

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING  
HELD ON JANUARY 13, 2014

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Directors Present

\*Craig Vincent Rizzo, Esq., Chair  
\*Steven Cohn, Esq.  
\*Paul J. Leventhal, CPA  
\*John T. McCann, PhD  
\*Linda Reed  
Asif M. Rehman, MD  
\*John A. Venditto, MD  
Andrew Zucaro

Non-Voting Directors Present

Krishan Kumar, MD

Hospital Administration

John Ciotti, EVP General Counsel  
John Maher, EVP CFO  
Larry I. Slatky, EVP, Operations  
Fara Tabai  
Joan A. Soffel, Assistant to the Board/CEO

Not Present

Vincent A. Gallo, MD  
Jemma Marie-Hanson, RN  
\*Greg-Patric Martello, Esq.  
Frank J. Saracino, EdD  
David J. Sussman, MD  
Arthur A. Gianelli, President/CEO

\*Executive Committee Members

1. Craig Vincent Rizzo, Chair, Board of Directors of the Nassau Health Care Corporation, noted that a quorum was present. The meeting was opened at 7:00 p.m.
2. **Adoption of Minutes.** The minutes of December 16 and December 31, 2013 were approved.
3. **Report of the Chairman.**

RAN (Revenue Anticipated Notes). Mr. Rizzo reported that the meeting was called after Mr. Rizzo spoke with Mr. Maher. Apparently there was a general monthly meeting with NIFA that occurred last Thursday when Mr. Maher was advised that in order to secure the RAN, the Board would need to approve the budget. As the Board is aware, the budget was not presented at either the December 16<sup>th</sup> nor 31<sup>st</sup> Board meetings. In light of the fact that the budget needs to be approved by, what Mr. Rizzo is told, tomorrow or Wednesday in order to secure the RAN, this evenings Board meeting was scheduled. He thanked those members present for giving up their time on short notice for a meeting at 7 p.m. Unfortunately Mr. Gianelli is out of the Country and Mr. Maher asked him if he could call in, but Mr. Gianelli will be on a plane this evening. Mr. Gianelli did provide Mr. Rizzo with an e-mail regarding the proposed budget. Mr. Gianelli noted in that e-mail that he has reviewed and endorses the budget that has been put forth for the Board to review today. Mr. Rizzo had discussions with Mr. Maher regarding the budget and asked him if both he and Mr. Gianelli approved the budget that was provided to the Board for review and the response was yes. Mr. Rizzo asked Mr. Maher to explain to the Board what is going on with NIFA, what occurred at the meeting and why is the Board here at this point.

Mr. Maher apologized to the Board for the last minute request for a meeting. The NIFA meeting was last Wednesday afternoon and the sequence that followed was a call with our investment advisor, underwriter, counsel and two consultants regarding the RAN. It was their opinion that we need to have the budget passed to counter some other issues. The RAN would have been unrated, with no insurance on the RAN, and the fact that a new CEO has not been appointed yet. The only option was to have the budget passed. During the NIFA meeting questions were asked and NIFA had invited certain members from the County

