

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS'
MEETING HELD ON MARCH 22, 2010

Directors Present

*Martin D. Payson, Chair
Stephen A. Antaki, CPA
Stephen H. Ashinoff, OD
Joseph Capobianco, Esq.
Steven Cohn, Esq.
*Lawrence E. Elovich, Esq.
*Bradley L. Gerstman, Esq.
*Rosemarie Guercia, MD
*George W. Miner, MD, MBA
Asif M. Rehman, MD
*Craig Vincent Rizzo, Esq.
*Frank J. Saracino, EdD

Non-Voting Directors Present

Arthur a. Gianelli, President/CEO
Tierre Jeanne-Porter, Esq.
Louisa Mae Fennell

Hospital Administration

Gary E. Bie, EVP Finance/CFO
Reginald Bullock, Esq., General Counsel
James Senterfitt, EVP for Ambulatory Care
and Business Development
Larry I. Slatky, EVP Operations
Steve Walerstein, MD, EVP/Medical Affairs
Kathy Skarka, EVP for Patient Care Services

Not Present

Leonard Benedict, MD, MPH
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.

Joan Vivinetto

*Executive Committee Members

1. **Call to Order.** Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum. The meeting was opened at 9:10 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the minutes of the January 25th Board of Directors' meeting and February 22nd Executive Committee meeting were unanimously approved.
3. **Report of the Chairman.** Mr. Payson reported that a Facilities Committee meeting was held on Friday, March 19, that was well attended. He noted the excellent presentation giving a comprehensive overview of what has been accomplished over the last two-three years. Mr. Payson reported that tobacco and HEAL funds accounted for most of the funding for the completed scheduled items with the Nassau Health Care Foundation covering the balance.

Mr. Payson reported we are continuing to work with North Shore-LIJ to increase medical services. The AHP plan is moving nicely and a full presentation will be made to the Board at the next meeting. He stated that we have not increased census across the board, but that voluntary physicians are beginning to use our hospital. He reminded that the census must be increased through increased admissions from voluntary physicians in order to fulfill our mission.

4. **Report of the President/CEO.** Mr. Gianelli deferred his report to the Executive Session.

5. **Medical Affairs Committee.** Dr. Miner reported that the Medical Affairs Committee met on March 15th and stated that Radiology and Behavioral Health operational indicators showed growth. He reported that the residency programs have been awarded a five year accreditation. Dr. Miner described the accreditation process and noted that next quarter an audit will be performed to determine its success. Dr. Miner noted no credentialing issues this month and welcomed the new Director of Academic Affairs, Robert Yost.

6. **Report of the Finance Committee and CFO.** Mr. Elovich reported that there was no quorum at the Finance meeting and recommended the Board pass various contracts contained in the Board packet with the exception of the Plaza Construction contract which would be discussed separately at the Executive Session. Upon a motion made, duly seconded and approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, dated March 16, 2010, as set forth in the attached. **Master Resolution M-055-2010.**

Mr. Bie reported on February finances stating that the hospital has not been able to grow its census and discussed several initiatives going forward. He noted the 95% occupancy at AHP, although down slightly, continues to be a strong financial component for the corporation.

Mr. Bie reported on our consolidated \$550 million budget, the hospital received \$114 million in disproportionate share payments, half of which was designated for operations. He reported that Nassau County has used tobacco money to fund the 50% match, noting that we are restricted to the use of the County dollars for fixed asset additions. Mr. Bie reported that last year we recorded approximately \$60 million above the line and \$60 million below the line and stated that anything that threatens disproportionate share is not good for the hospital. Mr. Bie stated that the new healthcare reform potentially used disproportionate share funds to partially fund insurance products for the uninsured. Because disproportionate share funding has kept the hospital viable, it is imperative that solutions be created to replace any cuts to this vital revenue stream.

Mr. Bie stated the total operating revenue for the month was \$43.5 million which was very close to the budgeted amount of \$43.9 million, \$419,000 unfavorable to budget. However, net patient service revenue was unfavorable by \$1.6 million, while IGT was favorable by \$1.2 million. Expenses are in line with budget. He stated that growing patient volume is essential to the long-term sustainability of the corporation.

Mr. Bie reported 1,623 discharges for the month which is lower than budget by 230. Adult discharges were noted to be down 123 resulting in \$1.2 million in reduction of revenue. Case mix was a little stronger in February, and Medicaid was noted to be up to 1.31 million. Mr. Bie noted AHP continues to be in the black with census at 579, down from the budgeted 585. He noted that we continue to enjoy bed hold reimbursement because we are above 95% occupancy.

The CHC visits were at 5,207 and were unfavorable to budget visits of 6,554 (down 1,347 visits) resulting in a \$204,000 posted loss.

