

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING
HELD ON SEPTEMBER 27, 2010

Directors Present

* Craig Vincent Rizzo, Esq., Chair
Stephen A. Antaki, CPA
Stephen H. Ashinoff, OD
Leonard A. Benedict, MD, MPH
Joseph Capobianco, Esq.
Steven Cohn, Esq.
*Lawrence E. Elovich, Esq.
*Bradley L. Gerstman, Esq.
Jemma Marie-Hanson, RN
*Neal S. Kaplan, Esq.
*George W. Miner, MD, MBA
Asif M. Rehman, MD
*Frank J. Saracino, EdD

Non-Voting Directors Present

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

Hospital Administration

Gary E. Bie, EVP/CFO
Reginald Bullock, Esq., General Counsel
James Senterfitt, EVP for Ambulatory Care and Business Development
Larry Slatky, EVP Operations
Kathy Skarka, EVP for Patient Care Services
Steven J. Walerstein, MD, FACP, SVP Medical Affairs
Joan A. Soffel, Assistant to the Board/CEO

Not Present

*Rosemarie Guercia, MD
Greg-Patric Martello, Esq.

*Executive Committee Members

1. Craig Vincent Rizzo, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum. The meeting was opened at 9:05 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the July 26, 2010 minutes of the Board of Directors meetings were unanimously approved.
3. **Report of the Chairman.** Mr. Rizzo introduced a new board member, Neal S. Kaplan, Esq., who is a Nassau County developer and a lawyer. Mr. Kaplan was appointed by County Executive Ed Mangano.

Mr. Rizzo reported the Subcommittee on Clinical Integration has been meeting and he will report on that in the Executive Session.

4. **Report of the President/CEO.** Mr. Gianelli reported that as the end of the year approaches the Corporation is looking at an operating revenue/operating expense surplus of \$804 thousand on a budget of \$500 million. This is the first time that a surplus has happened for the Corporation and is credited to hard work over a lot of years to right size the organization. There have been significant rate reductions by NYS over \$25 million from 2007-2009 at the hospital. A significant reduction is anticipated at the nursing home. During the year, the Corporation brought in HEAL funds, Tobacco funds and philanthropic funds totaling \$135.5 million. Going forward we should be able to put together a responsible contract within the constraints of our budget. There is a significant ramp up in pension costs, resulting in increased contributions to the pension fund amounting to \$2.55 million for each 1%. Pension contributions have gone from 7.4% in 2009 to 16.3% in 2011, about \$22 million over that period of time. This requires a series of actions, some of which are ongoing. In addition to the pension contribution, the compensation levels will increase to 11.22%. It is a complex environment in which to negotiate with our Union. Jerry Laricchiuta, Kenny Nicholson and I met last night and Kenny reminded me that the Union gave concessions on the last contract such as working straight time rather than overtime, lower than normal wage average and other concessions. From their perspective they have given a lot and I agree with that.

