

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING HELD ON OCTOBER 27, 2008

Directors Present

Martin D. Payson, Chair
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.
Frank J. Saracino, EdD

Not Present

Leonard A. Benedict, MD, MPH
Lawrence E. Elovich, Esq.
Barbara Ross-Lee, DO

Non-Voting Directors Present

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

Hospital Administration

Gary E. Bie, SVP/CFO
Reginald Bullock, Esq., SVP for Legal Affairs
Paul J. Rowland, SVP/COO
Larry I. Slatky, SVP, Extended Care
Steve Waterstein, MD, SVP/Medical Affairs
Kathy Skarka, VP for Patient Care Services
Tierre Jeanné-Porter, VP Employee Development and Labor Relations
Joan A. Soffel, Assistant to the Board/CEO

1. Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum and opened the meeting at 8:40 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the minutes of the September 29, 2008 Board of Directors meeting were unanimously approved.
3. **Report of the Chairman.** None.
4. **Report of the President/CEO.** Mr. Gianelli reported that the Corporation will have a deficit of \$4.8 million by end of the year. There continues to be high interest rates on the variable rate demand bonds as a result of the credit crisis on Wall Street. There are limited options and Messrs. Gianelli and Bie are trying to find solutions to bring the interest rates back down. There increased interests rates are recognized in the September and October financials. The deficit is also credited to reserves set aside for malpractice. On the positive side, NHCC continues to work with New York State in identifying, reconciling and resolving appeals pending relative to the psychiatric rates. Mr. Gianelli expects a favorable outcome that could range from \$2-4 million annually if the Corporation can secure the appeals (\$4-8 million for 2007). Revenue, admissions and discharges continue to be strong. Surgical volumes are high and orthopedic volumes are the highest they have been in several years. The downside is expense that continues to be much higher than budgeted. There are 146 FTEs over budget. The Community Health Centers generated \$200 thousand in revenue, but expenses have grown to \$1 million. A. Holly Patterson continues to do quite well and had considerable profit in 2008. The elephant in the room is where the State will go with its budget determinations. The Governor has called for a special Legislative session in November, asking for \$2 billion worth of cuts; and Senate Republicans are taking education off the table, which only leaves health care cuts. Mr. Gianelli continues to remind the Governor the importance of this institution. In addition, whatever cuts are made on November 18th, there will be another round of cuts in 2009-2010 submitted by the Governor in December. Mr. Gianelli serves on the Technical Advisory Committee (TAC) and they are discussing rebasing reimbursement reform. The advocacy groups for primary care have asked the Department of Health to delay reform during this crisis period.

Mr. Gianelli said that the State wanted to curtail funding for the breast screening program due to budgetary pressure. Mr. Gianelli reached out to the Governor's office stressing that

this program was in jeopardy and it was reversed within 24 hours. In 2009-2010 funding will be limited and NHCC must find alternative funding for this program.

Quality management and JCAHO preparation will be discussed in Executive Session.

Major Modernization. Staff revisited the issues of the Emergency Department and the scope of the project is in excess of \$55 million. Mr. Gianelli is concerned with the recent economic events and in allocating that kind of money to one project. The project has been significantly scaled back. On November 17th, the Town of Hempstead is expected to vote on the 380 Nassau Road project. The agreement with the developer must be signed and approvals received. NHCC requested emergency approval from the Department of Health to move into 135 Main Street which was rescinded and Mr. Gianelli spoke to Deborah Bachrach and the opening is back on track. The dialysis unit will open by the end of the year. The RFP has been issued for the real estate developer of Uniondale and East Meadow. A report will be presented in November to the Board. Mr. Gianelli met with representatives of the East Meadow community to present the initial concepts for redevelopment of the East Meadow property.

