

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING HELD ON MARCH 30, 2009

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Directors Present

Martin D. Payson, Chair  
Leonard A. Benedict, MD, MPH  
John M. Brickman, Esq.  
Bradley L. Gerstman, Esq.  
Rosemarie Guercia, MD  
George W. Miner, MD, MBA  
John F. Ragano, Esq.  
Frank J. Saracino, EdD

Not Present

Lawrence E. Elovich, Esq.  
Joseph Capobianco, Esq.  
Jemma Marie-Hanson, RN  
Barbara Ross-Lee, DO  
Greg-Patric Martello, Esq.  
Asif M. Rehman, MD

Non-Voting Directors Present

Arthur A. Gianelli, President/CEO

Hospital Administration

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

1. Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum. The meeting was opened at 8:40 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the minutes of the February 23, 2009 Board of Directors meeting were unanimously approved.
3. **Report of the Chairman.** Mr. Payson noted that if a quorum was not present, the Executive Committee in Executive Session could deal with various strategic, legal and personnel issues. One of the issues to be discussed in Executive Session will be Crown Advertising and a proposed resolution in connection with a marketing campaign for the Corporation.
4. **Report of the President/CEO.** Mr. Gianelli requested that the Faculty Practice Plan Distribution be postponed for one month and asked for discussion in Executive Session.
5. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner reported that a resolution is required to recommend candidates for appointment and reappointment. Dr. Miner presented the recommendations made by the Credentials Committee for appointment to the Medical and Dental Staff to the Executive Committee of the Medical Staff at their meeting held on March 3, 2009. There were no issues regarding the appointments. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved the recommendations made by the Credentials Committee for appointments to the Medical and Dental Staff to the Executive Committee of the Medical Staff at their meeting held on March 3, 2009. Resolution No. 052-2009.**
6. **Report of the Finance Committee.** Mr. Elovich, Chair, is away. A meeting was held on March 17, 2009. A report will be given in Executive Session.
7. **Report of the Ambulatory Care Committee.** Dr. Guercia, chair, reported that a meeting was held on March 10, 2009. Discussions included the transition from community health centers to federally qualified health centers and that a CON would be submitted by March 13, 2009. The centers will have nine board members, five of which will be consumers

of the services and she expects the board to grow to fifteen in the future. There are currently five members including one consumer and this number is sufficient to submit the request for FQHC status. The transition to the new staffing model is proceeding in Elmont without much difficulty because the staff only lost one RN. The other operations are in a state of flux, not all medical assistants have been hired, and some require training or upgrades. The next meeting is scheduled for April 13, 2009.

Mr. Gianelli said that the CON submission did take place and he is awaiting a series of reviews at the State level. If those reviews are on target, approval should happen in July. After that, NHCC must present a list of items that need to be addressed for the final approval in August. NHCC must file the application with the Federal Government and that will take between 6-9 months. Mr. Gianelli will be meeting this month with the congressional delegation and administrative staff at the Federal level to lessen that time frame. Concurrent with the application being reviewed at the State level, NHCC will be filing the Articles of Incorporation of the FQHC entity in order to do things parallel. Thereafter, the FQHC will have look-alike status with five candidates identified with one consumer. The consumer that Dr. Guercia mentioned was an undocumented immigrant, so there are five individuals, none of whom were consumers. Mr. Payson asked about the Hempstead Facility. Mr. Gianelli said that it is not currently being fully utilized because additional building is needed to provide access to the full space. In addition, construction continues at the Roosevelt Center and is on target for an August or September opening. Additionally, there are negotiations with vendors to provide a 340B pharmacy at the hospital possibly by the end of the year. Staff is also working on various grants (SAMSHA, management of chronic disease) and Nucare will roll out Phase II in September. Administration has also undertaken staffing analysis in the outpatient departments in the hospital and will be transitioning staff from those departments including RNs. NHCC will also transition to an outside phone service as backup for the current phone system. There have been numerous complaints of people not being able to contact the hospital for appointments. NHCC is in the process of procuring a front end registration system. The present system does not facilitate scheduling by providers. On April 1<sup>st</sup>, a change in policy will take place regarding collections. Presently, to the extent that a patient comes in for non-emergent care and has no insurance, does not enroll in insurance, or does not enroll in charity care, they are administered care. This results in a disincentive for individuals to enroll in insurance. Twenty-five percent of the children seen at NUMC are uninsured, that number should be dramatically lowered. In January, 776 children were seen for non-emergent care and the hospital only collected \$1,800. On April 1<sup>st</sup> for non emergent care, there will be one of four options: the patient is either insured, enrolls in insurance, enrolls in charity care if not eligible for insurance, or pays for service. (Health and Hospitals in NYC have been doing this for over twenty-five years). Mr. Payson asked how this would work for undocumented patients and Mr. Gianelli said that they would enroll in charity care or a sliding scale according to income. Mr. Brickman voiced his concern in respect to people who are not citizens and resistance in registering for insurance; he felt that this procedure would be pushing people away. Mr. Gianelli said that this would have to be monitored and also the ED may become more active due to patients not wanting to go through a registration process. This is not without precedence; other public institutions have been doing this for years. Mr. Gianelli said that almost every child is eligible for insurance. Health and Hospitals enrolls 80% of the children, NUMC only enrolls 25%. This loss expands the DSH caps. The County will not pay additional funds. There is an overall national health reform and Federal DSH funds are under attack. Dr. Guercia said that she understands the reason for the policy change, but NHCC must maintain a close relationship with agencies in the communities that service these populations. Mr. Payson said that this is a significant policy issue and the Board should discuss this in executive session and vote on it. Mr. Gertsman concurred with Mr. Gianelli, if we have children that can be signed up for insurance, they should. The hospital is doing a disservice to the communities and has the responsibility as other hospitals have in signing up as many as possible. Mr. Gianelli said that he has spoken to the head of Medicaid programs, Deborah