Mr. Bie reported on unrestricted cash stating as of 2/28/10 there was \$1.3 million of unrestricted cash on hand. He reported that cash on hand is monitored daily. Mr. Bie indicated that \$60 million in disproportionate share payments is expected some time in April.

We have two safety net first lines of defense as follows: (1) \$10 million loan from the captive off-shore malpractice fund and (2) \$28 million pension payment due December 15, 2010. Also, NHCC received a \$6.6 million SLIPA check and \$12 million County advance in early March. Mr. Payson complimented Mr. Bie and his staff on implementing stringent controls to manage the budget.

7. **Ambulatory Care Committee.** Dr. Guercia reported on the Ambulatory Care Committee meeting of March 2, 2010 stating the new Roosevelt-Freeport Health Center opened on January 28th with a ribbon-cutting ceremony. Actual services began on February 1st. Dental services will begin as soon as the furniture arrives and the operations should start or on about April 1st. Dr. Guercia noted that telephone answering which has been very slow or nonexistent at times might be addressed by volunteers or an automatic system. More medical assistants have been trained to make appointments and now can answer phones when available. Other issues that were addressed include waiting times both in the health centers and for appointments, clinical quality, patient satisfaction and productivity. No new specialty services are planned at present. Podiatry is well attended but endocrinology has been slow in growing. Cardiology in Elmont has not worked out and is being reviewed with the idea of providing echocardiograms and a treadmill on site. In an attempt to increase attendance, nearby practices are being looked at to see if appropriate and interested providers would be willing to refer their patients to the health center and join the staff. Another area being explored is the use of a van to transport patients who have difficulty in getting to appointments at the health centers and NUMC. Saturday and additional evening hours are under consideration. A pilot program is planned at Hempstead to provide urgent care. A new computer system should help save time and speed up appointment scheduling as well as new software for appointments at NUMC currently being piloted in the ED. The next meeting is scheduled for April 6th.

Extended Care Committee. Frank Saracino reported that the Extended Care Committee did not meet this month, but will be meeting the first week in April. He noted his satisfaction with AHP continuing to contribute to the overall financial well being of the corporation.

Facilities & Real Estate Development Committee. Mr. Gertsman reported on the importance of making proper facilities improvement now in order to compete with other hospitals and medical facilities. Mr. Gertsman stated the committee met this past Friday and discussed contracts and related aspects of various projects. He stated that construction in the ER was on target with regard to time and budget, noting it is a very exciting addition to the facility.

Mr. Payson stated information will be posted regarding the status of the various projects and noted the committee gave a comprehensive schedule of capital projects over the past three years.

Mr. Gianelli reported that his presentation will include a slide focusing on which projects are being undertaken and which ones are conspicuously missing because of lack of funds. He stated it was important to review each project so that we create a list of choices that everyone is comfortable with.

Legal and Audit Committee. Mr. Antaki reported that he met with the auditors from Ernst & Young to discuss their scope of work and responsibilities, etc. He will have a more comprehensive report once the Auditors have completed the 2009 audited financials.

8. **Other Business.** None.

9. **Adjournment to Executive Session.** 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. Upon a motion, duly made and unanimously approved, the meeting was adjourned at 9:45AM to Executive Session.

10. **Public Comments.** None

11. The next regularly scheduled meeting of the full Board is May 24, 2010 in the Auditorium.

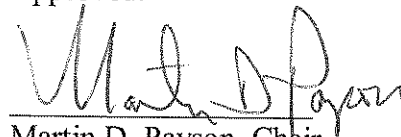
12. **Report from Executive Session.** Upon return to Public Session, the Board reported that the following actions were taken:

Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of certain change orders under NHCC's contract with Plaza Construction for the construction of the ED project which includes replacement of the Hempstead Turnpike canopy, installation of revolving door, storefront entrance for Fast Track on Ground Floor, additional renovations of the medical control area on ground floor, various internal changes on both floor, Department of Health recommendations and improve design. Total cost \$3,416,912 to be funded by grant. Time period 12/1/09-12/31/11. Resolution No. 053-2010.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution to forgive the loan of \$250,000 made to the Long Island Medical Foundation by the Nassau Health Care Foundation and approve the provision of an annual grant of up to \$300,000 over the next three years. Resolution No. 056-2010.

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

Approved:



Martin D. Payson, Chair
Board of Directors
NuHealth

NUHEALTH
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-055-2010

March 22, 2010

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, March 16, 2010** (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.

NUHEALTH
FINANCE COMMITTEE
March 16, 2010
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

Sanna Mattson Macleod Inc. –Upon a motion made, seconded and unanimously approved, The Finance Committee recommends Board approval of a contract with Sanna Mattson Macleod Inc. to provide classified advertising for open job positions for all levels of employment and to advertise open house recruitment events for the amount of \$1,000. per ad with a contract maximum of \$140,000.00 per year. The contract is effective 3/15/10 and expires 3/14/11. Resolution No. 046-2010.

