management Systems. (Term exceeds one year; price). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a renewal of a contract for Advanced Health Management Systems to provide medical staff credentialing and credentialing application production services, provide managed care credentialing services, provide staff and support for services provided in an amount not to exceed \$280,000/year for the period 01/01/08-12/31/08. Resolution No. 020-2008

*Compliance 360. (Term exceeds one year). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amended contract for Compliance 360 for implementation of additional application modules including contracts management, administrative and user training on policy and procedures in addition to contracts module. The amendment extends termination date of current contract, an additional year, augments current policies and procedures module which will be incorporated within the Compliance Suite Module and add the contracts management module and provide staff training/retraining in policies and procedures module in an amount not to exceed \$41,670 the first year, \$41,670 the second year, \$62,670 the third year (total cost \$146,000) including implementation/training for \$37,950 and reimbursables for \$7,000 (total cost \$190,960) . Resolution No. 021-2008

*D. Ross Fraser. (Contract exceeds one year). Upon a motion made, seconded and unanimously approved, the Finance Committee approved an extension of a personal service contract for D. Ross Fraser, Assistant to the Vice President for Planning, to manage hospital capital construction projects working with VP for Planning in the best interests of NHCC for a negotiated amount not to exceed \$80,843 for the eight-month period 01/01/08-08/31/08. Resolution No. 022-2008.

*Long Island Plastic Surgical Group, P.C. (Contract amount). Upon a motion made, seconded and unanimously approved, the Finance Committee recommended for full Board approval a contract for Long Island Plastic Surgical Group, PC to provide administrative and patient care services in the areas of plastic, hand, burn, wound care, and skin integrity, negotiated in the best interest of NHCC, fees based on fair market valuation, in an amount not to exceed \$465,000/year for the period 02/01/08-01/31/09. Resolution No. 024-2008.

*Procurement Authority. Upon a motion made, seconded and unanimously approved, the Finance Committee recommended for full Board approval an amendment to the Procurement Guidelines regarding authority of financial consultants to request proposals on behalf of NHCC, in the form and content attached hereto. Resolution No. 027-2008

*Requires approval of the Board of Directors

**Standardization requires 3/5 (9 votes in favor) approval of Board of Directors.