The hospital broke even in 2009. That will not happen in 2010 due to the increased pension costs and a reduction in disproportional share payments. Mr. Bie will talk about revenue initiatives for 2011. Our strengths are in Medicine, Dialysis, Plastics, and NAPA (a North Shore affiliated anesthesia group) who have generated money to the bottom line, and Cardiology (regionalized at NS/LIJ). We should be achieving "meaningful use" in the third quarter of 2011 bringing in about \$7 million. The budget weaknesses are pension increases, continued State reimbursement cuts over the next several years, lower DSH payments, and lower commercial reimbursement rates. That model is not sustainable and we have a proposal for the Board in the budget. The hospital is opening the new ED on February 11, 2011, and that should bring in additional volume. There is some stimulus money for HIT, revenue cycle improvements, pathology with NS/LIJ is just beginning to bear fruit, and we are pursuing a bariatric center of excellence. In 2010, NYS will no longer pay for bariatric surgery unless it is a Center of Excellence. In order to achieve this designation, you must have a certain number of procedures and a certain number for free. We are working with NS/LIJ to develop a PCI program for interventional cardiology within a couple of years and a joint program on the 8th floor with Orthopedics. Regarding OB/GYN and Pediatrics, we are building relationships with community practices and are in negotiations with Wal-Mart in Nassau County, as well as retail pharmacies on Long Island. Med/Surg volume over the last five years has had a 1.05% growth. Since the hospitalist program began, that was kicked up to 4.67% growth. Of all hospitals in Nassau County, only NUMC, South Nassau and Long Beach have seen Med/Surg growth. Some programs need work. Our newborn deliveries are low. That is a problem and is a result of competition from Winthrop, our unappealing physical plant, and limited practice development. We are waiting a response from a HEAL 19 Grant request that would go towards renovating that floor. We are placing physicians in the community and have a linkage with Planned Parenthood in reducing cesarean rates. There is a similar story with Pediatrics, the numbers are low. The fact that we have a high risk pregnancy expert has enabled us to keep newborns out of the ICU. There is also pediatric competition from Winthrop. Behavioral Health, PM&R are doing well and we received the Silver Plus Award for our Stroke program. Regarding FQHC's, we are planning a number of physician practices with a panel of physicians to operate out of the health centers and we are acquiring South Ocean Care. We are applying for an access point grantee, initiating a transportation program, introducing specialists, psychiatry and dentistry. We are bringing on site administrators and working with MSO for more structured administrative support in the centers to operate like a physician's office. There is a Haitian physician initiative with Healthfirst, some modest improvements at the Elmont and New Cassel centers, and 340B benefits. A. Holly Patterson has been a profit center for the company, drawing in revenue to help offset the losses at the hospital. There will be a change in 2011 when there will be a dramatic reduction in reimbursement by the State of New York, combined with increased pension and how much Federal money on IGT money we can bring down. A. Holly Patterson has been rated a Five Star nursing home on a national level, achieving that with a low RN ratio. There are some opportunities, but it will be very difficult given the reimbursement cuts. There is the possibility of downsizing units at the nursing home. Administration is in the process of a submission to HUD by 10/22 for financing the new nursing home. It is a tight deadline with a lot of variables, depending on the latest rounds of bids at the end of the week. The budget does not include the \$20 million reduction program being worked on by Mr. Slatky. Some of the issues are workforce right sizing, self insurance, accessing North Shore's GPO, vendor by vendor renegotiations, an inpatient formulary, and the purchase of natural gas through ESCO. Administration is focusing on health information technology, meaningful use and electronic medical records. There are a number of products that we are implementing such as IRIS that will eliminate the need to make phone calls for appointments, CRIMSON that will allow us to identify physicians who are outliers relative to procedures and medications and determine their clinical reason for doing those procedures or administering medications, CRIMSON II that will identify potential community physician practices to bring into our fold. Quality and

Academics are making progress in a number of areas. NUMC has regional and national recognition for a number of our programs, but there are still areas of vulnerability. Quality is focusing on pneumonia, stroke, AMI and our keystats are above or below standards based on risk. With the exception of CHF, everything is moving in the correct direction. Quality is also working on coding documentation, ER protocol, floor protocol, follow up phone calls and medication management. There are ways a patient can obtain medication if they don't have the ability: indigent pharmacy (Sample MD only in NY) allows NUMC to provide patients with coupons for sample medications and we are presently in negotiations with Walgreens for a 340B program. There are a number of modernization projects including the amphitheatre, PM&R, Campus facility, way finding, academic affairs, ICU upgrades, ER, Veterans clinic, eye center, Med/Surg, and lobby and front entrances. Some of the planned projects are maternity floor upgrades, a third party replacement cafeteria, upgrading the cath labs, upgrading the pharmacy, health centers and GI cardiology. Real Estate plans include the two campuses. Uniondale will have a senior village, assisted living, senior housing and supportive geriatric health center and commercial businesses. The East Meadow campus will include expanding resident and student housing, and wellness facility. We do not have the funds and will leverage with other peoples money through the private sector. All of this is an attempt to have continuum of care, bring in patients and other doctors and a change in look and attitude. Administration has a kick off meeting with United Surgical Partners tomorrow to make recommendations for assisted living, and senior housing. We need to obtain ALP for the assisted living component in Uniondale and a final approval from the Village of Hempstead. The remaining RFPs are in development. Michael Dowling will take a walk through of the campus in October. The LI Regional Planning Counsel considers NHCC projects "of regional significance". The Long Island Medical Foundation appointed a new executive director, Deidre Parrish-Williams, who comes from Newsday with an exceptional reputation. NHCC has an initiative with a minority fellows program, patterned after North Shore's program. There are three wonderful and enthusiastic fellows on board. NuHealth will be publishing an annual report by the end of the year. Mr. Gianelli noted that he attended a Michael Feinstein award ceremony regarding Music has Power to treat neurological problems. Music and Memory was started by Dan Cohen (Diane Cohen's husband), who had an idea to personalize the playlists on iPods for residents in nursing homes with familiar music to improve mental acuity and we launched that program.

