

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD
OF DIRECTORS' MEETING HELD ON SEPTEMBER 29, 2008

Directors Present

Martin D. Payson, Chair
Leonard A. Benedict, MD, MPH
John M. Brickman, Esq.
Lawrence E. Elovich, Esq.
Bradley L. Gerstman, Esq.
Rosemarie Guercia, MD
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.
George W. Miner, MD, MBA
Frank J. Saracino, EdD

Non-Voting Directors Present

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

Hospital Administration

Gary E. Bie, SVP/CFO
Reginald Bullock, Esq., SVP for Legal Affairs
Paul J. Rowland, SVP/COO
Steve Walerstein, MD, SVP/Medical Affairs
Kathy Skarka, VP for Patient Care Services
Joan A. Soffel, Assistant to the Board/CEO

Not Present

Joseph Capobianco, Esq.
Barbara Ross-Lee, DO
John F. Ragano, Esq.

1. Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum and opened the meeting at 8:45 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the minutes of the July 28, 2008 Board of Directors meeting were unanimously approved.
3. **Report of the Chairman.** None.
4. **Report of the President/CEO.** Mr. Gianelli requested that Mr. Bie present the 2009 Budget to the Board.
5. **Report of the Finance Committee.** Mr. Elovich reported that the Finance Committee met on September 24, 2008. He asked Mr. Bie to report on Finances and then discuss contracts that were reviewed (with discussion in Executive Session, if needed).

Mr. Bie said that today, September 29, 2008, is the ninth anniversary of Nassau Health Care Corporation and in reviewing consultant reports from 1999, he noted that the consultants projected that NHCC would run out of cash by the end of 2001. In 2008, we are not out of trouble but still here. Mr. Bie gave a PowerPoint presentation regarding the proposed 2009 Budget.

2009 NHCC Preliminary Operating Budget.

There were a number of extraordinary items during July/August 2008. NHCC redeemed \$34 million in bonds for a savings of \$1.6 million in interest expense. The NYS budget cuts passed in July negatively impacted the corporation by \$3 million. An additional \$5 million was needed for malpractice reserves. The good news is that A. Holly Patterson received a \$27 million retro-active IGT adjustment for 2006, 2007 and 2008, half of which (\$13.5 million) goes to revenue and the other half is a County match coming from the Tobacco funds for major modernization. NHCC is projecting a loss of \$4.844 million in 2008. Mr. Bie noted that the interest on variable rate bonds could reset above 9% which would result in an additional \$16 million/year in interest. Mr. Bie is working with the financial advisors and will know more over the next six to eight weeks. The variable rate bonds are presently at 3.4%, a fixed rate is at 5-5.5%. On \$230 million in variable rate bonds, the interest is almost \$5 million with an \$8 million termination fee. Mr. Gianelli has asked Mr. Bie and financial advisors to explore a fixed rate analysis—this would be a last resort scenario.

Mr. Bie reported that the projected loss for 2008 is \$4.8 million and the projected loss for 2009 is \$8.6 million. 2008 was a bumpy ride which started with the Wall Street problem in March and the auction rate security issue which cost \$1 million, increased reserves for malpractice were \$5 million, the NYS budget cuts cost \$3 million, but AHP picked up \$12.5 million in IGT funds. Going into 2009, there are a few things that negatively impact the projection. The IGT at the hospital is dropping to \$8 million. We received \$27 million in 2008 and the 2009 Budget includes \$19 million for NUMC. There is a structural deficit of \$10 million. A number of initiatives are planned for 2009 that bring NHCC back to \$8.6 million deficit for 2009. If the cash position is "zero", and you are funding \$15 million for major modernization, the operating budget limits what we can spend for capital. There have been many improvements since 2001 that did not include Tobacco and HEAL funds, they were strictly operational improvements. NHCC would have lost \$229 million. There were savings in revenue cycle, supply chain and faculty practice plan restructuring, and NHCC is still struggling to survive financially.

Discharges from 2001 through 2009 are relatively consistent from year to year and drive the revenue of the hospital. In 2007 and 2008 there were 3% and 2.67% increases in discharges, respectively. Those increases are directly related to the new behavioral health units—12 bed child psychiatry, rehab and adult psychiatry which all have 95% occupancy. In 2009, Mr. Bie is projecting a 2.6% increase in discharges in medical/surgical and pediatric areas or 623 additional discharges. If you look at the history of discharges at NHCC, this is an aggressive projection. However, administration is working very aggressively on a number of initiatives to drive voluntary physicians to NUMC as their hospital of choice. There are two groups currently working with NHCC, one group alone could potentially provide 400-500 discharges per year. NHCC is expanding the renal dialysis unit from 13-29 chairs by December 1, 2008 and they will be temporarily relocated at A. Holly Patterson. These patients generate 450 discharges (\$4.5 million in revenue). By increasing the chairs to 29, we are assuming 200 additional discharges. Mr. Gianelli said that in addition to voluntary physicians, renal dialysis and internal business strategies there are two other sources of admissions. In the long term, administration will propose integration of a number of clinical services directly with the North Shore/LIJ Health System. Administration will also present to the Board on October 16th a special briefing on partnering with the developer (Sam Strulovich) who is purchasing the former Hempstead General as a site for the Hempstead Park Nursing Home and will be building on that site a 150-bed Medicaid Assisted Living facility in addition to his own 200-bed Medicaid Assisted Living facility. NHCC will be the Medical Director of those facilities. It should result in incremental added admissions to NUMC. In the long term, NUMC would actually provide primary care on that site. Mr. Gianelli also noted that admissions for all hospitals in Nassau County were 128,126 through July 31, 2007 and 128,315 in 2008 with only a 1.5% increase (189). This has been consistent since 2005 with no growth in admission volume throughout Nassau County. Administration will be very strategic in how it identifies potential opportunities and build opportunities through initiatives or partnerships.

