

MINUTES OF THE PUBLIC SESSION OF THE NASSAU HEALTH CARE CORPORATION BOARD OF DIRECTORS' MEETING HELD ON JUNE 22, 2009

Directors Present

Martin D. Payson, Chair
John M. Brickman, Esq.
Joseph Capobianco, Esq.
Lawrence E. Elovich, Esq.
Bradley L. Gerstman, Esq.
Rosemarie Guercia, MD
George W. Miner, MD, MBA
Frank J. Saracino, EdD

Not Present

Leonard A. Benedict, MD, MPH
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.
Barbara Ross-Lee, DO
John F. Ragano, Esq.

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
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 8:35 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the minutes of the April 27, 2009 Board of Directors meeting were unanimously approved. The minutes of the Executive Committees held on May 14 and June 3, 2009 were accepted.
3. **Report of the Chairman.** No report.
4. **Report of the President/CEO.** Mr. Gianelli reported that the financials do not reflect some of the funds that are expected to be received by the end of the year. The projected loss for the year is between \$8-10 million. Some things to improve that bottom line are being done.

The hospital did not get a visit from the Joint Commission and will probably not be visited for another two weeks given the July 4th holiday. The Joint Commission does have to make a visit between now and the end of August. The frustration with the survey, is that staff has not mastered the check list items. The quality of care is good; it is the process and procedure issues that the Joint Commission will be focusing on.

Two major initiatives occurred since last month. The transition to 8-hour shifts from 12-hour shifts for all inpatient nurses has started and has worked as well as expected. There are some issues in the Emergency Department and ICU that are high mobility areas. Dr. Walerstein is working on this issue to retain sufficient staff to fill vacancies and time off as they move forward with the five day/week schedules. Other hospitals that had the 12-hour, 3-day shifts included a 3rd or 4th week catch up, NHCC did not and the 12-shift was inefficient. Moving forward the schedule will be more efficient, vacancies can be identified, overtime covered with either agency, part-time or full time staff. Mr. Slatky and nursing administration are doing an excellent job in this restructuring effort.

Last Friday, the Employee Cafeteria closed to prepare for ED construction. On an interim basis, several areas were identified for employee breaks—the auditorium, area 26/27 on the ground floor and the coffee shop. An agreement was reached with Dover Coffee shop to expand during this interim period and administration is working on an RFP for a permanent solution for the employee cafeteria. Responses to an RFP for real estate development at East Meadow and Uniondale were received and administration has asked a few of the responders for their final offer on a feasibility phase and the actual master development

phase. The responses were received last Friday and will be evaluated and reported at the July meeting. The developer would partner with NHCC to develop 85 acres of property at East Meadow and Uniondale, but not necessarily do the construction. Local and national firms will be reviewed for the construction project.

There are two contracts in the Board packet this month related to health care services. One is with North Shore/LIJ to provide cardiology services to upgrade services provided at NUMC which will take time to establish. Additionally, there is a contract with Cogent to provide hospital medicine services at NUMC and to aggressively increase admission in the inpatient care units. Right now the Department of Medicine staff work six days a week and it should be seven days a week. Cogent is a 24/7 service and will bring a significant infrastructure to the hospital with patient management, quality improvement, follow up calls to community physicians and follow up care with the patient.

Ms. Lavas will present a patient satisfaction report in Executive Session (requested by Ms. Hanson). Patient satisfaction is now made public and NHCC scores are not as good as our competitors. NHCC has a challenging patient population and workforce. Mr. Gianelli asked Ms. Lavas to focus on behavior.

James Senterfitt was appointed Vice President for Outpatient Services, Network Development and Managed Care. Mr. Senterfitt has significant background in managed practices and has already elevated the department, leading the entire reform program for ambulatory care. We are on target for the opening of the Roosevelt Community Health Center in October and should receive approval by the Department of Health for the LI Federally Qualified Health Center status in August. When that is approved by the DOH, NHCC will submit the application to the Federal Government and that should be approved in about nine months. The Board of Directors of the FQHC will be on board in a cooperative fashion with the NHCC Board of Directors governing the operation of the health centers. A meeting with the potential community applicants for the LIFQHC will be scheduled. In addition, NHCC is undertaking significant steps to improve management of NHCC's HealthFirst population for a more robust managed care strategy. NHCC is also involved with Triple Aim (Institute for Health Initiatives) to focus on health population and experiences of care. NHCC has a long way to go to fit in their league in best practices and improved services. NHCC is in the final stages of identifying an architect for the ambulatory pavilion to be built on the parking lot site on Carmen Avenue. Triple Aim will help with the six "Ps": people, process, program, practice, performance and place. All of those must be in place prior to the completion of construction of the building. A function in practice must be in place as opposed to the traditional clinics and is the only way our physicians will be able to grow volume and create a practice environment for physicians to administer care. In 2008, the Health Centers lost over \$5 million on \$18 million in revenue on top of the subsidies received and despite volume growth. In 2009, we are improving physician productivity, collecting at the front end, seeking FQHC status for the centers and additional sites.