Ms. Hanson said that the issue of pension increases is a bone of contention with her. The government agencies also shared the benefits when the markets were high. Some facilities were not paying into the pension, they were using that funding for their bottom line—when pensions were doing well. That would have been a buffer for a down situation in the market. Now we find ourselves having to put pension at the top of the list. When a lot of workers/professionals came to work for the public sector they took less money to be assured of a pension at the back end of their career. The reality is we did not do our due diligence in ensuring that the pension stayed high. Mr. Gianelli said that he was not at the institution at that time. At that time, 2001, the pension contribution was \$1 million, now it is \$30 million. It should have been reasonable to only pay \$1 million in order to set some money aside to fund in later years. When the PBC was created in 1999 there was a first year deficit of \$80 million. The reality is that they had to take any benefit they could to the bottom line to dig their way out of it. In other government agencies, yes, they should have set some of that money aside. Ms. Hanson said that at the end of the day, you can't blame everything on the pension. If we get the HEAL for OB what would be the timeframe for those renovations and what is our C-section rate. Mr. Gianelli said that Dr. Walerstein will address the issue of C-section rate. Mr. Gianelli said that he is hoping to find out about the HEAL grant this week. This was money that Senator Johnson held up the budget process in order to get us some additional funding. Mr. Gianelli has asked the department doctors to do what they did in the ICU's, get the users, clinical folks to walk through and itemize everything we can fix. Ms. Hanson asked where we are with the patient satisfaction. Mr. Gianelli said that it continues to be low and he has altered his view in how to achieve patient satisfaction. Administration

conducted an employee survey and it was not good, although the new employees were exactly the opposite in opinion. It is the longer term employees who have a number of different issues which were not what Mr. Gianelli expected them to be, such as money issues. The complaints were more to do with having their opinions valued and that they have input in decisions. The way you would normally do things, do not apply here in order to drive patient satisfaction you have to go to the root cause—that is employee satisfaction. Ms. Porter suggested that she would like to hear more about the electronic medical record in the next meeting and how it relates to IRIS, CRIMSON, talk about diversity inclusion, the Haitian physician initiative, the affiliation with the South Asian community, congestive heart failure rate and how that is leveraged into the community through education. Dr. Miner said that some areas such as behavioral health, PM&R have a very good patient satisfaction rate. CRIMSON will enable administration to find outliers not doing a good job and you can educate them and also those that are doing well, you can find out what it is they are doing right.

5. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner reported that the Medical and Professional Affairs Committee met on August 16th and they discussed areas of improvement and joint commission updates. At the meeting on September 20th the committee reviewed the PI Plan, and had a thorough discussion about trauma with Dr. Faust who has done a good job. The PI Plan was sent out in the form of a disc. The Board will need to vote and approve that plan. The credentialing minutes did not get into the board packet, but there is a panel of appointments for approval with one exception that will be discussed in executive session.