Bachrach, and she concurs with our approach and that what is being done now is antiquated and not consistent with other hospitals. Mr. Gertsman noted that NUMC is taking all of the impact. Mr. Gianelli noted that he is also trying to work on different fronts. For example, during the winter the Nassau County Police Department brought in drunken and homeless to the ER. There are specific agencies that take care of the homeless and inebriated for detox. NHCC has become the default and Mr. Gianelli has met with the various groups to ensure that NHCC gets relief and that the agencies are charged with doing this work, not the hospital. Mr. Brickman said that he had some reservations with the new policy and asked that Dr. Guercia contact the various immigrant groups to explain why and how this policy must be changed, have NUMC staff get involved in enrolling people as efficiently as possible; and as soon as practical, analyze the pattern of services for non emergent and emergency room care. Mr. Gianelli said that he will have John Sherman work with Jack O'Connell to make sure that the immigrant organizations are contacted and that we keep contact with them throughout this initiative. Dr. Benedict said that he will not vote for this resolution because when you look where NUMC is situated it is surrounded by private hospitals. The Medicaid patients will go to those hospitals and if you turn back the poor patients they will not enroll. **Upon a motion made, duly seconded the Board of Directors approved with one abstention (Dr. Leonard Benedict) the following policy change. As of April 1<sup>st</sup>, for non emergent care, there will be one of four options for patients: they are either enrolled in insurance, the patient enrolls in insurance, the patient enrolls in charity care (if not eligible for insurance) or pays for service. Resolution No. 053-2009.**

8. **Report of the Extended Care Committee.** Mr. Saracino, chair, reported that the committee meets next week. Operations continue to move forward with favorable financials.

Mr. Gianelli said that the only good news is temporary. The regional pricing strategy included in the proposed State budget replacing rebasing of nursing home rates with regional pricing was postponed for one fiscal year. The argument was made for a reduction of \$10 million against \$65 million. The institution is running as efficiently as it can. Mr. Gianelli is on a committee to help analyze the proposal and he will endeavor to invite the Department of Health to make a recommendation on how to squeeze an additional \$10 million for the operation of the nursing home. The last issue of the U. S. News & World Report listed the top nursing homes in the Country. For New York State, A. Holly Patterson was ranked a four star facility (top being a five star). The average number of citations for nursing homes was listed as 10 and A. Holly Patterson had none. Financing for the nursing home has become a problem and if we are not able to do this NHCC will be in violation of the law that requires it to build a new nursing home. We are on target to begin construction by the end of this year and continue discussions with the developer of the Medicaid Assisted Living Facility. The concern is that the Medicaid ALP will be built more quickly than the nursing home.

9. **Report of the Facilities Committee.** Mr. Gerstman, chair, reported that the committee met on March 13, 2009 and the report was included in the Board packet. The committee discussed the ED/Radiology project and a presentation was made on the reduced scope of the project (and offered to the full Board to attend if possible). The hospital is currently not on the schedule published by the Joint Commission for its accreditation visits. The parking garage project is moving forward and bids have been received to shore up the garage and shut down two levels for safety.