Mr. Bie reported that the average daily census in 2001 was 360 and in 2008 it was 407. The growth is directly related to opening the three new behavioral health units. Mr. Payson asked for an overview on how reimbursement works in psychiatry. Mr. Bie said that NUMC gets paid from Medicaid, approximately 75% of volume in psychiatry on a per diem basis. Medical/Surgical are paid on DRG's per case. The Department of Health calculates those rates that date back to 1986 and the cost at that time. Psychiatry is paid \$700/day. Administration is making the case to the State that our costs went up from 1986 and they are listening to our argument. Hopefully the payments will be adjusted to our inpatient psychiatry rate by \$100/day or \$2.5 million a year. NUMC only provides for \$500 thousand and there is currently a cap on what can go up. Mr. Gianelli said that he believes NUMC can get above the cap. The Technical Advisory Committee for reimbursement approached Mr.

Gianelli to review the reimbursement data for the State and he is optimistic that NUMC will receive a larger reimbursement number for 2009 and possibly 2008. Mr. Martello asked if we pass that cap, will the budget deficit go down for 2009 and the response was by \$2 million. Mr. Gerstman said, considering that the psychiatric unit is 95% full, from a financial perspective, are we considering expanding those units further. Mr. Payson said that NHCC would like to keep a mix of services and not be known as a psychiatric hospital. It was also noted that psychiatric volume in Nassau County has leveled out; there may not be a demand. Mr. Payson asked about the birth rate at NUMC. Mr. Bie said that there is low incidence of malpractice at NUMC in OB/GYN and neonatal even though we handle high-risk patients. Mr. Gianelli said that through July 2007 there were 1,100 births and in 2008 1,125 births. In PM&R Mr. Bie said that Dr. Weiss recruited a Traumatic Brain Injury physician who is successful in retaining these types of patients and the census was up 23-25 compared to 20 in 2008. The other projected increases in admissions are directly related to outside groups and expansion of renal dialysis. The average length of stay is consistent at 4.33 for 2008. Bad debt continued to come down because NHCC is doing a better job of collecting on bills over the years. In 2001 the bad debt was in the range of \$70 million and today it is approximately \$47 million. FTEs are close to industry norm.

2009 Major Budget Assumptions. The budget assumes increases in COLA (3.50%), Step Increases (1.25%), Supply and Expense increase (3.50%), Health Insurance increase (7.50%), Pharmacy Expense increase (7.00%), Pension increase (8.03% of payroll), Medicaid trend factor (1.50%) and Medicare tend factor (1.50%). Mr. Gianelli noted that several months ago, he reached out to the Union stating NHCC's financial problems and requested the Union to reopen the final year of the contract (2009) and that request was rejected. This will make collective bargaining going forward more difficult. In reality there are two sources of revenue to offset expense increases or \$10 million a year in a do nothing scenario. NHCC must bring wage and benefit packages in line with the growth of revenues or grow volume so as to get to the structural deficit and increase reimbursement in NYS. In reality, volumes are not growing in Nassau County. On the expense side, NHCC will have to adopt collective bargaining that is reasonable to revenue. Regarding the pension, NHCC has to wait and see what will happen over the next few months. There is a strong possibility that pension payments will be substantially higher than they are now. Every 1% increase is worth \$2.5 million. NHCC is widely uncompetitive with other hospitals; with 1199 contributing only 6.75%. The good news is that the Technical Advisory Committee (TAC) made it very clear that whatever reform recommendations are made regarding reimbursement, they realize that public hospitals such as NUMC have a bigger burden than the voluntary hospitals and should be treated differently. Mr. Gianelli will try to meet with the Comptroller's Office in November or December to discuss the pension contribution rate. (NHCC does not have the ability to tax as other governmental and monolithic organizations have). Mr. Payson noted that Medicare and Medicaid rates are only increasing by 1.50% while expenses increase from 3.5% to 8.0% and that describes the structural deficit quite simply.

The 2008 baseline gap is \$13.612 million with a projected loss of \$4.844 million and a projected 2009 baseline gap of \$30.893 million. Mr. Gianelli noted that the budget did not include relief for psychiatric reimbursement which could be \$2.4 million/year. NHCC may also receive a HEAL VIII award in 2008.

The budgeted surplus (loss) by division is: NUMC (\$14.3 million), Community Health Centers (\$1.4 million) and A. Holly Patterson \$7.1 million (Total \$8.6 million deficit for 2009).

Mr. Gianelli reported that reimbursement for psychiatry could be \$2.4 million in 2009. NHCC will be marketing the Uniondale property as well as a joint venture on the East Meadow property before the end of the year. Mr. Gianelli will brief the Board members on October 16th. There is a possibility that NHCC can close on the Uniondale property by end of 2009.