Mr. Gianelli attended a cultivation event last week and met with prominent people from the community to begin an educational process about NHCC. It is not intended to solicit funds, but rather lay the ground work for robust gift giving.

Mr. Payson asked how many members are on the FQHC Board. Mr. Gianelli said that there are five members who receive care from the centers and four members from the community. NHCC has identified four members from the community; the others cannot be appointed until the State approves FQHC status. Mr. Payson noted that the ambulatory pavilion is not part of the development plan and asked the approximate cost of construction. Mr. Gianelli said that it would be approximately \$10-15 million and the sources of funding would be a low interest financial primary development corporation loan and new market tax credits for zip

codes within a qualified zone. It would require investment on NHCC's part through Tobacco funds.

5. **Report of the Medical Professional Affairs Committee and Medical Director.**

Dr. Walerstein said that there were 272 potential cases of Swine Flu reported in the Emergency Department and on the floors. Of those 272, only 8 patients tested positive. There is a patient on child psychiatry with an upper respiratory condition that presented three days ago. As recommended by the NYS DOH and Nassau County DOH, the individual has been isolated in the pediatric unit. In order to protect the rest of the floor, the floor has been closed to new admissions as well as visitors. The specific test was collected on Friday and sent to Albany and the results should be back soon. Dr. Miner asked if any staff are ill in that particular unit and the answer was no.

Medical and Professional Affairs Committee Resolution. Mr. Bullock reported that a resolution delegating Board authority to the Medical and Professional Affairs Committee to perform all credentialing is included in the Board packet for approval. In the past, the MPAC made recommendations to the Board for approval. This has proved to be impractical due to obtaining quorums from time to time and causes the risk of not approving credentialing on time. Any issues regarding credentialing of particular individuals will come to the Board. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved a resolution authorizing the Medical and Professional Affairs Committee to take actions and to have and exercise all of the authority of the Board of Directors solely with respect to Appointment and Privilege Activities, except as limited by applicable Federal or New York State Law, any provision of the By-Laws or any resolution of the Board of Directors (resolution attached to these minutes). Resolution No. 098-2009.**

6. **Report of the Finance Committee.** Mr. Elovich, Chair of the committee, reported that the committee met on May 14, 2009 and June 17, 2009 and reviewed a number of contracts and a list of the contracts recommended for approval are included in the Board packet. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations dated May 14, 2009 with no exceptions, as set forth in the attached Master Resolution M-099-2009.**

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations dated June 17, 2009 with one exception (Mr. Martello recused himself from voting on the Jzanus contract, Resolution No.), as set forth in the attached Master Resolution M-100-2009.

Faculty Practice Plan. Mr. Bie presented the first quarter faculty practice plan. Mr. Bie noted that the AUC monies awarded to the chairs are for teaching the AUC students (program commenced in September 2008). The overall distribution is \$2.5 million and was reviewed by Arthur Gianelli, Steven Walerstein and Gary Bie. Mr. Brickman asked if executive salaries are not required to be approved by the Board, why is the Board required to approve quarterly practice plan distributions. Mr. Bie said that historically, the distributions have been brought to the Board; an argument was made to delegate approval to the CEO. Mr. Payson said that unless there is a statute created by the Public Benefit Corporation, he would support this change. Mr. Bullock said that he is not aware of a statute and would review the issue and bring a resolution requesting this change to the July Board meeting. **Upon a motion made, duly seconded and unanimously adopted, the Board of Directors approved the Faculty Practice Plan Distribution at March 31, 2009. Resolution No. 101-2009.**

Finance Report. Mr. Bie reported on the April NHCC Internal Financial Statements with Explanatory Memorandum dated May 14, 2009, the May 2009 NHCC Internal Financial Statements, Minutes of the Audit and Legal Committee dated June 15, 2009, the 2008 NHCC Financial Statement Audit Results and Communications, the Draft 2008 NHCC Audited Financial Statements, and the 2008 NHCF Annual Audit Presentation with Draft Audited Financial Statements.