2010-2011 Performance Improvement Plan and Patient Safety Plan. Dr. Walerstein thanked Dr. Miner for his involvement and recommendation of approval of the PI Plan and Patient Safety Plan. The annual quality program is a continuation of a plan that goes back a few years and is refined on a year to year basis. This winter is the fifth anniversary that Art and Dr. Walerstein have been at the medical center as the CEO and CMO (that has never happened before). Obviously these are difficult times, the Country is broken, the State is broken, and the County is broken. We as health care professionals try to figure out the right balance to achieve stability and support our workforce. Maureen Shannon who has an MS and recently received her MBA worked on the PI plan. The workers of NHCC ranging from front line, dietary, nutrition, maintenance down to doctors and nurses are involved in the quality of care. In 2006, the medical center failed with 24 citations and received a conditional accreditation with mandatory short cycle reviews. When Dr. Ward took over Ambulatory Care there were no quality-wide programs. AHP was cited by the Department of Justice for care of residents in 2003, in August 2004 for deficiencies in care and violation of rights. In 2006 they signed an agreement for 3 years for an ongoing approval program and biannual on-site survey. The Department of Justice also cited the Jail for standard of care in not meeting medical needs. The medical center partnered with Yosef Dlugacz, a recognized leader in quality care and Geffers Digiacomio, an internal auditor for mock surveys. Quality meetings are held at 7:30 a.m. twice a week, there is staff education, rounding, feedback, mock surveys, forms to drive practice, IT leverage, specific areas of focus in patient care aligned with nation wide initiatives. Clinical areas of focus were IHI, core measures, stroke, and environment in the building. IHI focused on a rapid response team, adverse drug reactions, acute myocardial infarction and surgical site infections. The IHI Five Million Campaign focused on high alert medications. Core measures included CMS central line infections, acute myocardial infarctions, heart failure, pneumonia and surgical care. Heart failure focused on questioning if the patient received aspirin on arrival and departure and the trend has been upward over the last few years. Other areas of focus included educating patients regarding smoking cessation, readmission rates, mortality rates, concentrating on post discharge care, and linking into the community for follow up care. In 2010, AMI keystats were less than expected and we looked at where we needed to go and areas to focus on. Staff looked at transition from hospital to community, hardware improvement, and

mock surveys. At AHP policies and procedures were revised for increased environmental rounds, preventative maintenance program, biannual audits of all psychotropic medications, and restraint use. The percentage of patients in moderate or severe pain was reduced to zero, use of psychotropic drugs dropped and pressure ulcers dropped. In September of 2007, the monitors were impressed with the culture change and progress made under the leadership of Larry Slatky. In March 2009 the US News and Current Report rated A. Holly Patterson as one of the best nursing homes in the nation. GME reached new levels of recognition and awards. Drs. Guercia and Miner were recognized for their work as trustees by the United Hospital Fund. Dr. Miner has been extremely involved with the medical staff and the medical staff committees.

Mr. Elovich asked if Dr. Walerstein could provide a copy of his report so that the Board could study it.

6. **Report of the Finance Committee.** Mr. Elovich, Chair of the committee, reported that the committee met on September 16, 2010 and thoroughly reviewed the contracts. If anyone has questions regarding a particular contract, it will be discussed in Executive Session. Mr. Elovich asked for a motion to approve the contracts. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors unanimously adopted the Resolution Approving Finance Committee Recommendations, dated September 16, 2010, as set forth in the attached. Master Resolution M-231-2010.**

2010-2011 Budget. Mr. Bie noted that the 2010-2011 Budget was included in the Board packet. As a bit of history, the bottom line for the Corporation in 2001 was a loss of \$41.4 million. The Corporation slowly climbed toward a break even in 2009 with an \$830 thousand surplus. Unfortunately with pension and health insurance reimbursements constraints, 2010 will end with a currently projected operating loss of \$8.8 million. The budget for 2011 will start with an \$8.8 million operating deficit. Mr. Antaki asked how a Corporation could sustain an operating loss of \$8.8 million on a \$550 million operation. Mr. Bie said it has to do with depreciation as a non cash expense. We take depreciation out of this loss, an \$18 million non cash expense. The cash flow is roughly \$10 million even with an \$8.8 million loss. That is how we sustain the operating deficit. It cuts into the amount of money you can invest in capital. Companies and hospitals invest in capital on an ongoing basis with the amount of annual depreciation. Between the tobacco funds of \$109 million and HEAL for \$74 million, we were able to pump \$135 million of capital into this operation over the last four years. The Tobacco and HEAL funds will not continue. The Corporation needs to get to break even. The pension payment has skyrocketed up to 16.4% in 2011 or \$34 million on an operating budget of \$550 million. The pension payment in 2001 was \$1 million. Mr. Bie could make the argument that the NYS pension has done precisely what Ms. Hanson was talking about, funding during years when you are doing well. The NYS pension funding is in excess of 100%, the highest funded pension plan in the Country. One could make the argument in these times that we should agree that places like this should not be funding over 100%. If it was dropped by 10% it would relieve the contribution made by \$14 billion, statewide. Since 2001, the Corporation was able to reverse what would have been in excess of a \$250 million loss. It took a lot of work and effort to get this organization to break even. The discharges at the medical center are relatively constant since 2001 and have gone up slightly with the hospitalist program. Patient days are another indicator and they are consistently up. This is due to the addition of 35 inpatient psychiatry beds and 12-13 child psychiatric beds at the end of 2007. Detox beds were also increased. The average daily census was 410 for 2010 and is budgeted for 423, directly related to those programs. There needs to be a change in quality, the way we care and community involvement with community physicians. The bad debt in 2001 was \$73 million on \$450 million in revenue. It is now \$40 million on \$550 million in revenue. FTEs compared to the industry were at 6.17 and it is budgeted for 4.96, the benchmark is 4.8. In 2001 there were 4,500 FTEs there are now 3,600 FTEs. The budget for 2011 includes 0% COLA, 1.25% step increase, 2.5% supply and expense, 12.0% health