According to the Successor Agreement, we would be able to draw down \$8 million to the bottom line. Mr. Gianelli will discuss this in Executive Session. There are a lot of initiatives that will happen simultaneously which requires an intense level of management going forward (modernization, quality, clinical business plans, voluntary, NuCare, Healthy Kids First, FQHC). Collective bargaining is an issue and Mr. Gianelli wanted it known that he will not agree to anything without money to pay for it. There is no margin for error with capital. The Union cannot pattern themselves after the County contract. 2009 will be very dicey. The Department of Health wants to change how Medicaid reimbursement is distributed and are moving toward the outpatient side. NHCC must show that it is a valuable provider in Nassau County for the population that the State cares about such as Medicare/Medicaid and the uninsured. NHCC needs to move from a clinic approach to a private practice approach, right size and skill mix of our staff. It is crucial that the community physician initiative work. This has been tried in the past and failed. Mr. Gianelli believes it failed because administration looked at it with cosmetic solutions and not what was needed to make it work. This will take time and the physicians here have not had to figure out how to grow business until now.

Upon a motion made, seconded and unanimously approved, the Board approved the 2009 NHCC Preliminary Operating Budget, all as set forth in the attached. Resolution No. 117-2008

Contracts. Mr. Brickman requested a discussion regarding Barnett, Edelstein, Gross, Kass & Lieber. **Master Resolution**. Mr. Elovich asked for approval of the Master Resolution regarding contracts recommended by the Finance Committee at their meeting of September 24, 2008, except for Barnett, Edelstein, Gross, Kass & Lieber. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, all as set forth in the attached. Master Resolution M-130-2008**

Faculty Practice Plan Distribution. Mr. Brickman requested discussion in Executive Session.

Mr. Gianelli reported that at the October Board meeting there will be a lot of presentations regarding real estate and an updated capital plan. Specifically, the real estate issues will deal with an RFP for Uniondale and East Meadow properties, the construction manager for A. Holly Patterson extended care facility construction, issues related to the acquisition agreement for 380 Nassau Road and transactions with Sam Strulovich and the Hempstead Park Nursing Home. Paul Rowland will update the Board on the Capital Plan projects using the Tobacco funds and new projects, which mean additional sources of money, will come from capital expense and that deficit would come out of depreciation expenses. Mr. Payson said the briefing would start at 1:00 p.m. and take as long as needed. He asked the Board members to leave their calendars open so that all of these details can be discussed prior to the October Board meeting. Mr. Gianelli said that a summary of materials regarding the above items will also be provided to those members who cannot attend.

Mr. Payson noted that the Joint Commission can come at any moment and there is a lot going on at the hospital.

U.S. Department of Housing and Urban Development ("HUD") Financing for the Replacement of the A. Holly Patterson Extended Care Facility. Mr. Bullock presented a resolution for HUD financing for the replacement of the A. Holly Patterson Extended Care Facility. The resolution basically acknowledges NHCC's obligation as sponsor for financing.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the "U.S. Department of Housing and Urban Development ("HUD") Financing for the Replacement of the A. Holly Patterson Extended Care Facility", in

the form and content attached hereto (see attached resolution). Resolution No. 131-2008.

The Jeffrey Mosenson Foundation. Mr. Bullock reported that NHCC is requesting an increase in its donation to the Jeffrey Mosenson Foundation from \$300 thousand to \$351 thousand (\$51 thousand additional) so that the Foundation, who is in charge of building out the Nassau County EMS Police-Fire Academy on NHCC premises, can fund a sprinkler system.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the "Resolution Amending Prior Resolution(s) Regarding the Jeffrey Mosenson Foundation and Nassau County EMS Police-Fire Academy", in the form and content attached hereto (see attached resolution). Resolution No. 128-2008.

6. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner reported that the Medical and Professional Affairs Committee (MPAC) met on September 25, 2008. The minutes were not completed in time for the Board packets. Dr. Miner requested that the report be given in Executive Session.

2007 -2008 Annual Performance Improvement & Patient Safety Plan Evaluation. Ms. Shannon reported that the information was included in the Board packet. In 2007, the Board adopted four key goals: 100% compliance with the Center for Medicare & Medicaid Services (CMS) Core Measure outcomes (Acute Myocardial Infarction (AMI), Heart Failure (HF), Pneumonia (PN) and Surgical Infection Prevention (SIP); participation in Institute for Healthcare Improvement's (IHI) 5 Million Lives Campaign; focus on ambulatory care outcomes; and patient satisfaction.. Core Measure outcome analysis: Comprehensive drill down for every component that failed to achieve 100% compliance. Outliers related to documentation or compliance issues. In many cases, medical record forms were modified or developed to enhance compliance. Additionally, triggers have been built into the electronic medical record to prevent the practitioner from going to another field without addressing key Core Measure components. IHI 5 Million Lives Campaign: NUMC participated in the Institute for Healthcare Improvement (IHI) 5M lives campaign in the following areas: ventilator associated pneumonia, central line associated blood stream infection, acute myocardial infarction, medication reconciliation, surgical site infections and rapid response teams. Ambulatory outcomes: NHCC focused on ambulatory care outcomes and appointed Dr. Mitchell Rubin as VP in June of 2007 and then Chairman of the Department of Community Medicine in 2008 to integrate NUMC offsite clinics with onsite clinics. NUMC continues to work with KQMI to define appropriate indicators based on demographics and is collaborating with KQMI to develop a model for quality management and research to enhance care for the Medicare population. Patient Satisfaction: NUMC strove to attain an overall mean score for inpatient satisfaction of 75%. This effort was spearheaded by Helen Lavas, Director of Organizational Development and a mean score of 71.9% was achieved in the first quarter with 74.8% at the end of 4th quarter 2007. This is below the LI Benchmark Mean Score of 81.9%. Numerous initiatives were put in place throughout the hospital to increase that score.