Mr. Gianelli said that NHCC is moving into a difficult period in 2009 with challenging financials. A. Holly Patterson has been very successful and the same objectives must be achieved in each department and at the health centers. The hospital is by far the most complicated. The Community Health Centers must increase productivity and right size staff. The centers must transition to Federally Qualified Health Centers (FQHC) for reimbursement. Those three things would cover the gap, but for the subsidy for the uninsured. At the hospital, administration needs to continue to work on attracting voluntary physicians, execute business plans, execute integration with North Shore/LIJ, and successfully obtain reimbursement appeals from the State. A permanent solution to the disproportionate share (DSH) payments must be resolved. Fifty percent of that money is restricted for capital use, but it needs to be used for operating costs.

Mr. Gianelli read a letter from the Chief Fire Marshal, Thomas E. Tilley, regarding NHCC's Occupational and Corporate Medicine Division. Mr. Tilley was very pleased with the professional and efficient manner in which annual physicals were conducted this past year. All of the issues regarding delays, results and billing were greatly reduced or totally eliminated. (See attached). Mr. Gianelli thanked Dr. Jorge Gardyn with whom NHCC has a contract to provide this care because NHCC could not deliver the level of service that customers need and want and was losing critical customers such as Nassau County fire marshals. This was an important contract approved by the Board and an important investment by the Board for the long term. It shows that NHCC can turn services around and learn from how it is done by private physician groups.

5. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner reported that the Medical and Professional Affairs Committee (MPAC) met on October 16, 2008 (summary attached). Details will be discussed in Executive Session. Dr. Miner presented the recommendations made by the Credentials Committee for appointment to the Medical and Dental Staff to the Executive Committee of the Medical Staff on October 7, 2008. There were no issues regarding the appointments. The Medical and Professional Affairs Committee approved the ECMS Recommendations for Appointments to the Medical Staff dated October 16, 2008 as attached to these minutes.

Dr. Walerstein reported that the Executive Committee of the Medical Staff recommends appointment of two clinical chairs. Dr. Satish Kadakia has been the acting chair of Neurology for five years. Dr. Michael Frogel is currently acting chair of Pediatrics. NUMC has a relationship with Schneider's Children's Hospital to strengthen its residency programs at NUMC and Dr. Frogel has been working with NUMC for several months as interim chair of

Pediatrics. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the recommendations made by the Executive Committee of the Medical Staff and the Board of Directors Medical and Professional Affairs Committee and to appoint Satish Kadakia, MD, as permanent Chair, Department of Neurology and Michael Frogel, MD, as permanent Chair, Department of Pediatrics. Resolution No. 135-2008.**

Dr. Walerstein reported that about one year ago NUMC was put on probation for the overall management of Graduate Medical Education (GME). GME was reanalyzed and a new Dean of Academic Affairs and Designated Institution Official, John A. Encandea, PhD was brought on to strengthen our residency programs. Since the last Board meeting the Residency Review Committee (RRC) awarded full approval and accreditation to both the Department of Obstetrics and Gynecology and Surgery each for three years. The Department of Anesthesiology has been informed of potential probation. Dr. Walerstein said that there are a total of 13 primary programs and a few fellowships. Mr. Payson requested a summary of each program with a chart of accreditations/probations giving the Board a snapshot view of the residencies provided. Mr. Payson questioned the absorption of undergraduate students and their relationship with all students at NUMC. Dr. Walerstein reported that the American University of the Caribbean (AUC) started with 32 third year students who began rotations on September 22, 2008. The feedback from the clinical departments has been very positive. NUMC maintains a strong commitment with NYCOM and Stony Brook. On Wednesday, Dr. Walerstein attended the first general meeting of the workgroup for the Hofstra Medical School which is targeted for September 2011. Ms. Hanson asked how many students will be admitted to the Hofstra Medical School. Dr. Walerstein said that in 2011, approximately 30-40, in 2012 approximately 60 and so on up to 2014 with approximately 120 students. NUMC will not feel the full impact until 2017. Ms. Hanson asked how the 32 AUC students were placed. Dr. Walerstein said that they were placed in five core services: medical, surgical, pediatrics, ob/gyn and psychiatry.