including the County Comptroller to attend. Both NIFA and the County said the budget needs to be passed for the RAN to be executed. Early this afternoon, Mr. Maher had an unpleasant call regarding the RAN from the underwriters, even with the passing of this budget; there is a chance that the RAN would not be subscribed to. Over the last several months there was no problem getting the RAN executed and subscribed; now all of a sudden there is a problem. The market condition and hospital discharges are down across the board in October/November and are the worse they have seen in years. Standard & Poor are dictating the credit policies and told Assured that they do not like the credit risk at NUMC. The bottom line is, based on that discussion and the direction from S&P to Assured, even though the budget is reviewed and acted on, it will not guarantee the passing of the RAN. Mr. Maher said they do have alternatives that they will follow up with. They will be looking at alternate underwriters and alternate vehicles or getting people to invest in the RAN including speaking with the DOH to see if there is anything they can do to advance the IGT to secure the RAN. Mr. Rizzo asked if there were alternate back up plans with other banks. Mr. Rizzo noted that the RAN is the same as in the past, it is secured through the same IGT payments and Mr. Maher agreed. Mr. Rizzo said there is no distinction between last year and 2-3 years ago, now all of a sudden it is changing due to volumes in discharges that has nothing to do with the RAN. It is the same amount of money that was secured in the past. Mr. Rizzo asked why Solomon Brothers made that decision. Mr. Perrotti agreed and said this is the fourth RAN. Mr. Cohn said there is a disconnect. Mr. Maher said it should be no problem, this transaction has not changed. What Mr. Ramirez said was that there is no change in the mechanism but they believe the market conditions are not what they were the last few years. Mr. Rizzo asked it is not secured because of the market issues? Mr. Maher said Assured cannot rate this transaction. Mr. Perrotti said Assured feels the investors are more comfortable in buying the notes and Assured cannot give us the rating, so it is our job to sell this to the investors and note that the State and Federal funds are reimbursing. Mr. Cohn asked if there were other insurance groups in the playing field or are we locked into this one. Mr. Maher said they are locked into Assured, there are very few out there and he is checking alternate underwriters who have expressed an interest. Mr. Cohn said even if they expressed an interest will they buy it without the insurance. Mr. Cohn asked how much it goes up before we get their interest. Dr. Venditto asked if this is even a viable plan. Mr. Maher said they will also look at the interest rate that the pension fund would charge—about 7%. Dr. Venditto asked how much can we afford what is the upper limit. Mr. Perrotti said a 2-3% range, we will look at alternatives. Mr. Cohn asked what transpired, did we give information that caused the insurance group to say they were not interested. Mr. Perrotti said that Assured got the information from S&P. Mr. Cohn asked are we not an exception since our funds are coming from the State and repayment it is not dependent by the virtue of our productivity at the hospital. Mr. Maher said that is the selling point—this is a guaranteed transaction with virtually no risk. Mr. Perrotti said they could go out for less than the \$40 million. Mr. Rizzo asked when Mr. Maher would know and he responded by Wednesday or Thursday. Mr. Cohn asked if Ramirez is compensated on the interest rate we pay and Mr. Perrotti said no, on the notes, it does not matter what interest rate they pay. Mr. Cohn said this makes no sense. Mr. Maher said I have seen transactions over and over guaranteed by the State, it does not make sense.

4. **Report of the President/CEO.** None
5. **Primary Care Contracts.** Mr. Rizzo asked Mr. Slatky why these contracts are coming to the Board this evening and noted that if they were that urgent why they were not brought to the Board at their meetings of December 16<sup>th</sup> and the Executive Committee meeting of December 31<sup>st</sup>. Mr. Slatky said the bids were not received yet. He is following protocol, the bids could take 30-60-90 days and they only opened these bids the week before last. Mr. Leventhal asked why the bids did not go out earlier. Mr. Slatky said they had to wait until they finished the 19<sup>th</sup> floor and get the architects drawings and DOH approval on the primary care floor. He is doing everything as quickly as he can. Mr. Rizzo asked if these were all sealed bids. Ms. Tabai said the bids take six weeks to advertise, get awarded and make

sure the contractor is fit to do the job. All of that has to be reviewed before they can submit it to the Board. Mr. Rizzo said it has to be done quicker; we cannot keep having emergency meetings and calling physicians on the Board from their patients to come to a meeting to get these contracts approved. When you know you need something, it needs to start months earlier. Mr. Slatky said the drawings took nine months. Mr. Rizzo said it has to be brought to the Board sooner and cannot be brought to the Board at the last minute, coming to meetings at 8:00 p.m., calling urgent meetings, telling the Board that if you don't get it approved we will lose all of this. You should start the process earlier and bring it to our attention, if someone or something is holding it up, call me. If these vendors can't get it done, we will get someone else to do it. This has been going on way too long—multiple years, not planning what you have to do in the future. Mr. Slatky said we have to follow our procurement policies and systems, it is extremely tedious and difficult, and this could not have been produced faster than we produced it. Mr. Slatky said we could approve these in February and follow normal protocol, but he will hear from other people in finance that waiting until February may have an effect on the HEAL 21 funding. We knew the Board was meeting and we wanted to get them done. We could wait another 2-3 weeks, but we knew you had a meeting this evening. Mr. Rizzo asked that Mr. Slatky call him when he has urgent matters for the Board, there is no reason why he cannot call.