Mr. Gianelli said that they have come up with a reasonable solution to facilitate the construction of the ED with the HEAL NY grant. Originally, they had wanted to build a larger ER with additional funds, but given the financial state, it has been challenging. The new design will include the Hempstead Turnpike entrance as the entrance to the ED, the cafeteria, which is presently underutilized, will be included in the new plan. Construction

should take place no later than July. Meetings will be held to discuss options for employees to get lunch, but those options are limited. The HEAL funds must be spent down by the end of the year; there will most likely not be another extension. The parking garage vendor who is taking over the work is a MWBE vendor. NHCC will continue as best as it can with the other projects such as the eye center, VA, 5<sup>th</sup> floor renovation and IT projects. Mr. Payson noted the irony of the financial situation. We have the funding for capital projects that will make this a first rate facility and the State budget is taking away the operating funds to run the facility. We must be as efficient as possible in order to receive those funds or we will not get the support. Mr. Gianelli said that there may be areas of relief—contributions from the doctors, executive team and union. If that help is not forthcoming this institution will close.

10. **Report of the Legal and Audit Committee.** No report this month.
11. **Other Items.** Mr. Rowland reported that there is a Joint Commission requirement that the Board review Corporate policies. The initial policy included in the Board packet establishes how NHCC develops policies and procedures. The policy will be used as a how-to guide for the development of policies within the Corporation. There are three levels: Corporate-wide, Facility-wide (NUMC, AHPECF, CHCs and Correctional Unit) and Departmental. Corporate-wide policies will be presented to the Board for approval. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Policy/Procedure “Leadership – Policy and Procedure Development” as attached to these minutes. Resolution No. 054-2009.**

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

There were no comments from the public.

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

**Thirty-Day Emergency Plan.** Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved Mr. Gianelli’s request to proceed with the 30-day Emergency Plan along the lines contemplated in the presentation recognizing that Administration will come back to the Board in a special meeting to discuss the State budget status and at that point have a final conclusion of what needs to be done moving forward. **Resolution No. 055-2009.**

**Faculty Practice Plan.** Upon a motion made, duly seconded and unanimously adopted, the Board of Directors approved the Faculty Practice Plan Distribution at December 31, 2008. **Resolution No. 056-2009.**

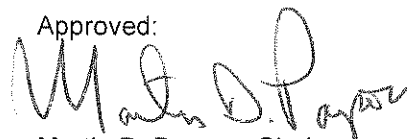
**Master Resolution.** Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations dated March 17, 2009, with no exceptions [Mr. Brickman noted for the record that a partner of his is a client of Ernst and Young], as set forth in the attached Master Resolution **M-057-2009.**

14. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 11:45 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

15. The next regularly scheduled meeting is April 27, 2009 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-057-2009

March 30, 2009

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 17, 2009 (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.

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NASSAU HEALTH CARE CORPORATION

FINANCE COMMITTEE

March 17, 2009

CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

\*Norman Sveilich, DO. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to enter into the contract with Norman Sveilich, DO, pending proper credentialing, to oversee the residency program for osteopathic orthopedic residents, assist in preparation for inspection of the program in cooperation with AOA, ensure that residents have all proper documentation for the training program, ensure that all schedules allow appropriate time for resident participation and counseling of residents with regard to progress and problems in an amount not to exceed \$30,000/year for three years for a total of \$90,000 for the period 11/1/08-10/31/11 (coterminous with the current affiliation agreement with Peninsula Hospital Center). Resolution No. 043-200

\*LIPIX. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to enter into a contract with LIPIX, a Regional Health Information Organization to provide HIPPA-protected patient specific data to assist in their care anywhere within a region and two voting seats on the Board of the corporation in an amount not to exceed \$10,000 subscription fee, \$90.00/bed or \$50,000 per year for the next three years for a total of \$160,000 for a four year period from 2/2009-2/2013. Resolution No. 044-2009.

\*My Innerview. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to enter into a contract with My Innerview, a resident/family benchmarking company, to measure quality in long term care at A. Holly Patterson, a service required by the Joint Commission for compliance and STAR program for Quality Care in an amount not to exceed \$10,400/year for a total of \$52,000 for a five-year term to include a 30-day out clause (04/01/09-03/31/14). Resolution No. 045-2009.

\*Allied Speech and Language Therapy. [renewal]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to amend the contract with Allied Speech and Language Therapy (Robert Domingo, PhD) to provide therapy for speech , language and swallowing disorders for an additional \$8,000 for the 2008 contract (original contract was in the amount of \$100,000 for a total of \$108,000) and to renew the current contract for two years at

\$110,000 per year for a total of \$220,000 (\$50 per therapy session and \$60 per evaluation) for the period 01/01/09-12/31/10 (total amount of contract \$328,000 for the period 01/01/07-12/31/10). Resolution No. 046-2009.

\*RSM McGladrey. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to renew a contract with RSM McGladrey, regulatory consultants, to update financial pro-forma developed for NHCC to reflect more recent performance and revised assumptions for operations under a FQHCLA FQHC model; calculate Medicaid reimbursement under the FQHC, complete a budget for the 1<sup>st</sup> year of operations as a FQHCLA, complete Table 4 of the FQHCLA application showing charges, adjustments and payments in an amount not to exceed \$25,000 for the period 03/10/09-03/10/10. Resolution No. 047-2009.