Mr. Gianelli said that he has requested the Krasnoff Institute to work with PM&R and the quality program to provide high quality care and manage that care for the uninsured in our catchment area. It is important to understand benchmarks for patient satisfaction and quality performance which change every year. It is good to know if we improved. The problems are confronted and it is imperative that we improve to keep up with competitors for care for the patient and reimbursement. Mr. Martello said that this is an annual report card and that the Board would only see the progress a year later. Mr. Gianelli said that the progress will be reported quarterly and that patient satisfaction is reviewed monthly. Ms. Shannon said that the core measures are public information and are available on the website. The data,

however, runs almost six months behind and you will not see a change for a period of time. Dr. Miner said that the Department of Health has a website and patients can select a hospital and rank them in different areas. He added that there are ongoing meetings on a daily, weekly and monthly basis and reports are given to the Executive Committee of the Medical Staff, the Medical and Professional Affairs Committee and ultimately the Board of Directors.

Ms. Shannon said that the 2008-2009 Performance Improvement & Patient Safety Plan clearly identifies the role of the staff and Board. In 2009, NHCC will continue to achieve 100% Core Measure outcomes, continue to participate in the IHI, develop unit specific report cards (as a managerial tool) and begin analysis of NUMC Never Event outcomes. Never Events are certain criteria that have been defined by CMS and will not be reimbursed if they occur as of 10/1/08. Mr. Payson asked if after 10/1/08 a surgery is performed and something occurs after, does that mean we don't get paid for that surgery. Ms. Shannon used the example of pressure ulcers. If pressure ulcers are not documented as present on admission, the CMS assumes that the hospital caused it and will not pay for treatment of the pressure ulcers. Dr. Faust said that the hospital would not get paid for subsequent operations or additional expenses caused by any complications during the first operation.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the "2007-2008 Annual Performance Improvement & Patient Safety Plan Evaluation", in the form and content attached hereto. Resolution No. 132-2008.

7. **Report of the Community Health Committee.** Dr. Guercia, chair, reported that the committee met and renamed the Committee, "**The Ambulatory Care Committee**". The reason for the name change is there is a strong communication between the health centers and the programs here at the Medical Center for referrals for specialty clinics and the Emergency Department. The first meeting was held on September 2, 2008. The committee reviewed construction and new locations. In the past, openings were delayed or disappeared into "never never land" over the past twenty years that Dr. Guercia has been affiliated with NUMC. Mr. Gianelli said that the 380 Nassau Road location is not in NHCC's hands, it is in the hands of the Town of Hempstead and the agreement with the developer on use of space. NYS has to approve the CON and administration is actively working on that. NUMC has received bids for construction and is negotiating minority subcontracts. Mr. Gianelli is hoping that all of this comes together for a vote after the October Board meeting. Regarding 135 Main Street, NHCC is awaiting NYS approval of the CON. The prior operator, Signature Health, must comply with regulations regarding closure before NHCC can occupy. Dr. Guercia said that opening dates move quickly. The Hempstead Health Center will probably open shortly after all of the details get out of the way and NHCC can move into a limited portion of that facility and operate with pediatrics, general medicine, OB/GYN and family planning. The dental clinic will not be able to operate within the site until construction is completed in the remaining space. In the meantime, referrals will be made to the New Cassel site for dental and the mobile van operated by North Shore. Dr. Guercia was hoping that there was a way of helping with transportation for that service. Elmont had a first advisory meeting in July (after a hiatus of many years). The second meeting was held on September 23, 2008 along with a consumer who had been invited. The consumer was a young woman with three children who uses the center. She was impressed with the increased number of services offered and the decrease in waiting times, but requested improvement for non-English speaking patients to communicate with staff particularly with phone calls. At New Cassel, there was an increase in the number of physicians to maximize services, but there is not adequate support staff. There was an overall increase in attendance of 11% this year due to the increase in physicians and primary care. There is a problem with the school-based program due to the opening of a new middle school in Roosevelt. NUMC used to be able to serve both the high school and middle school, but now there is no way of getting the middle school to the service.

Report of the Extended Care Committee. Mr. Saracino, chair, reported that the committee will meet within the next two weeks. The proposed agenda will discuss the major modernization plan and construction and impact of staffing at AHP. Mr. Saracino was pleased with the bottom line at AHP and the receipt of the IGT adjustment. Mr. Payson said that at some point AHP must be scaled down from 580 to 325 beds and asked what it will do to our overall budget. Mr. Bie said that currently Loeb & Troper are conducting a feasibility study and a report will be completed for the next meeting.

Report of the Facilities Committee. Mr. Gertsman, chair, reported that the Committee meeting needs to be rescheduled due to his illness last week.