*Rivkin Radler PC. [Amount not to exceed \$50,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract amendment with Rivkin Radkler PC to provide professional services to NHCC by Charles J. Pendola of Rivkin Radler in connection with preparation of a Certificate of Need application for a not for profit subsidiary to be formed by NHCC, which will become a future hiring authority for NHCC. Cost is \$495 per hour, not to exceed \$50,000 for the period 2/1/10 -1/31/11. Resolution No. 047-2010.

*Loeb & Troeper. [Amount not to exceed total contract amount of \$450,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Loeb & Troeper to provide to NHCC consultation services with respect to the A. Holly Patterson Extended Care Facility - Replacement Project – AHP Certificate of Need application, modification/feasibility Study. Additional \$100,000 to the current contract amount of \$350,000 for a total cost of \$450,000 for the time period of 1/1/10-12/31/10. Resolution No. 048-2010.

* Island Occupational Medicine Resources (IOMR). [Multi-year contact - Amount not to exceed \$5,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to NHCC's contract with Island Occupational Medicine to provide certain equipment owned by Island Occupational Medicine and used at NUMC in its Occupational Medical Services Department. NHCC will reimburse IOMR for expenses in connection with the maintenance and calibration of this equipment in an amount not to exceed \$5,000 per year. This amendment is effective 1/1/09 and continues to the expiration of the current contract (1/1/10-12/31/10). Resolution No. 049-2010.

*Island Occupational Medicine Resources (IOMR). [Multi-year contract –Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with IOMR to provide to NHCC with additional services to include providing positions to run the H1N1 program which

includes IT support, clerical coverage and a Program Director. This will include the cost of data entry and Department of Health reporting. Amount is an additional \$200,000 for the period of 3/1/10-5/31/10. Resolution No. 050-2010.

* Orville McLenan, MD. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Dr. McLenan to provide services to NHCC's Urology Department. This will include the performance of urological minimally invasive procedures that are not currently performed by other urologists on staff. This will replace services by Dr. Lefkowitz and provide on call coverage in addition to other urological surgeons on staff. Cost is \$100,000 for the period 3/1/10-2/28/11. Resolution No. 051-2010.

*Total Orthopaedics and Sports. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract amendment with Total Orthopaedics and Sports to provide 3 FTE MD's that will provide adult orthopedic services to NUMC patients, including but not limited to, a general administrative teaching and supervisory responsibilities. The cost will be \$954,940 for the period 4/1/10-3/31/11. Resolution No. 052-2010.

*Plaza Construction. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of certain change orders under NHCC's contract with Plaza Construction for the construction of the ED project which includes replacement of the Hempstead Turnpike canopy, installation of revolving door, storefront entrance for Fast Track on Ground Floor, additional renovations of the medical control area on ground floor, various internal changes on both floor, Department of Health recommendations and improve design. Total cost \$3,416,912 to be funded by grant. Time period 12/1/09-12/31/11. Resolution No. 053-2010.

* SCC Construction Management Group. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with SCC Construction Management Group for several projects including AUC offices, amphitheatre renovation, renovation of medical library, eye center, and relocation of employee health to include development and review of bids, coordination of onsite logistics for contractors, monitoring of contractor work, budgets and expenditures, receipt of wage report, assess and recommend change orders and prepare all requests for payment. Cost not to exceed \$232,500 for a period of 4/15/10-4/14/11. Resolution No. 054-2010.

Extensions not Requiring Additional Funds

Cashin Associates. Extension of time under NHCC's contract with Cashin Associates to provide NHCC with scripting for front end office practice regarding appointment scheduling, prescription refills, physician information and insurance verification. Time period to be extended to 7/31/10.

For approval by the CEO.

O'Connell & Aronowitz - Provide services to represent A. Holly Patterson regarding a PRI audit for December 2008 which is conducted by the Office of the Medicaid Inspector General. Cost is \$10,000 for the time period of 2/25/10-2/5/11.

Comprehensive Pharmacy Services Inc (CPS) - Provide a sublicense for the COPS (Correctional Offsite Pharmacy Solutions), pharmacy management system for Nassau County Correctional Center. Cost is \$27,000 for the time period 4/1/10-3/31/11.

Informational

Rivkin Radler PC – Renewal of contact to provide legal services in the areas of general health care law and physician hospital relationship matters. Term: 2/1/10-1/31/11

Total Orthopaedics and Sports Medicine – License Agreement – Leasing of office space. Total amount of \$44,000 to be paid to NHCC for the period 4/1/10-3/31/11.

Nixon Peabody – Nixon Peabody will provide legal services in the areas of general health care law, labor and employment matters. Term: 1/1/10-12/31/10.

Notice of Procurement Transactions Concluded Pursuant to Authority Delegated by Board of Directors to President (or Designee) and Required to be Reported.

None.

*Requires approval of the Board of Directors

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