A. Holly Patterson Quality Management Report. Postponed until the November Board meeting.

6. **Report of the Finance Committee.** Mr. Payson noted that the Finance Committee did not have a quorum at their last meeting and therefore the contracts would be discussed and considered for approval in Executive Session.

Mr. Bie reported on the financial statements for September 2008. In September, the Corporation generated \$45 million in revenue and had a budgeted loss of \$576 thousand. The Medical Center lost \$1.5 million. Mr. Bie is following expenses very closely, especially overtime. Salaries (with fringe benefits) were \$1.4 million. The nursing home is helping the Corporation with a \$1.2 million surplus. The Community Health Centers had a \$200 thousand loss. Staffing must be aligned with volume. The Corporation is also seeking federally quality health center (FQHC) status for the health centers which would increase reimbursement from \$132 to \$160 per visit or \$1.5-2 million on the revenue stream. Mr. Gianelli said that if we were able to transition FQHC, align staff and increase volumes per physician, it is his hope that the subsidy would be tied to the amount of uninsured patients that we see. That care needs to be subsidized, NHCC should not be subsidizing other types of care for which we receive payment, or inefficiencies at the health centers. The County will not increase historic payments. Ideally, the County portion of DSH would come to the hospital and the match by the State would be 50%. For that to happen, payment has to flow to the hospital. The hospital must optimize the operations at the health centers. Bad debt and charity are insufficient to care for the uninsured.

Mr. Bie said exposure on debt is approximately \$245 million in variable rate demand bonds, \$221 million tax exempt bonds and \$25 million taxes. The September market crash dropped

30-40% adverse impact to reset rates. The interest we were paying on tax exempt variable bonds was 1.85% pre September 12, that debt reset up to 5%, a week later 6%, a week later 9% and then dropped back down to 6%. It is still almost 3% more than what NHCC budgeted for in tax exempt securities. It costs approximately \$2.4 million/year in additional interest expense. Compounding our problem is a letter of credit that checks variable rate bonds and Dexia and FSA were downgraded last month. Our ability to get 6% back down to 2% will be difficult and NHCC may have to switch to letter of credit in order to do that.

John Brickman asked how are the bonds secured. Mr. Bie said that Dexia is a liquidity facility and issue the letter of credit. The insurance is with FSA. Mr. Gianelli said that in 2004 a refund occurred and the decision was made by the Board to switch to a variable rate which is always a risk. Up until the crisis, the instruments otherwise performed very well. NHCC was paying 100 to 200 basis points lower than what would have happened if it had a fixed rate.

Cash Position. Mr. Bie reported that NHCC is dependent on IGT payments they are worth \$54 million at the hospital and \$25 million at the nursing home. The next IGT payment of \$25 million for AHP is now due on 11/15/08 and the \$5 million for the hospital is also due on 11/5/08. The cash position is as close to zero as it has been all year. The County is using tobacco funds to provide its 50% share. As the tobacco funds become limited, the County can no longer use them to fund their portion of IGT. NHCC needs to use these funds for operations. Mr. Payson asked how Finance would bridge the gap between 10/31 and the receipt of funds on 11/15. Mr. Bie has a \$10 million loan from the Captive. The next IGT payment will be on March 31st (\$35 million). The burn rate is \$4-6 million/month. On November 4th the hospital will also receive the 4th quarter payment from the County (\$7.5 million). Administration may also ask for a line of credit from the County to pay interest rates.

7. **Report of the Community Health Committee.** Dr. Guercia, chair, reported that there were no meetings this month.

Report of the Extended Care Committee. Mr. Saracino, chair, reported that the committee met on October 24, 2008 from 2:00 p.m. until 4:00 p.m. at A. Holly Patterson. In attendance were Dr. Guercia, Mr. Slatky and various staff members. The first hour the committee reviewed the major modernization plan and varying aspects of impacts of construction. The second hour was a tour of the new construction within the old facility. Since it will take 3-4 years for the new facility to be constructed, construction on the old facility is necessary and will generate new surplus. The Committee toured the new dialysis, a work in progress and reviewed the time line of the construction plan. Committee impressed with the proposed construction chronology and improvements that will occur. Mr. Saracino commended Larry Slatky for his philosophical changes that will be part of the new structure providing less emphasis on institutional appearances and more home and family ambiance. The dialysis unit was expanded from 14-29 beds. It is on schedule and looks great and should contribute to the surplus.