insurance, 5% pharmacy expense, 14.3% pension, 0% Medicaid trend factor and negative 1.10% Medicare trend factor. The reason the pension is budgeted at 14.3% is because there were three months where the increase was 11.9%, plus tier adjustment. Mr. Capobianco asked what a modest COLA would cost. Mr. Bie said for every 1% it is \$2.5 million before fringe benefits (\$400-500 thousand for fringe benefits). A 3% COLA would be \$10 million. Mr. Gianelli asked the projection for commercial rates and Mr. Bie said they are the same as Medicaid—0%, and he does not have power to negotiate those rates. Mr. Capobianco asked if the current Union contract had a COLA. Mr. Bie said the contract expired on 12/31/09, there is no COLA. Mr. Capobianco asked how realistic that is. Mr. Gianelli said that he has been talking to Kenny Nicholson and the guys know what the Corporation is facing. From their perspective they want a raise for their members. I can't make \$10 million appear for a COLA. There is a struggle for the pension; we have to nail down all of the revenue and expenses that are in the budget. From their perspective they want a contract, bargaining will be hard, and when a new Governor comes in, everything will change in the first term. Ms. Hanson said NYS pension is well managed. We have a workforce that keeps this hospital going, and they work hard. From the presentations, the Corporation has overcome a lot of challenges, and without that workforce being there and doing the work it would not have been possible. Going forward we have to understand the course of our business, we don't care for cattle, we care for human beings and you need a skilled workforce who gets what they need to do their work and they have to take care of their families. Ms. Hannon hoped that administration is negotiating with our Union. Mr. Gianelli said that there is no disagreement; the Union needs to come back to the table. Administration did an analysis of every single title in 2009 compared to other health care facilities on Long Island and NHCC pays 11% more than our competitive hospitals on salary. Our revenue sources are not as generous as the rest of the industry. Mr. Gianelli's point to CSEA is that his job is to keep things moving in the right direction, keep everybody employed. He has added 200 members since he started. Ms. Hanson said that she is a nurse in the public sector and public workers have circumvented high salaries in the private sector because they wanted to work within their communities. I understand the environment we are in, the workers have been asked to increase performance in the areas they were asked to and they have done so. Mr. Gianelli said he agreed that the workers did a good job. The numbers are what they are, one of the reasons is that we have almost no turn over because of the benefit structure, compensation, the tenure of the workforce is higher, people stay longer for longevity, benefit package and all of these things are higher than other hospitals. Nassau County arbitrated contracts with the police that are unattainable. Ms. Hanson said she was asking that administration do as much as they can to have serious negotiations with the Union. Mr. Gianelli noted that he was meeting with the Union until 10:30 p.m. last night. Dr. Miner noted that administration is making this place bigger and better, bringing in outside doctors and patients in; there are a lot of steps that have to be taken. Ms. Hanson said that we have a stable workforce and that is to the benefit of this facility. Mr. Bie said under a do nothing scenario the projected loss for 2011 is \$8.9 million with a base line of \$46.9 million: Reimbursement appeals-\$2 million; Medicaid/Medicare HIT funding-\$7.1 million; Revenue Cycle-\$6.0 million; Expanded services-\$19.0 million; Property development-\$1.0 million, Health insurance \$3.0 million; for a projected 2011 deficit of \$8.8 million. Deloitte is going after \$6 million in reimbursement from the charge master and denial management. Expanded services are driving volume. Self insurance initiatives are being pursued in 2011. NUMC (\$9.9 million); AHP (\$.4 million); Community Health Centers \$.6 million and NHCC \$.9 million for a deficit of \$8.8 million. Ms. Porter suggested that Mr. Bie make a presentation to the Board at a future time regarding self insurance.