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

8. **Other.** None

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

Bishop Harris (Grace Cathedral Church, Uniondale) complimented the mission of the Board and Arthur Gianelli who continues to turn around the hospital and A. Holly Patterson. Bishop Harris was impressed with the \$7.1 million surplus at AHP that has positively impacted the projected deficit at the Medical Center. Bishop Harris said that the building on Nassau Road is completed and looks gorgeous. Mr. Gianelli said that the building at this point is only a shell and the interior still needs to be built out. In order to do that and get reimbursed, we need a series of items to occur. The parts that NHCC controls, are fine. The project was sent out for bid and we received responses from minority owned businesses. The Town of Hempstead needs to issue approval at their board level and that has not yet happened. The DOH needs to issue a CON and when those two things happen; we will be able to proceed with the construction. Bishop Harris said that the Emergency Department waiting room is very embarrassing for him because he has parishioners who come here and wait unnecessarily for care. He felt that NUMC must be more proactive and aggressive in making sure that no one waits that long for care. Mr. Gianelli noted that any ER that has a volume of cases will take a long time. NUMC plans to create an Urgi-Center for pediatric patients that would allow for after hours and do not require the use of the emergency department. Those patients would be taken out of the normal flow and seen quickly and returned to their families. Anyone who comes into the ER and is critical is triaged and seen by administrative and clinical staff for assessment and a determination is made as to where they need to go and when they can be seen. NUMC has reduced the amount of average wait time to 2.5 hours which is not bad and continues to work on this regularly. Bishop Harris noted that his son is the superintendent of the Roosevelt School and he would ask him to speak with Dr. Guercia regarding her question earlier.

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

Master Resolution. Mr. Payson asked for approval of the Master Resolution regarding contracts recommended by the Finance Committee at their meeting of September 24, 2008. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, Resolution Nos. 118-2008 (ADL Data Systems), 119-2008 (Biomedical Research Alliance of New York (BRANY), 120-2008 (CIT Healthcare LLC), 121-2008 (Robert U. Gioia, CPA), 122-2008 (DiGiacomo-Geffers and Associates), 123-2008 (Loeb & Troper), 124-2008 (Assert Inc.), 125-2008 (Perkins Eastman), 126-2008 (Dr. Frogel,**

LIJ/Schneider's), 127-2008 (Barnett, Edelstein, Gross, Kass & Lieber, PC), 128-2008 (Jeffrey Mosenson Foundation), 129-2008 (Krasnoff Quality Management Institute), all as set forth in the attached Master Resolution M-130-2008.

In Executive Committee the Board also approved the following items.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the recommendations made by the Executive Committee of the Medical Staff and the Board of Directors Medical and Professional Affairs Committee and to appoint John Meringolo, MD, Anesthesiology and Dr. Paul Liu, MD, OB/GYN. Resolution No. 133-2008.

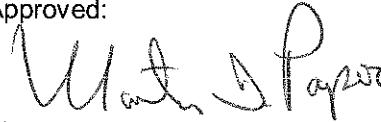
Upon a motion made, seconded and unanimously approved, the Executive Committee of the Board of Directors approved the Faculty Practice Plan Distribution at June 30, 2008, as attached to these minutes. Resolution No. 134-2008.

11. **Adjournment**

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

12. The next regularly scheduled meeting is October 27, 2008 in the Auditorium.

Approved:



Martin D. Payson, Chair
Board of Directors
Nassau Health Care Corporation

NASSAU HEALTH CARE CORPORATION
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-130-2008

September 29, 2008

WHEREAS, by Resolution (No. 023-2007) of the Board of Directors of the Nassau Health Care Corporation, the Board of Directors delegated to its Finance Committee the responsibility for, among other things, overseeing and making recommendations to the Board regarding the Corporation's procurement and contracting policies; and

WHEREAS, there is attached to this Resolution a schedule dated September 24, 2008 (the "Schedule") of resolutions regarding transactions and/or procurement and contracting policies, which require action by the Board and which the Committee has reviewed, discussed and recommends be adopted;

NOW, THEREFORE,

BE IT RESOLVED, that the Board of Directors of the Nassau Health Care Corporation hereby approves and adopts the resolutions recommended by its Finance Committee as set forth in the attached Schedule, with no exceptions.

NASSAU HEALTH CARE CORPORATION
FINANCE COMMITTEE
September 24, 2008
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*ADL Data Systems. [Sole source, multi-year contract.] **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of contract with ADL Data Systems to provide nursing home software for physicians, care planning, therapy and CNA documentation in an amount not to exceed \$218,603.00 for five years for the period 10/01/08-09/31/13. Resolution No. 118-2008.**

*Biomedical Research Alliance of New York (BRANY). [Sole source in NY State, open-ended.] **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Biomedical Research Alliance of New York (BRANY) to provide institutional review board services for NUMC in connection with all human subject research programs conducted at NUMC on a fee for service basis estimated at \$30,000. Resolution No. 119-2008.**

*CIT Healthcare LLC. [RFP'd, amount exceeds \$250,000, multi-year contract.] **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with CIT Health Care LLC to provide an equipment rental operating lease program in an amount not to exceed \$5,000,000.00 for the period 09/01/08-08/31/15. Resolution No. 120-2008.**

*Robert U. Gioia, CPA. [Renewal of a current contract, multi-year contract] **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Robert U. Gioia, CPA to provide internal audit reviews of NHCC's financial systems towards ensuring that company assets are safeguarded, assessing and identifying areas of improvements and implementing change in an amount not to exceed \$70,200.00/year for the period 09/21/08-09/20/09. Resolution No. 121-2008.**

*DiGiacomo-Geffers and Associates. [Contract extension, multi-year contract] **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with DiGiacomo-Geffers and Associates to provide consulting services for TJC Continued Survey Readiness in an amount not to exceed \$130,000.00 for the period 08/01/08-07/31/08. Resolution No. 122-2008.**

*Loeb & Troper. [Amendment to current contract, contract exceeds \$250,000] **Upon a motion made, seconded and unanimously approved, the Finance Committee**

recommends Board approval of a contract with Loeb & Troper to provide feasibility study that requires additional modifications required to complete financial forecast for AHP in an amount not to exceed \$50,000.00 additional to current year's (2008) contract amount of \$300,000.00 for the period 01/01/07-12/31/09. Resolution No. 123-2008.