\*Dr. Safavi. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to extend the current contract with Dr. Safavi, a thoracic/cardio surgeon, to provide coverage when Dr. Barrett is off in an amount not to exceed \$1,000/day, six days a month for 12 months and may also cover for 32 vacation and personal days for a total of \$104,000 for the period 02/17/09-02/16/10. Resolution No. 048-2009.

\*Ernst & Young, LLP. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to extend the current contract with Ernst & Young LLP to provide Medicare DSH appeals for the year 2007 in an amount not to exceed \$55,000 per year plus expenses, total not to exceed \$60,000 for the period 12/01/08-11/30/09. Resolution No. 049-2009.

\*Cannon Design. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to amend a current contract with Cannon Design for additional services to provide revisions to the current project scope for redesign and re-documentation for the Emergency Department in an amount not to exceed \$843,141 (Mr. Rowland was instructed to try to negotiate a better price). Current contract term is 05/21/07-05/30/10, the additional services to commence on 03/09/09. Resolution No. 050-2009.

\*Long Island Medical Foundation (LIMF). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to enter into a contract with Long Island Medical Foundation (LIMF) to provide a temporary loan of \$200,000 from NHCC operating funds to LIMF for the 2009 year. The loan is to be repaid by 12/31/09 or when funds become available. Resolution No. 051-2009.



Informational.

Bruce Siegel, Hispanic Foodways; Peter Brown; Truman Medical Center Charitable Foundation; Marsha Regenstein; Dr. Francesca Gany; Gina Evans; Marcus H. Brown; The Charlotte Mecklenburg Hospital Authority; Hofstra University. Consultants/speakers for upcoming April 2009 IHD Conference. Separate contracts for each person/vendor \$1,200.00 each.

Rakkasan Chef. Executive Chef to address healthy eating panelists/speaker at April 2009 IHD Conference and creating menus for the hotel - \$1,500.00

Truman Medical Center. John W. Bludord to serve as panelist/speaker at April 2009 IHD Conference - \$4,000.00.

Feldesman, Tucker, Leifer & Fidell. Provide legal services and advice in connection with application for NHCC for FQHC status for its community health centers - \$325/hour, maximum amount \$49,999.

FT Solutions, LLC. Prepare and submit application on behalf of NHCC to establish community health centers as FQHC - \$35,000.00, not to exceed \$49,999.00.

David Swift Architects. Provide architectural services with respect to the AHP dialysis unit under previous contract-NYSDOH survey is now requiring NHCC to submit additional documentation to obtain waivers which mandates additional services to complete the CON process - \$1,680.00.

Holtz Rubenstein Reminick, CPA. Vendor will do investigation, through interviews, and do reports of certain orthopedic vendor activities at NHCC. This service is mandated by Compliance Officer at NHCC - \$45,000.00 plus expenses (10%) total \$49,500.00.

Nassau County Police Department. NHCC (Dr. Gardyn, Island Occupational) to provide occupational health services for employees at Nassau County Police Department, physical examinations as required by OSHA regulations, not to exceed \$200,000.00 per calendar year (County to pay NHCC) total for three years \$600,000.00.

Fisher Consulting (Board Resolution No. 161-2008) – term should read to expire 06/30/09 (not 03/31/09).

Nassau County Department of Health. NHCC (Dr. Gardyn, Island Occupational) provide occupational health services for employees at Nassau County Department of Health (OSHA standards) not to exceed \$7,000.00 per year (County to pay NHCC) 01/01/09-12/31/09.

Jeffrey Mosenson Foundation. Amending resolution to add funds for asbestos abatement work at the EMS Training Facility project. \$35,000.00 additional, Original contribution \$351,000. Total with addition \$386,000.00.

Reed Smith LLP. Legal counsel litigating Medicare Group appeal for SSI Medicare DSH (30% contingency based on amounts recouped from Medicare for the period 01/27/09 until completion.

Allscripts (formally A4 Health Systems Canopy Division). Canopy – renewal of software licensing and program to increase efficiency of case management and discharge planning. Yearly fee increased from \$104,100.00 to \$105,293.00 per year, 3 year total is \$315,879.00. Annual usage fees; start up fee: \$7,500.00; Clinical interface package, one time fee \$15,000.00. Total for this update: \$338,379.00. Contract has auto renewal clause effective. Date of each supplement, Original contract date effective 02/23/05. For this supplement effective date would be 01/31/09 for three year term.

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\*Requires approval of the Board of Directors

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