Mr. Gianelli said that we are currently working to target a list of \$20 million in expense reductions which is not included in the preliminary budget. As we identify initiatives we will present them to the board. Mr. Capobianco asked about the \$19 million in revenue expansion, how realistic is that? Mr. Gianelli said it is neither conservative nor aggressive. It is for new programs pending on neurosurgery, cardiology, hospital medicine, dialysis, and

plastics. Mr. Gerstman asked what the revenue growth from last year was. Mr. Gianelli said it depends on the service line, OB and Peds are down and Med/Surg is up. Mr. Bie said that the new ER will bring in volume, but we don't know how much. We have not factored in assumption for additional volume. We are having some success now with FQHC and community physicians. Mr. Gianelli said that they are seeing an increase in the neurosurgery program over the last 60 days. Neurosurgery is \$30-50 thousand per discharge, where medical/surgery is \$10-15 thousand per discharge. Mr. Gerstman said it is difficult growing business as a hospital on the revenue side. He added that he has had the opportunity to see these initiatives develop over the last few years that will ultimately grow business, without it we would not have a business. He said that he believes all of the board members are behind these initiatives and look forward to seeing them come into fruition. Mr. Gianelli said that there are limited options on the commercial side and that must be addressed, it is the only flexible revenue. Mr. Gerstman said that he is aware that the hospital is going without a net and walking a tightrope with no one to help us. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors unanimously adopted the 2010-2011 Budget. Resolution No. 232-2010**

7. **Report of the Ambulatory Care, Managed Care and Community Physician Committee.** Dr. Guercia, Chair of the committee. No report this month.
8. **Report of the Extended Care and Assisted Living Facility Committee.** Mr. Saracino, Chair of the committee reported that the committee did not meet. He met with administration and everything is status quo. They reviewed the timetable for new construction, revenue sources and maintenance. They are preparing for a State survey.
9. **Report of the Facilities and Real Estate Development Committee.** Mr. Gerstman, Chair of the committee reported that the committee met on September 22nd. They reviewed the development of the Uniondale and East Meadow campuses. They had an in depth review of all potential third party providers who are helping us in this development both public and private. They reviewed all of the partners and what we are going to need out those partnerships to bring business and income and we need to move as fast as possible.
10. **Report of the Legal, Audit and Governance Committee.** Stephen Antaki, CPA, Chair of the committee, reported that the Committee did not meet this month due to the preparation of the budget deadline.
11. **Other Business.**
RVU Compensation Model. Mr. Bullock reported that the RVU Compensation Model is based on how physicians are compensated. This is an amendment to change the plan so that administration can give payout from the plan to the physicians who leave. It has to do with the timing of billing and revenue and is unfair to the physicians who leave and would lose the RVU they are entitled to while working at the hospital. The decision would be up to the Executive staff to release those funds. Ms. Hanson asked that the resolution be discussed in Executive Session.
12. **Public session.** Mr. Rizzo opened the meeting for public comment. Bishop Harris from Grace Cathedral thanked Arthur Gianelli, Steven Walerstein, MD and Shelley Lotenberg for generously contributing medical supplies to bring with him on his trip to Haiti with some of his congregation. The supplies were distributed to hospitals and clinics that the group visited. Bishop Harris noted that Haiti is still in great need of support. Bishop Harris noted that the meeting was very informative and said that he brings information back to his congregation. He requested that the Corporation send out updates to the community such as libraries and community groups. Mr. Gianelli asked Rev. Bishop to share with the Board his recent meeting with community leaders. Rev. Bishop said that he met with Mr. Gianelli, Dr. Lloyd

(Uniondale Superintendent) and Kevan Abrahams (Nassau County Legislator) regarding development on the Uniondale property and all are now on the same page.