*Assert Inc. [Amendment to current contract, contract exceeds \$250,000] Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Assert Inc. to provide GME program analysis and benchmarking services. The service fee is not to exceed \$215,000 plus travel and report expenses (10% of fee amount = \$21,500). Addition to current contract increases total contract amount to \$656,500. Contract will be extended to 02/28/09. (To subcontract with Germain & Company to provide GME review and benchmarking services). Resolution No. 124-2008.

*Perkins Eastman. [Amendment to current contract, multi-year] Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Perkins Eastman to provide architectural services, plan of correction for the 14th floor, an inpatient psychiatric unit (design of suicide prevention items for protection of patients on 14th floor, in response to requests from NYS Office of Mental Health) not to exceed \$90,000 in addition to the current Master Plan for a total contract of \$590,121 for the period 04/25/07-12/31/08 extended term for another year to expire 12/31/09. Resolution No. 125-2008.

*Dr. Frogel, LIJ/Schneider's. [Multi-year, extension of current contract until such time a new contract is provided by LIJ/Schneider's wherein Dr. Frogel will become Chair of Pediatrics] Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of the extension of the existing contract that provides Dr. Frogel as acting Chair of Pediatrics at NUMC. NUMC to reimburse Schneider Children's Hospital for 50% of Dr. Frogel's working part-time at NUMC in an amount of \$15,250 per month for the period 08/25/08-08/24/09. Resolution No. 126-2008.

*Barnett, Edelstein, Gross, Kass & Lieber, PC. [Amount exceeds \$250,000] Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Barnett, Edelstein, Gross, Kass & Lieber, PC to provide claims management, consulting services, and third-party administration for captive insurance program. Need to increase nurse investigator resources from 1.5 FTEs to 2 FTEs due to significant increase in number of claims in 2008 for an additional \$60,000 annually to be prorated on an annualized basis for the period 09/01/08 through 12/31/08 (current contract was approved by the Board until 12/31/08. Resolution No. 127-2008.

*Jeffrey Mosenson Foundation. [Amendment to prior resolution numbers 049-2006 and 067-2008] Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an additional donation of \$51,000 from

NHCC to the Jeffrey Mosenson Foundation to install a sprinkler system for the EMS Training Facility Project (increasing original contribution from \$300,000 to \$351,000). Resolution No. 128-2008.

Krasnoff Quality Management Institute. [Amendment and renewal]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of three addendums to the contract with Krasnoff Quality Management Institute (Resolution 113-2008) to provide, among other things, an assessment and revision of the current claims management and risk management process for an amount not to exceed \$80,000 annually and to provide an assessment and revision of the current ambulatory quality management process for an amount not to exceed \$120,000 annually. Resolution No. 129-2008.

*Requires approval of the Board of Directors

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

NASSAU HEALTH CARE CORPORATION
BOARD OF DIRECTORS

RESOLUTION AMENDING PRIOR RESOLUTION(S) REGARDING

THE JEFFREY MOSENSON FOUNDATION
and
NASSAU COUNTY EMS POLICE-FIRE ACADEMY

Resolution No. 128 -2008

September 29, 2008

WHEREAS, by Resolution(s) No. 049-2006 and No. 067-2008, the Board of Directors of the Nassau Health Care Corporation (the "Corporation") authorized the Corporation to enter into a Contribution and License Agreement (the "Agreement") with the Jeffrey Mosenson Foundation (the "Foundation") for the purpose of constructing and equipping an EMS Training Facility in space leased by the Corporation to the County of Nassau for use by the Nassau County EMS Police-Fire Academy (the "Project");

WHEREAS, the Corporation initially agreed to contribute \$300,000 toward the Project;
and

WHEREAS, an additional \$51,000 is required for the installation of a sprinkler system for the Project and it would be beneficial to the Corporation and the Project if such installation was effected through the existing contractor employed by the Foundation.

NOW, THEREFORE,

BE IT RESOLVED, that the Corporation be and hereby is authorized and directed to make an additional charitable contribution to the Foundation, a New York not-for-profit corporation, exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code, in the amount of \$51,000, to be spent by the Foundation to pay for the installation of a sprinkler system in the Project.

