

NUHEALTH BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
MEETING HELD ON
Monday, June 28, 2014
Board Room (NUMC)

Executive Committee Present: Michael B. Mirotznik, Esq., Chairman; Steve Cohn, Esq.; Victor Gallo, MD; Linda Reed; Warren Zysman.

Not Present: John T. McCann, PhD and John Venditto, MD

Guests of the Committee: Andrew Zucaro; Victor F. Politi, MD, FACP, FACEP; John Ciotti, EVP General Counsel; Harold McDonald, EVP Chief Administrative Officer; John Maher, EVP CFO; Kathy Skarka, RN, EVP, Patient Care Services; Victor Scarmato, MD, Interim Medical Director; Craig V. Rizzo, SVP, Special Assistant to NHCC/Legal Affairs; Dominick Polacco, Finance Manager/LIFQHC; Vincent DiSanti, VP Patient Accounts; Elizabeth Faughnan, Esq.; Thomas Alfano, Esq.; Dr. Mark Raifman (NMA); Joan Soffel, Assistant to the Board/CEO; Andrea Rivera, Executive Assistant to the President and CEO.

1. The meeting was called to order at 5:15 p.m. by Mr. Mirotznik. Mr. Mirotznik noted the presence of a quorum of the Executive Committee.
2. **Adoption of Minutes.** None.
3. **Report of the Chairman.** Mr. Mirotznik thanked the members for attending on short notice. The Executive Committee was called regarding NMA financials and 2014 subsidy balance.

Dr. Raifman thanked the Committee for scheduling the meeting on short notice. The original subsidy budget presented in 2014 was \$953 thousand, subsequently reduced to \$841 thousand and represents a \$204 thousand reduction in spending rate, net \$115 thousand to offset some revenue. Mr. Polacco said there was a reduction in revenue \$88,500, offset by a reduction in expenses of \$85 thousand and medical physician services of \$119 thousand for contract services mostly due to Triboro, the management company. The revenue loss represents the loss of the pediatric group and volume reduction (\$115 thousand). That brings the net subsidy to \$837,500 for 2014. To date the Board advanced \$342 thousand and Dr. Raifman is asking for \$495,500 to get through the rest of the year 2014 through December 21, 2014.

Mr. Cohn asked why this emergency just occurred today. You were aware of this change and there should have been advance notice to the Board. Dr. Raifman said they were working on the budget reduction for the past several months after the first advance of \$342 thousand. Last week he informed the operating committee that unless mail came flowing in, he would not be able to make payroll on Friday and there are three payrolls in August. He advised them that he needed an advance and could not wait 2-3 weeks until the Board met because he had to meet payroll obligations. Mr. Cohn said he could appreciate

Dr. Raifman's need to make payroll, but this is a recurring problem—the Board finds out about things at the last minute and you sound your trumpet and everybody else has to make a decision. You did not answer my question, did you have an inkling that this was going to happen before the last Board meeting, why is this all of a sudden. Mr. Polacco said they were aware that additional subsidy was needed but they needed additional information and put that together for an Ambulatory Care meeting, but that meeting wasn't scheduled in a timely manner and they needed to get the advance for August. Mr. Cohn said there is no question that you will get the advance, but the fact that the Ambulatory Committee did not meet does not mean we have to be here on an emergency basis. The information is not brought to the Board in a timely manner; get the information to the Board so this does not happen again. Mr. Cohn asked, could this information have been given to the Ambulatory Committee or Board prior to tonight and Mr. Polacco said yes.

Mr. Mirotznik asked Dr. Raifman, if the Board approves this advance to the end of December, what happens on January 1st. Dr. Raifman said there will be significant reduction for NMA going forward and plans for expansion of the workload for doctors without any increase in subsidy requirements. Mr. Mirotznik asked Dr. Raifman if the Board can hold him to that and the answer was yes. Mr. Ciotti said for the record they found out the doctor was out of money and Mr. Ciotti attempted to call a meeting of the Ambulatory Committee, so it is not the Ambulatory Committee's fault. He and Mr. Mirotznik tried to set up an Ambulatory Committee or Executive Committee for Tuesday night, but in reality that would have been a day late for the advanced funding and that is why a meeting was called for tonight. Dr. Raifman said NMA will decrease the subsidy in 2015 by restructuring the entire operation and increase the revenue side. They will come to the Board with a budget for 2015 that is significantly lower than 2014. Mr. Mirotznik asked when the Board can expect that information so Mr. Maher has time to review it before the meeting and Dr. Raifman said by the middle of the 4th quarter. Mr. Zucaro asked for clarification on the financial sheet that was handed out. Mr. Polacco said the \$88,500 is a reduction in revenue, the \$85,000 and \$119,000 (\$204,000) is a reduction in expenses; pediatrics is off the books and that gives you the \$115,500 in net reductions. Dr. Raifman said the pediatric group went to FQHC. Mr. Zysman asked why we are losing \$100 thousand in revenue. Dr. Raifman said we are offloading the pediatric practice to the FQHC. Mr. Zysman asked why it is losing now. Dr. Raifman said the pediatric group is moving to the FQHC on October 1 and will not be working for NMA anymore. Mr. Mirotznik asked are we going to have this information sent in a timely fashion so this type of emergency does not happen again and added that only emergencies involving the safety and care of our patients and the building will be considered. All other requests will require advance notice and information seven days prior to a meeting, not at the last minute. Mr. Polacco apologized. Mr. Zysman asked what the percent of reduction is. Mr. Polacco said if we annualize in the 4th quarter, it should be a subsidy in the \$700 thousand range and substantial revenue to the NMA. Dr. Raifman said they are looking daily from moment to moment to see where they are going and reconfigure the NMA and provide Medicare as opposed to Medicaid and that will change the entire equation. Dr. Scarmato said they are reviewing where they are going with new groups of doctors. Right now if you have one person you need a certain amount of bodies. They need to grow the volume—the initial mandate of the NMA was

to bring business to the hospital. **Upon a motion made, duly seconded and adopted with one abstention (Warren Zysman) the Executive Committee approved a subsidy payment of \$495,500 to the Nassau Medical Associates (NMA) through December 31, 2014. Resolution No.153-2014.**

Adjournment. There being no further business to discuss, the meeting was adjourned at 5:35 p.m.

Respectfully submitted,



Michael B. Mirotznik, Esq.
Chair, Executive Committee