Stalco Construction. Mr. Slatky reported that all of the primary care contracts followed proper procedure and were sealed bids and they were the lowest bidder. Mr. Rizzo noted that the information provided to the Board indicates that they were the lowest qualified bid and Mr. Slatky agreed. Mr. Rizzo asked who sent out the bids. Mr. Slatky said all bids go out to the market, placed in papers, publications and websites. Mr. Rizzo asked who decides who receives the bid. Ms. Tabai said herself, the purchasing department along with the construction management firm as a group decides. Mr. Rizzo asked who in purchasing and Mr. Slatky said Karen Waslo in procurement along with her staff and she also receives advice from Mr. Slatky and Ms. Tabai. **Upon a motion made, duly seconded with one abstention, (Steve Cohn) the Board of Directors approved a contract with Stalco Construction to serve as general contractor for the building of the new primary care center on the first floor of the DCB in an amount not to exceed \$3,676,800 (HEAL funded) for the project for the term of one year with an anticipated start date of 02/01/14. Resolution No. 001-2014.**

ARA Plumbing Corp. Mr. Rizzo asked we did not know that we needed plumbing in primary care. Mr. Slatky said it all goes out to bid in one package. We needed the architectural drawings before we could go out to bid. Responders can bid on the entire project or individual pieces of the project. **Upon a motion made, duly seconded the Board of Directors approved a contract with ARA Plumbing Corp. to serve as the contractor for plumbing and gas fittings for the primary care center to be built on the first floor of the DCB in an amount not to exceed \$825,600 (HEAL funded) for the project for the term of one year with an anticipated state date of 02/01/14. Resolution No. 002-2014.**

TSGI Consulting. Mr. Slatky reported that this particular contract is not for the primary care project but in preparation for a Joint Commission survey. The contract is for two years and the consultants assist with preparing for the life safety issues at AHP. **Upon a motion made, duly seconded the Board of Directors approved a contract with TSGI Consulting to survey approximately 850,000 sq. ft. of healthcare space at the DCB and outpatient dialysis in AHP. This service is to include but not limited to, identify all life safety deficiencies, preparation of statement of conditions and provide all updates for SOC required for the accreditation survey by the Joint Commission, evaluation of basic building information and all other compliances oversight and staff training and update existing AutoCAD master drawings and life safety drawings in an amount not to exceed \$379,500 for a term of two years with an anticipated start date of 01/01/14. Resolution No. 003-2014.**

D&S Mechanical. Mr. Ciotto, as a matter of transparency, noted that he represented one of the principals of this vendor in the past; he did not have anything to do with the sealed bid, nor has a vote on this matter. Mr. Rizzo noted that the amount is for the entire project and asked if there would be change orders. Mr. Slatky said he could not guarantee that there will be no change orders, there are always some changes. They budget \$1 million as an estimate for changes. The bid came in at \$2,592,000 and there could be changes so he does have a 10% contingency plan. The exact amount of the sealed bid is presented to the Board. Mr. Rizzo asked if you chose the lowest bidder and someone comes back with a \$500 thousand change order that is not the lowest qualified bidder. Mr. Slatky said that would not happen and all change orders have to be reviewed and approved by staff and the construction management firm. Mr. Zucaro asked for the results of those bids and Mr. Slatky said he would provide Mr. Zucaro with the chart. **Upon a motion made, duly seconded the Board of Directors approved a contract with D&S Mechanical to serve as the steam, heating and hot water contractor for the primary care center on the first floor of the DCB in an amount not to exceed \$2,592,000 (HEAL funded) for the project for a term of one year with an anticipated start date of 02/01/14. Resolution No. 004-2014.**