NASSAU HEALTH CARE CORPORATION
BOARD OF DIRECTORS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD")
FINANCING FOR THE REPLACEMENT OF THE A. HOLLY PATTERSON EXTENDED
CARE FACILITY

RESOLUTION NO. 131-2008

WHEREAS, Nassau Health Care Corporation ("NHCC") was created through adoption by the New York State Legislature of Public Authorities Law Sections 3400 to 3420; and

WHEREAS, the A. Holly Patterson Extended Care Facility ("AHP") is NHCC's nursing home and long-term care operating division; and

WHEREAS, in accordance with Resolution No. 076-2006 and Resolution No. 115-2008 of this Board, NHCC will, among other things, (a) develop, finance and construct a replacement facility for AHP ("the AHP Project"), (b) incorporate and establish an NHCC subsidiary to operate AHP, and (c) apply for and enter into agreements necessary to obtain HUD § 232 Mortgage Insurance ("HUD Financing") or such other credit enhancement as may be deemed appropriate by an Authorized Officer; and

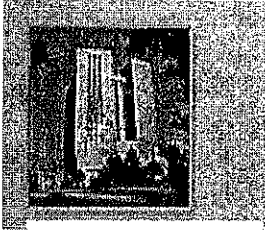
WHEREAS, as a condition to applying for HUD Financing, HUD must determine whether or not NHCC is eligible to act as a non-profit sponsor or mortgagor; and

WHEREAS, in order to make such determination, HUD requires that NHCC evidence a serious intent to provide continuing financial support and effective management to the AHP Project.

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation has read the requirements and responsibilities of Sponsorship as reflected in HUD Form 3433, Request for Determination of Eligibility as Nonprofit Sponsor and/or Mortgagor and Instructions and acknowledges and accepts the responsibilities and requirements of sponsorship for the Section 232 nursing facility application for HUD mortgage insurance to be filed by the Nassau Health Care Corporation and intends to provide continuing support, oversight, and management to that project as needed throughout its ownership by the Nassau Health Care Corporation and the term of the HUD insured mortgage; and be it

FURTHER RESOLVED, that supplementing prior resolutions of this Board, the President and Chief Executive Officer or his designee (each an "Authorized Officer"), be and hereby are, authorized to take any and all actions necessary to implement the foregoing resolutions.



To: George Miner, M.D.
Chairman, Medical and Professional Affairs Committee

From: Lyn Weiss, M.D.
Chair, Executive Committee of the Medical Staff

Date: September 25, 2008

Re: Recommendation for Appointments to the Medical Staff

*RESOLUTION NO.
133-2008*

At the meetings held on July 29, 2008, August 1, 2008, August 14, 2008 and August 19, 2008 or as a result of personal interviews and other administrative follow-up, the Credentials Committee made the recommendations below for appointment to the Medical and Dental Staff to the E.C.M.S. for its meetings of August 5, 2008 and September 2, 2008. Accordingly, with respect to new appointments and reappointments, the E.C.M.S. recommends approval of the following:

New Appointments

Anesthesia

- John Meringolo, M.D.

Community Medicine

Monique Apollon, DO

Dental Medicine & Oral Surgery

Scott Fauvell, DDS – Dental

Emergency Medicine

Jacqueline Kielty, PA
Shantae Hicks, PA
Malaya Srivastava, MD

Medicine

Azuka Anyoku, M.D
Mohammad Hamid, MD
Leonid Rankov, MD
Elena Schmuter, MD
Marina Yuabova, NP (NCCC)

Neurology

Simhadri Gupta, M.D

Radiology

Phyllis Ager, MD

Psychiatry & Behavioral Sciences

Rajnee Vora, MD
Douglas Egan, Ph.D
John Kurek, D.O.

Physical Medicine & Rehabilitation
Kathleen McFeely, OT

Orthopedics
Wesley Carrion, MD
Richard Cohen, PA
Chris Egan, PA
Aaron Florence, DO

Surgery
Renato Giorgini, DPM
Donna Hangan, N.P.
Venkatesh Sasthakonar Esackimuthu, MD

Ob/Gyn
Monique Apollon, DO
Paul Liu, M.D.

Reappointments, recommended

Community Medicine
Sandra Brown-Truter, N.P.

Dental Medicine & Oral Surgery
Lindsey Alexander, DDS
Shahab Cohen, DDS
Matthew Baron, DMD

Emergency Medicine
Patricia Ford, MD
Ervin Kurts, MD

Medicine
Mikaela Anderson, PA
Theudia Chambers, NP
Dalbir Chhabra, MD (A.Holly)
Wanda Evelyn, NP (NCCC)
David Teer, NP (NCCC)

Orthopedics
Thomas Mango, MD

Pediatrics
Harriet Boxer, MD
Michelene Dole, M.D.
Patricia Ford, MD
Rajender Jinna, MD
Susan Kay, NP
Bella Silecchia, MD
Amkutty Paulose, MD

OB/GYN
Mark Behar, MD
Dale Cook, CNM
Martin Granoff, MD
Gabriella Oлару, MD
Joan Nastasi, NP

Psychiatry & Behavioral Sciences
Constantine Ioannou, MD

Radiology
Joel Rosen, MD

Surgery

Richard Batista, MD
Keith Burger, PA
Elizabeth Cirincione, MD
Jonathan Klein, DPM
Michael Lefkowitz, MD
Farhan Masani, DPM
Marc Schumann, DPM

New Privileges – Community Medicine, approved

Janet Beccaro, MD
Sandra Brown-Truter, NP
Ellen Campos, NP
Emmanuel Egbuna, MD
Bernardo Fernandez, MD
Sabiha Haque, MD
Naseem Hussaini, MD
Rajender Jinna, MD
Anjum Maqbool, MD