Report of the Facilities Committee. Mr. Gertsman, chair, reported that the Committee met on October 17, 2008. Everyone received an outline of the minutes. A presentation was given on the Statement of Condition and NHCC is moving into self-identification/correction. Concerns regarding security were brought to the committee's attention and cameras will be installed by the end of the year to provide greater security. In addition improvements are being made in risk assessment processes in all psychiatric units. There are major issues with the condition of the ramp garage and staff is looking at all possible options, one that includes closing the garage and providing for parking in other areas with transportation to and from the hospital. Mr. Gertsman noted that over the last month he has heard from various people regarding their experiences here at the hospital and they were pleased with

the services that they received. Mr. Gianelli said that the parking garage has a history of suffering from inadequate repair and they have reached the conclusion that the amount of money to sustain the garage is not worth the investment. As the 35 acres are redeveloped, parking locations will be shifted accordingly.

Report of the Legal and Audit Committee. Mr. Brickman, chair, reported that the next meeting is scheduled for October 29, 2008.

8. **Other.**

a. Transaction Overview Newco NFP, Inc. with Hemstead Realty II LLC(Real Estate Development Entity) and Strulovich Management Entity (Medicaid ALP Management Entity) Development and Management of Medicaid Assisted Living Program at the site of the former Hempstead General Hospital. To be discussed in Executive Session.

b. 2008 Annual Board Report: Management of Human Resources. Terre Jeanné-Porter, VP for Employee Development and Labor Relations distributed the report (attached to these minutes). Ms. Porter reported on some of the highlights. NHCC is a very diverse work force with 3,800 employees who work at the hospital, Nassau County Correctional Facility, Community Health Centers, and A. Holly Patterson. Overall, 70% of employees are women, with 70% at the hospital, 75% at A. Holly Patterson and 90% at the Community Health Centers. Over 55% of employees are self-identified minorities which is considerably higher than the 29.4% reported to be minorities in Nassau County labor force data. The majority of NHCC employees work in the Medical Center. Only 1.5% of the workforce is non-union. Over 98% are covered by the terms of the collective bargaining agreement. Planning for Human Resources takes place during the annual budget process when the Finance Department meets with each department to review staffing levels, project vacancies and plans for recruitment. A standing committee reviews all personnel requisitions, especially in this economic climate. The committee continues to review, evaluate and approve those requests as they are needed to provide patient care, positions under approved business plans as well as those most difficult-to-recruit positions or with high turnover rates. The NHCC human resources function is covered by Nassau County Civil Service system with established rules. The average Civil Service workload has grown over the past year averaging about 400 employment transactions each month. Since January 2008, NHCC has hired 406 new employees and the average vacancy rate of 2.88% is below the national average. Most of NHCC's employees are in the CSEA bargaining unit, work under a graded service salary plan and are compensated on a salary schedule determined through collective bargaining. The pension program, which is a defined benefit plan under the State Retirement System, provides better benefits than that offered by many of NHCC's competitors. It is anticipated that the cost to maintain this benefit will escalate. It is currently 8.5% of payroll. Mr. Gianelli noted that this percentage is expected to exceed 11% in 2010 (on \$220 million worth of payroll, \$6 million in pension costs). NHCC will make a case to the State that we should be treated differently in the pension system regarding payments. Ms. Porter said that at the time of hire, Human Resources verifies employee qualifications and confirms that all staff providing patient care treatment and services possess a current license, certification and/or registration. Criminal background checks are also conducted and mandatory drug screening is completed as part of the pre-employment health screening. NHCC's retention rate on first-year employees is 74.2%, with only 4% of new hires or newly promoted employees failing to pass the 26-week probationary period. Under the Employees' Retirement System, an employee may retire at age 55 with a minimum of 5 years of service. Tier 1 members may retire at 55 with no benefit reduction and 58 of current employees are in this tier. Retirement benefits for Tier 2, 3 or 4 with less than 30 years of service credit will be reduced by a percentage for each year of retirement prior to age 62. Over 600 employees have reached the age of 55 with at least 20 years of service. Ms. Porter reviewed competency assessments and performance evaluations that are in 90%