Roland's Electric. Mr. Slatky said this vendor has done work on the 19<sup>th</sup> floor and he was very satisfied with their work. Mr. Rizzo asked how long this company has been with us. Mr. Slatky said they just recently used them for the 19<sup>th</sup> floor. Ms. Tabai said there are categories of change orders depending on field condition, or requests from the departments for changes. The contingency could be anywhere exceeding 20% or for newer buildings 10%. We would come back to the Board if that happened. Mr. Zucaro noted that he had never heard of a 20% contingency. Mr. Slatky said it is normally below 10%, but asbestos is an issue. **Upon a motion made, duly seconded the Board of Directors approved a contract with Roland's Electric to serve as the contractor for electrical wiring and fixtures for the building of the primary care center on the first floor of the DCB in an amount not to exceed \$1,727,400 (HEAL funded) for the project for a term of one year with an anticipated start date of 02/01/14. Resolution No. 005-2014.**

A&F Fire Protection. **Upon a motion made, duly seconded the Board of Directors approved a contract with A&F Fire Protection to serve as the contractor for fire protection services for the building of the primary care center on the first floor of the DCB in an amount not to exceed \$496,680 (HEAL funded) for the project for a term of one year with an anticipated start date of 02/01/14. Resolution No. 006-2014.**

Design Ideas Group. Mr. Slatky said this is not part of the primary care project; the vendor is our architect for the cardiac catheterization lab that they are working on with North Shore. The design has been changed four different times because of recommendations from North Shore and changes that Mr. Gianelli requested. **Upon a motion made, duly seconded the Board of Directors approved an amendment to a contract with Design Ideas Group to provide documents for design of the equipment replacement in the Cardiac Catheterization lab and perform construction administration for this phase of the project for an additional amount of \$105,800 with a start date of 07/01/11 and extension of contract to 12/13/14. Resolution No. 007-2014.**

Mr. Rizzo told Mr. Slatky to come to the Board earlier with these contracts and/or let the Board know what is going on. Ms. Tabai said they are trying to complete a 3 year project in 1.5 years and are being as aggressive as possible to get things completed in time and in compliance with the timetable given to the State.

Abrams Fensterman. Mr. Ciotti reported that the law firm deals with guardianships and Medicaid eligibility for undocumented patients at NUMC. This is for additional funds that were used by AHP that came into the legal department. He has advised AHP that from now on, these funds will be allocated to their budget. **Upon a motion made, duly seconded with one recusal, (Craig Rizzo) the Board of Directors approved an amendment to a**

**contract with Abrams Fensterman to provide legal counsel with respect to psychiatric hearings, guardianships and medical treatment. Also aids in obtaining Medicaid eligibility for undocumented patients at NUMC for an additional amount not to exceed \$110,000 for a term of one year with an anticipated start date of 01/01/13. Resolution No. 008-2014.**