Change in Status – Provisional to Active, approved

Lorraine Cashin, PA- Emergency Med
Kyle Chan, PA- Emergency Med
David Chalif, MD – Surgery
Betty Diamond, MD – Medicine
Robert Goldsmith, DDS – Dental Medicine/Oral Surgery
John Keene, DDS – Dental Medicine/Oral Surgery
Edward Mills, MD – Orthopedics
Tara Richman, DPM – Surgery
Michael Spicer, DDS – Dental Medicine/Oral Surgery

Notification of Resignations

Grace D'Orta, DDS – Dental Medicine/Oral Surgery effective 9/24/08
Stephanie Drew, DMD – Dental Medicine – effective 08/01/08
Elizabeth Emami, MD – Surgery – Effective 05/31/08
Marie-Michelle Fortiullis, NP – NCCC – Effective 06/30/2008
Sameer Goyal, MD – Radiology – effective 9/24/08
George Isaac, MD – Psychiatry & Behavioral Sciences – Effective 06/27/08
Yung Kyun Kim, DDS – Dental Medicine/Oral Surgery - Effective 6/20/08
David Levinson, DO – Ophthalmology – Effective 07/17/2008
Mitul Patel, DDS – Dental Medicine/Oral Surgery – Effective 06/27/08
Shahina Qureshi, M.D. – Pediatrics – effective 6/12/08
James Woltmann, DMD – Dental Medicine/Oral Surgery – Effective 7/23/08

Notification of Temporary Privileges

Monique Apollon, DO – Community Medicine & OBGYN – July 30, 2008
Yasmine Titus-Pompey, MD – Community Medicine – 06/26/2008

Saurabh Bahl, MD – Emergency Medicine – 06/25/2008
David Ng, MD – Emergency Medicine – 06/26/2008

Rose Direny-Jean, PA – Medicine – 06/26/2008
Marina Yuabova, NP – Medicine/NCCC – July 30, 2008

Paul Liu, MD – OBGYN – July 30, 2008

Stephanie Adams, DO – Orthopedics – 6/24/2008
Wesley Carrion, MD – Ortho - August 11, 2008 – November 11, 2008
Richard Cohen, PA – Ortho – July 29, 2008

Christopher Egan, PA – Ortho – July 29, 2008
Aaron Florence, DO – Ortho – July 29, 2008
Mikhail Itingen, DO – Orthopedics – 6/24/2008
Faizool Khan, PA – Orthopedics – 6/24/2008
Jacob Razyiev, PA – Orthopedics – 6/24/2008
Gennadiy Shamalov, PA – Orthopedics – 6/24/2008
Pooja Salwan, PA – Orthopedics – 6/24/2008
Daniel Savarino, DO – Orthopedics – 6/24/2008
Michael Frogel, MD – Pediatrics – 06/25/2008

John Kurek, DO – Psychiatry- August 15,2008-November 15, 2008
Linda Low, DO – Psych (A.Holly) – 06/25/2008
Guitelle St. Victor, MD – Psych- 07/01/2008
Rajnee Vora, MD – Psych & Behavioral Sciences – July 30, 2008

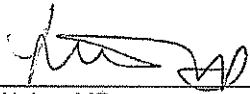
Venkatesh Sasthakonar Esackimuthu, MD – Surgery – July 30

Notification of New Privileges not approved

Ricardo Cruz, MD – PM&R
Thomas Pobre, MD – PM&R

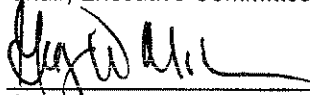
ECMS recommendation of appointment to Emeritus Status

Adela Johnson, M.D. – Pediatrics



Lyn Weiss, MD
Chair, Executive Committee Medical Staff

9-24-08
Date



George W. Miner, MD
Chair, Medical & Professional Affairs Committee

9-25-08
Date

RESOLUTION NO.
134-2008

**NASSAU HEALTH CARE CORPORATION
NASSAU UNIVERSITY MEDICAL CENTER**

September 29, 2008

RESOLUTION

Whereas, the Nassau University Medical Center has authority to implement the Faculty Practice Plan; and

Whereas, each participating department chairperson has a department plan for the uses and distribution of net Faculty Practice Plan Fund income; and

Whereas, the Chief Executive Officer has prepared a summary of receipts available for each department's distribution at June 30, 2008; and

Whereas, the Chief Executive Officer has prepared a report of the Department Chairpersons' recommendation for distribution; now therefore, be it

RESOLVED, that the Board of Directors hereby approves the departmental plans for the uses and distribution of each department's share of the net amount to be distributed as follows:

Chairperson's Fund

	<u>Participants</u>	<u>FPP</u>	<u>MMERF</u>	<u>Total</u>
Anesthesiology	\$ 65,000			\$ 65,000
Dentistry	27,800		45	27,845
Emergency	347,500		21,953	369,453
Lab Pathology	14,200		7,532	21,732
Medicine	691,605		33,844	725,449
Neurology	64,150		4,029	68,179
OB/GYN	181,000		34,059	215,059
Ophthalmology	43,450			43,450
Orthopedic	-			-
Pediatrics	78,000		234	78,234
P M & R	102,000		2,838	104,838
Psychiatry	58,250		15,197	73,447
Radiology	288,000		16,243	304,243
Surgery	219,600		5,489	225,089
Total	<u>\$ 2,180,555</u>		<u>\$141,463</u>	<u>\$ 2,322,018</u>

Martin Payson, Chairman Board of Directors