Kenny Nicholson, CSEA Unit President said that everyone knows that the Corporation is facing major obstacles. The Union wants to do its part to help find solutions and has sent out information packets to the Board and has met with Chairman Rizzo and a few other members of the Board. He noted that Art Gianelli met with them last night and they have met on several occasions during the past 3-4 weeks. They are beginning to have ongoing dialogue including the 12-hour nursing shifts and collective bargaining issues and may be near a tentative agreement. Mr. Nicholson asked the Board to continue to be diligent in overseeing everything going on at the Corporation. He thanked Ms. Hanson for her support. There are some major issues, but there are solutions. It is a tough time for everyone. The CSEA made \$20 million in concessions on the last contract. The Union is taking a different tact; they are not blowing things up in public because it does not serve the best interest of the Corporation. The Union wants to sustain this hospital well into the future.

13. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 11:00 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

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

Upon a motion made and duly seconded, the Board of Directors approved the Resolution with two abstentions (Jemma Marie-Hanson and Leonard Benedict) Amending the NHCC Faculty Practice Plan as set forth in the attached. Resolution No. 233-2010.

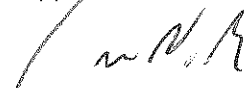
A special Board of Directors meeting is scheduled for Monday, October 4, 2010 at 9:00 a.m.

Upon a motion made and duly seconded, the Board of Directors approved the 2010-2011 Performance Improvement and Patient Safety Plan. Resolution No. 234-2010.

15. **Close of Regular Meeting.** Craig Vincent Rizzo, Chair, closed the meeting at 12:15 p.m.

16. The next regularly scheduled meeting is November 22, 2010 in the Auditorium.

Approved:



Craig Vincent Rizzo, Chair
Board of Directors
NuHealth

NUHEALTH
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-231-2010

September 27, 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 September 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 exceptions.

NUHEALTH
FINANCE AND CONTRACT COMMITTEE
September 16, 2010
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

Informational.

HRI Health Research Inc.. Vendor for the NYSDOH Federally funded program that provides clinical services reimbursement for breast and cervical cancer screening to uninsured women 50 years and older in an amount not to exceed \$169,129 for the term 06/30/10-06/29/11.

Nassau County Department of Social Services Disability Determinations. NC DSS wishes to retain NHCC to provide on an as-needed basis comprehensive medical and/or psychiatric examinations upon public assistance applicants/recipients and psychiatric evaluations for clients seeking housing as referred by Department of Social Services to determine physical or mental disability in an amount not to exceed \$290,000 per year (County to pay NHCC) for the term 01/01/10-12/31/10.

Primary Healthcare Plus Inc.. NHCC Physician will provide cardiology services at vendor's site. Services of Dr. Ricardo Bernstein, ambulatory cardiology services at Primary Healthcare Plus, Inc. (Jackie Delmont, MD). He will see patients at site for 8-16 hours per week. Primary will pay NHCC \$250 per hour (\$192,000/year) for the term 10/01/10-09/30/11.

For approval by the CEO.

St. Raphael's Parish. Request for support of 3rd Annual Senior Citizen Congress – part of outreach to Medicare population to do Audiology and Glaucoma Screening; also provide Nutrition Seminar on Senior Health in an amount not to exceed \$250 for the term 09/15/10-10/16/10.

LIPIX – Agreement Between NUMC and LIPIX, Inc.. Outreach and implementation agent as part of NYEC Regional Extension Center Program – NHCC shall receive the full engagement of dedicated .5 FTE LIPIX resource for every fifty (50) primary care physicians that are guaranteed and provided to LIPIX, will focus specifically on NHCC's program goals and shall have specific training on designated electronic health records, LIPIX and NYEC will provide education and outreach to eligible physician practices, which include use of toolkits and templates in an amount not to exceed \$6,000 per year for the term 11/01/10-10/31/11. Federally funded program.

LIPIX – Agreement between LIFQHC and LIPIX. Outreach and implementation agent as part of NYEC Regional Extension Center Program – NHCC shall receive the full engagement of dedicated .5 FTE LIPIX resource for every fifty (50) primary care physicians that are guaranteed and provided to LIPIX, will focus specifically on NHCC’s program goals and shall have specific training on designated electronic health records, LIPIX and NYEC will provide education and outreach to eligible physician practices, which include use of toolkits and templates in an amount not to exceed \$6,000 per year for the term 11/01/10-10/31/11. Federally funded program.

Extensions not Requiring Additional Funds

None.

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.