6. **2014 Budget.** Mr. Rizzo asked Mr. Perrotti to clarify the loss, there seemed to be a discrepancy with the figures on the executive summary and page 12 of the budget. Mr. Perrotti said the 2013 loss from operations was \$13.8 million. The projections were very conservative for December—around \$3 million. Mr. Rizzo said the projected loss was \$30 million; did we get relief from one shot deals? Mr. Perrotti said the volumes were more favorable in December; the discharges were down 400 in November. Mr. Rizzo asked, right now, the 2013 deficit is between \$7-10 million and Mr. Maher said yes. The operating budget surplus for 2014 is \$1.4 million—NUMC has a loss of \$36,000, AHP an excess of \$303,000; LIFQHC an excess of \$148,000 and NHCC, Ltd. (the captive) an excess of \$1,008,000. Mr. Rizzo said there is \$13.7 in new revenue: \$4 million DSH, \$4 million 8<sup>th</sup> OR, \$3 million coding and \$4 million for manage care. Mr. Maher said the loss is \$13 million and noted the increase from the Medicare DSH (\$3.8 million), activity from the 8<sup>th</sup> floor OR (\$3.7 million), increases in managed care (\$3.7 million), coding initiatives and the new director in Medical Records (\$3 million), outpatient collections (\$5 million). Mr. Rizzo asked how this is being done. Mr. Maher said the entire process is changing the way we collect and bill outpatient revenue. We had focused on inpatient and discharges. On the outpatient side there is tremendous volume but small reimbursement \$100-200. There are new procedures for physicians and registrars, and it is conservatively projected that revenue will increase \$5 million in additional revenue from the ER, clinics and ambulatory. Dr. Venditto asked what the revenue from outpatient was last year and Mr. Perrotti said \$40 million in collections. Dr. Venditto asked, you think it can go up by \$5 million. Mr. Maher said the faculty practice plan drives hospital money now. The loss in discharges is almost \$6 million (600 discharges). The net patient revenue is \$13 million. Mr. Rizzo asked if the FQHC can make up for any of that. Mr. Maher felt it would be unwise to forecast more discharges than we have now, they may provide additional discharges, and they basically are covering the admissions that we will lose. Mr. Rizzo asked if that amount is less Federal and State aide. Mr. Maher said from 2013-2014 almost \$6 million. Mr. Rizzo asked Mr. Maher if they need to take out another loan for the DSRIP. Mr. Maher said yes but the State and Feds are behind us with this. Mr. Rizzo said there was a practice plan increase. Mr. Maher said it is \$4 million over last year. Mr. Maher said the arrangement with the faculty practice plan is that the revenue generated is given back to the plan under a distribution formula. As they bill and generate dollars, we split those dollars according to a formula and return it to the physicians, about 50% on collections. Over the past year they changed around some portal procedures in entering data into the system. There is a new director of the plan with medical background who is generating uncollected dollars—the plan is up \$4 million from 2012 and another \$4 million in 2014 over 2013. Mr. Rizzo questioned miscellaneous revenue. Mr. Maher said that would be the real estate recovery in 2013 or 2014 (\$6 million). Mr. Rizzo questioned salary expenses. Mr. Perrotti said the salaries projected in 2013 were \$197 million (2,703 FTEs). Mr. Rizzo asked what we had in 2012. Mr. Perrotti said 100 less or \$7 million less in salary and fringe benefits. Mr. Maher said they were up in FTEs in 2013 over 2012 and they need to get that back down, by eliminating over time, reducing or limiting out sourcing services, reducing or eliminating extended hours of part timers, and reducing or eliminating replacement personnel throughout the course of the year. Mr. Cohn asked if outsourcing is paid through the salaries. Mr. Maher corrected his statement; it is eliminating replacement of retirees. Mr. Rizzo asked what the final FTEs would be after the reductions and Mr. Perrotti said 2,590 FTEs. Mr. Maher said the fringe benefits for retired employees are more than in the past because the County picked up more of that in the past and as we move through time, the Corporation is picking up more of the cost. Mr. Rizzo questioned the \$1 million decrease in supplies and how that would be accomplished. Mr. Maher said the supply expense included outsource costs that were incurred in 2013 and will not be incurred

in 2014. The costs were related to Storm Sandy and the hiring of excess personnel not on our salary that were needed for the additional patients from Long Beach. Mr. Rizzo asked if we received additional revenue from those patients. Mr. Maher said they are still negotiating with FEMA for \$1.3 million paid in outside services cost related to Sandy. Mr. Rizzo questioned depreciation expense that is increasing by \$3 million. Mr. Maher said that is new equipment coming on line and more depreciation expenses as a result of that. Mr. Rizzo said there is a \$36 thousand loss in operations for 2014. Mr. Maher said at the end of the day that is for NUMC, they are prepared to reduce staff even further or adjust expenses for discharges. Mr. Leventhal said there is a 1.9% decline in discharges for 2014 and said that is significantly lower than the prior two years. Mr. Perrotti said they brought discharges back to a manageable level (56/day) and will be opening the eighth OR that will bring new volume, high paying volume to orthopedics and ambulatory. Mr. Maher said there is a \$6 million drop off in patient revenue. Mr. Leventhal asked why there is a decrease in bad debt allowance and Mr. Maher said actually there is a slight increase.