compliance. Employee development includes a robust orientation program, nursing education, clinical training, annual education programs, training for equipment, policies and procedures, an MBA program with Hofstra University with 18 employees participating, tuition assistance and civil service testing preparation. Many physicians, nurses, professionals have received numerous awards and honors during the year. Most disciplinary actions involve time and leave abuse. Penalties may include reprimands, fines, denial of salary increment, loss of leave entitlement, suspension without pay, demotion and/or dismissal. In July 2008 NHCC implemented changes in the disciplinary review process to reduce the number of arbitration proceedings (moving closer to the model used at A. Holly Patterson). Annual health assessments have exceeded a baseline target of 90% timeliness with a 92.5% compliance rate. Performance improvement initiatives included timekeeping management, a Kronos system for nursing and internal quality control.

Mr. Martello asked if the numbers have gone down regarding costs for workers compensation. Mr. Bie noted that in April, NHCC started a self-insured workers compensation plan. The cost was \$2.5 million on workers compensation claims for medical and lost wages. The target plan is to bring that down by \$500 thousand next year. Ms. Hanson asked what programs are in place to deal with decreasing workers compensation injuries. Ms. Porter said that RNs work with Occupational Health, Finance and Human Resources to make sure employees report incidents, and monitor their health through medical records. Human Resources mails letters to employees advising them when to come back. There have been changes to the leave monitoring program to return more people to work. Mr. Bie said that case management is an intensive program. The County is interested in using this new department to manage their workers compensation (\$30 million to provide services). Mr. Brickman asked how many employees does the County have and the answer was 10,000. Ms. Hanson asked what preventative programs are in place to avoid employees being hurt, what they need to do in their work environments to avoid workers compensation. Ms. Porter said there is an occupational safety program, employee orientations, written materials on ways to lift, and annual education programs. Ms. Hanson asked if NHCC has lift apparatus to assist employees in lifting patients. Ms. Hanson noted that there has been crisis intervention training in psychiatry when staff has to intervene with a patient and no one gets hurt. Mr. Gianelli said that the new nursing home will have significant number of rooms fitted with tracks in the ceiling to move patients from bed to rest room, etc. Dr. Scarmato said that he does have a lift for bariatrics in radiology and they created a competency for staff on lifting to reduce the amount of back injuries.

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

Bishop Harris (Grace Cathedral Church, Uniondale) noted that there were 50 employees released or dismissed from the hospital and asked if there was a break down of ethnicity. In terms of discipline, is there an ethnic break down for those disciplines? Ms. Porter said that she would have to review the status of the employees, but most disciplinary actions/terminations are predominantly White. Mr. Gianelli said that the 50 employees were temporary contracts. The Union raised concerns. NHCC negotiated a settlement and can use temporary employees up to one year and then either terminate or hire through normal channels. Employees on the temporary list either did not take the Civil Service test or were unsuccessful in achieving a score high enough to be reachable in the Civil Service process.

Dr. Johnson, retired from the Freeport Center, heard that NHCC is planning to replace RNs with medical assistants at the health centers and was very worried. She felt that RNs were needed to give the shots and all of the necessary paperwork involved with documenting and follow up visits. Mr. Gianelli, said that as President/CEO, he must make decisions that balance the Corporation needs with the needs of the patients. The Corporation has a deficit and the cash position is at zero. Therefore, it is the CEO's responsibility to provide the