Mr. Rizzo asked if AHP and the subsidiaries are included in this budget and the answer was yes.

Mr. Perrotti said the AHP financials are straight forward, there is a small increase in FTE's (13) and a slight increase in census. Mr. Rizzo questioned the net patient service revenue gain from 2013-2014. Mr. Perrotti said AHP was working on an initiative with case mix and PRI reviews. Mr. Rizzo noted that salaries are up \$800 thousand. Mr. Perrotti said that is for the 13 FTEs who were hired for quality of care and the slight increase in census. Mr. Rizzo questioned the change in derivative instruments from \$2.6 to \$6.5 million and should that be above/below the line. Mr. Perrotti said that they have to account for them under accounting rules. It is not part of the day to day operations, but you have to account for them. Mr. Maher said it does not affect day to day operations, but profit and loss, it is a disclosure item that you must report.

Mr. Maher reported that the FQHC shows an income of \$148 thousand based on projections and information from FQHC. Mr. Rizzo said there is an \$8 million gain in revenue and \$5 million in operating expenses. Mr. Maher said operating expenses are up from \$18.7 million in 2013 to \$25.2 million in 2014 and Mr. Rizzo asked why. Mr. Perrotti said the acquisition of SOC that was turned over to the FQHC. Mr. Rizzo said with all of that money coming in there is only a profit of \$148 thousand and Mr. Perrotti said yes. Mr. Rizzo said this includes five locations. Mr. Cohn said expenses went from \$4 million to \$17 million—that was an expensive acquisition. Mr. Perrotti said the 2013 salaries were \$8.2 million, personnel were sent over to FQHC increasing it to \$11 million with fringe benefits. Mr. Cohn said they are bringing in \$7 million and it costs us \$5 million to do that, where is the other \$2 million. Mr. Maher said they are still investing. Mr. Cohn said the salary is already accounted for in the investment we made. Mr. Perrotti agreed but did not have an answer; the FQHC provided their own budget. Mr. Rizzo asked that the FQHC provide the total cost vs. what we are getting back. Mr. Cohn said he wanted to know where the \$2 million went and Mr. Maher said he would get him that answer.

Mr. Zucaro asked how Obamacare will affect our overall budget. Mr. Maher said cash collections and how we record revenue. Obamacare failed to recognize the contradiction in the way bad debt and charity care covers these people who are now insured. Mr. Rizzo asked Mr. Maher to explain bad debt to the members. Mr. Maher said patients with the inability to pay or are uninsured allows the hospital to receive additional reimbursement from the government because we are a safety net hospital. The contradiction is that these patients will have a high deductible and it could keep people out of the hospital. If they are treated in the ER the deductible is so high the hospital will struggle to collect fees and will have to be more vigilant in asking for payment up front. The hospital will get paid from the respective carriers. Mr. Rizzo asked if this is going to put us in a position to negotiate with carriers and deal with denials. Mr. Maher said you do not get IGT on denials; it is on the

care that people cannot afford. Mr. Rizzo said now that they have insurance, will they deal with insurance as a straight direct pay. Mr. Maher said there will be payment by insurance companies, but the deductible and co-pays are so high (\$1,000-\$2,000) people will stay away from the hospital. This is an issue for all hospitals.

Mr. Maher said he will be meeting with the State regarding various issues including rate issues as well as the collaboration bill.

Mr. Rizzo referred to the faculty practice plan increase in revenue and asked where that came from. Mr. Maher said the Faculty Practice Plan changed procedures and brought in new personnel this year and generated a \$3 million increase from 2012 to 2013. Mr. Rizzo asked who that person was and the answer was Melissa Messite. Mr. Maher said she has already saved the plan \$4 million. She is aggressive with the physicians. Mr. Rizzo asked if the coding and diagnosis issues are something that could be used as a tool to improve collections. Mr. Maher said absolutely. They have started speaking with physician leadership, the Faculty Practice Plan is not a straight distribution for cash collection, there is a structured percentage and part of that could be based on quality. Mr. Rizzo said if you collect \$500 thousand and should be collecting \$4 million the physicians should be penalized. Dr. Venditto noted that the doctors are not responsible for the coding. He would be furious if he lost millions of dollars because of the incompetency of the billing department. Mr. Maher said 2008-9 they brought in new systems for entering diagnosis information and CPT cods, there is fault on both sides; the physicians are education as they come in. They must enter the right claim information into the portal. Mr. Rizzo said once the physicians trained they should be held responsible. Mr. Cohn noted that on page 35, there is no net income or loss listed for the FPP. Mr. Perrotti said it is posted on the hospital side – an increase of \$1.7 million.