highest quality of care as efficiently as possible. Other hospitals with outpatient clinics do not heavily staff with RNs and in Suffolk, they lost \$26-30 million. Operations through September, if you take the subsidy out was a loss \$6.8 million and when you add back the amount of bad debt, there is still a loss of \$4.7 million. The approach Mr. Gianelli is taking is that, but for the uninsured, NHCC must be able to run the health centers at a break even rate. The operation losses from 9/2007-9/2008 have doubled. Productivity of physicians is below industry standards, they must be more productive (only see 1.13 patients per hour). To break even, physicians must see 3,500 plus a year, rightsize staff and skill mix. NHCC must use the money as subsidy to subsidize care for uninsured and not to subsidize paying patients and inefficiencies. The Federally Qualified Health Center status would increase reimbursement and hopefully the centers would receive a fair distribution of bad debt and charity. If the clinics see more uninsured, it will grow bad debt. We need practice growth, only seeing 2% Medicare volume, physicians are not building the practice that would have Medicare come into the health centers. The Family and Children's Association had no idea that NHCC offered Pediatric service in the Hempstead health center. Centers need to expand enrollment in all populations starting with children who are uninsured (which is 20% and that number should be zero. The subspecialties must reach into the community.

Donna Kass said that each clinic is different and you cannot use a broad brush stroke across all three. The New Cassel physicians were not as productive as they might have been, if they had more nurses. In Freeport, physicians are sitting around because there is a shortage of clerical to process the patient and then at the end of the session they are swamped. In OB/GYN the impact of replacing RNs with medical assistants is of concern. She noted the press release regarding NuCare which states that there is a need for preventive education, who is going to do that education.

Mr. Gianelli said that it is not as simple as adding staff, the problem is inefficiencies that need to be fixed.

10. Report from Executive Session. Upon return to Public Session, the Board reported that the following actions were taken:

In Executive Committee the Board also approved the following items.

Contracts.

Upon a motion made, seconded and unanimously approved, the Board of Directors approved the contract with Gilbane to provide construction management for the A. Holly Patterson Project at a cost not to exceed \$2,730,000 that includes salaries, fringes, overhead, profit, personnel bonuses (where applicable), auto allowances (where applicable) and escalation through December 2010. Resolution No. 136-2008.

Upon a motion made, seconded and unanimously approved, the Board of Directors adopted the resolution for certain transactions in connection with the establishment of a Medicaid Assisted Living Program facility by (a) authorizing the establishment of Newco, (b) appointing three officers of NHCC to be initial directors of the entity (President/CEO, CFO and SVP for Extended Care) and (c) the preparation and filing of the necessary paperwork for a Certificate of Need Application with the State of New York. Resolution No. 137-2008.

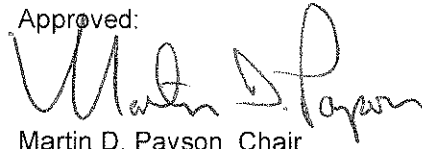
Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving the contracts, all as set forth in the attached. Master Resolution M-147-2008

11. Adjournment

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 10:20 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

12. The next regularly scheduled meeting is November 24, 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. M-147-2008

October 27, 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 October 27, 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 no exceptions.

NASSAU HEALTH CARE CORPORATION
Board of Directors Meeting
October 27, 2008
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*STA Coaching Associates. [amendment to a current contract, extension of term, multi-year contract.] **Upon a motion made, seconded and unanimously approved, the Board approved a contract with STA Coaching Associates to provide key management training and coaching, establish and maintain leadership and communication with residents, families and staff, achieve service excellence, conduct needed meetings and educational workshops in an additional amount not to exceed \$30,000 to the current contract (total amount \$106,800) and extended to expire on 6/30/09 (current contract expires 2/09). Resolution No. 138-2008.**

*Success Advertising. [renewal of a current contract.] **Upon a motion made, seconded and unanimously approved, the Board approved a renewal of the contract with Success Advertising to design and place employment advertisements in an amount not to exceed \$140,000 for the period 10/11/08-10/10/09. Resolution No. 139-2008.**

*Gilbane & Co. [multi-year term, amount is over \$250,000.] **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the contract with Gilbane to provide construction management for the A. Holly Patterson Project at a cost not to exceed \$2,730,000 that includes salaries, fringes, overhead, profit, personnel bonuses (where applicable), auto allowances (where applicable) and escalation through December 2010. Resolution No. 136-2008.**

*New Innovations. [multi-year term, amendment to current contract.] **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the contract with New Innovations to provide internet residency management suite and software licensing and maintenance agreement with onsite training in an additional amount not to exceed \$8,500 for two training programs (current contract is \$40,549, total with additional is \$49,049) for the period 01/01/07-12/31/09. Resolution No. 140-2008.**

Health Care Compliance Strategies. [multi-year term, requesting standardization, requires 3/5 Board approval.] **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the contract with Health Care Compliance Strategies to provide computer based HIPPA training and updated reports on corporate compliance for OIG in an amount not to exceed \$148,363 over three years (1st year - \$48,000; 2nd year - \$48,000 plus 3% cost of living; 3rd year - \$49,440 plus 3% cost of living) for the period 11/01/08-10/31/11. Resolution No. 141-2008.

*Hemstead Realty LLC. [multi-year term, Berger Commission requirement.] **Upon a motion made, seconded and unanimously approved, the Board of Directors adopted the resolution for Hempstead Realty LLC and for NHCC to authorize the establishment of Newco, appoint three officers of the entity (President/CEO, CFO and SVP for Extended Care) and to file the necessary paperwork with the State for a CON. Resolution No. 137-2008.**

*Roman Catholic Diocese of Rockville Centre. [renewal of current contract, sole source.] **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the renewal of a contract with Roman Catholic Diocese of Rockville Centre to provide pastoral care and spiritual support to patients, families and NHCC and AHP staff in an amount not to**

exceed \$110,898 (NUMC); \$27,719 (AHP) for a total of \$138,616 for the period 01/01/09-12/31/09. Resolution No. 142-2008.

*Nassau Protestant Chaplain Services, Inc. [renewal of current contract, best interests of NHCC.] Upon a motion made, seconded and unanimously approved, the Board of Directors approved the renewal of a contract with Nassau Protestant Chaplain Services, Inc. to provide pastoral care and spiritual support to patients, families and NUMC (based on patient census and religious demographics) in an amount not to exceed \$79,827 for the period 01/01/09-12/31/09. Resolution No. 143-2008.

*New York Board of Rabbis. [renewal of current contract, best interests of NHCC.] Upon a motion made, seconded and unanimously approved, the Board of Directors approved the renewal of a contract with New York Board of Rabbis to provide pastoral care and spiritual support to patients, families and NHCC and AHP staff (based on patient census and religious demographics) in an amount not to exceed \$18,475 (NUMC) and \$9,234 (AHP) for the period 01/01/09-12/31/09. Resolution No. 144-2008.

*Nassau County Council of Black Clergy. [renewal of current contract, best interests of NHCC.] Upon a motion made, seconded and unanimously approved, the Board of Directors approved the renewal of a contract with Nassau County Council of Black Clergy to provide pastoral care and spiritual support to patients, families and AHP staff (based on patient census and religious demographics) in an amount not to exceed \$27,718 (AHP) for the period 01/01/09-12/31/09. Resolution No. 145-2008.

*Michael Koss Consulting Group. Upon a motion made, seconded and unanimously approved, the Board of Directors approved the contract with Michael Koss Consulting Group to provide independent auditor to perform audit of services provided by its Workers' Compensation TPA – Traid Audit in an amount not to exceed \$7,000 all inclusive fee, including travel expenses to/from TPA, all administrative expenses within a two-month period for the period 10/15/08-12/31/08. Resolution No. 146-2008.

Informational:

*380 Nassau Road, Roosevelt/Freeport Community Healthcare Center. [multi-year, contracts in excess of \$250,000.] Bids for different services with respect to construction work.

RSI-Respirator Science, Inc. Emergency waiver of Public Statutes and in best interests of NHCC. Supplier of 24 dialysis recliners for the new dialysis unit at AHPECF at a cost of \$34,776.00.

*Requires approval of the Board of Directors

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