Mr. Perrotti reviewed Nassau Health Care Corp, LTD. That is our offshore captive for malpractice and it shows a slight premium decrease (\$7.786 million). Mr. Rizzo asked the reason for that. Mr. Perrotti said it was a premium reduction. Mr. Rizzo asked if we have a loan with the captive and Mr. Perrotti said do--\$20 million. Mr. Rizzo asked, we had \$10 million loan, took another \$10 million last year and now owe them \$20 million. Mr. Maher said we are paying interest on it. Mr. Perrotti said we are investing in ourselves, the interest is 4.5 %. Mr. Rizzo asked if there is a due date for payment and Mr. Perrotti said the end of 2015. Mr. Cohn asked if it is normal to revolve that loan, do we anticipate borrowing again in 2015. Mr. Perrotti said he did not know yet. Mr. Cohn asked if we will survive another year. Mr. Maher said yes, if we have discharges. Mr. Rizzo thought that the NMA would help with that. Mr. Maher said they will downstream revenue that the hospital will benefit from and they should have a report at the next meeting.

Mr. Rizzo asked Mr. Maher if he recommends this budget and he said yes. Mr. Rizzo asked if Mr. Gianelli recommends this budget and Mr. Maher answered yes. **Upon a motion made and duly seconded the Board of Directors approved the Nassau Health Care Corporation and Subsidiaries Operating Budget, Fiscal Year ended December 31, 2014. Resolution No. 009-2014.**

7. **Report of the Medical Professional Affairs Committee and Medical Director.** John McCann, PhD, Chair of the Committee, reported that the committee meets again on January 21, 2014.
8. **Report of the Finance Committee.** Paul Leventhal, Chair of the Committee, reported that the committee did not meet in January.
9. **Report of the Contract Committee.** Mr. Rizzo reported that the Board just approved contracts.

10. **Report of the Ambulatory Care, Managed Care and Community Physician Committee.** Dr. Sussman, Chair of the Committee, was not present.
11. **Report of the Extended Care and Assisted Living Facility Committee.** Dr. Venditto, Chair of the Committee, reported that a meeting will be scheduled.
12. **Report of the Legal, Audit and Governance Committee.** None.
13. **Report of the Facilities and Real Estate Development Committee.** Ms. Reed reported that they are still finalizing the contract with TDI. Chamberlain nursing school is trying to work things out with their regulatory board and will be sitting down with all parties to see where we go from here. Mr. Ciotti said that Chamberlain advised us that they need to get licensing, and need a lease signed to get that license. Right now they have no skin in the game and we want a letter of credit and are waiting for a response. Also Chamberlain feels that they could get housing cheaper off premises and that is a turnaround from the initial agreement of using housing on the premises.
14. **Subsidiaries/Foundation Committee.** None.
15. **Other Business.** Dr. McCann will report on the Search Committee in Executive Session.
16. **Public session.** Mr. Rizzo opened the meeting for public comment. There were no comments from the public.
17. **Adjournment.** Upon a motion, duly made and unanimously approved, the meeting was adjourned at 8:30 p.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations or litigation.
18. **Report from Executive Committee.** Upon return to Public Session, the Board reported that no actions were taken.
19. **Close of Regular Meeting.** Craig Vincent Rizzo, Chair, closed the meeting at 8:45 p.m.
20. The next meeting will be announced.

Approved:



Craig Vincent Rizzo, Chair  
Board of Directors