Year-to-date on a consolidated basis, the Corporation lost \$13.1 million for the first five months. On an annual run rate and a do nothing scenario, the Corporation is projected to lose \$26 million. Mr. Bie referred to his memo of May 14, 2009. The cost of issuance for refunding \$246 million of NHCC's outstanding variable rate bonds (completed in April) cost \$1.2 million. By converting to four bank letters of credit and replacing Dexia, NHCC's interest was reduced 10 basis points or 3-4%, saving the Corporation \$5-6 million/year. The New York State Budget cuts, effective April 1, 2009, have a \$1.1 million negative impact each month. The 2007 and 2009 reconciliation and rebased IGT payments totaling \$15.3 million will be received in the third and fourth quarter of 2009 and will be recorded as revenue when received. The \$9 million, 30-day plan went into effect on June 1, 2009 and on June 7th, the change in nursing scheduling from 12-hour shifts to 8-hour shifts went into effect. By January 2010, the projected loss for NHCC is \$10 million, CHC \$3.5 million and a surplus of \$5-6 million at the nursing home for a budgeted loss of \$8.6 million. Mr. Payson noted that when you look at cash and revenue on the financial statements, NHCC received almost \$10 million, cash for capital asset acquisition does not flow through the financial statements and in a way, the accounting slightly exaggerates losses. Capital construction is below the line and depreciation is above the line.

Mr. Bie said that at 5/31/09 unrestricted cash was at \$14.7 million which is relatively strong compared to \$0-10 million, but still only represents two weeks of cash on hand for an institution with a \$500 million operational expense. A Public Safety Net hospital will never be cash rich, but has to manage close to break even. Depreciation is roughly \$18 million at the Corporation and shows up as part of our loss. Under assets and usage limited, current and long term, there is \$56 million in current and \$49 million in long term. \$35 million is in the captive for malpractice, \$10 million is set aside for a pension payment on 12/15/09 (total \$20 million) and the remainder is set aside for capital such as the construction for the AHP replacement project (\$10-12 million) and other projects. Mr. Gianelli asked the status of the Nassau County Department of Social Services and efforts to approve Medicaid applications expeditiously. Mr. Bie said that there are roughly \$16 million worth of backed up billing and as of May 31st almost \$5 million has been recuperated due to the excellent job that John Sherman and Tamara Turano are doing. Nassau County understands the need to work cooperatively with NHCC regarding Medicaid application approvals.

7. Report of the Ambulatory Care Committee. Dr. Guercia, Chair of the committee, reported that the committee met on June 9, 2009. James Senterfitt introduced himself as the Vice President for Outpatient Services, Network Development and Managed Care and spoke about his vision for ambulatory care. There are two openings in Freeport for Medical Assistants and twenty applications, training is lengthy and an ongoing process. Staff assures close supervision and continuing evaluation during the probationary period, results have been positive. Patient education is still a concern as far as transitioning. There is more room needed for electronic medical records and PCAP and counseling and it will have to be carefully monitored. The decrease in physicians has not yet been completed; there is no significant change in waiting time for appointments. Dental services were also discussed. There are only two centers with equipment and only one dentist assigned. Mr. Payson asked what the plans for dental are. Mr. Gianelli said that under the billing restrictions, there is significant liability. With the transition to FQHC, payments would wrap around dentistry by mid-year, next year. Mr. Payson asked for a 30-60-90 day report to the committee and

Board regarding dentistry. Dr. Guercia said that it was her understanding that it is NYS hospital financial law that requires health care systems to provide all services offered at their locations to serve everyone's needs including dental. Mr. Gianelli said that he does not disagree.

8. **Report of the Extended Care Committee.** Mr. Saracino, Chair of the committee, reported that the committee did not meet this month. Mr. Saracino recently took a walk through the building and it appears spotless, residents are happy, and employees are happy. Finances continue to contribute positively to the bottom line. Mr. Saracino publicly thanked Mr. Slatky and his staff.

Mr. Payson noted that A. Holly Patterson received a 5-star rating by the Centers for Medicare and Medicaid Nursing Homes Listing. Mr. Gianelli reported that A. Holly Patterson received a top rating of five out of five stars in overall and quality measures and four out of five stars in health inspections and staffing. This is a significant accomplishment.

9. **Report of the Facilities Committee.** Mr. Gerstman, Chair of the committee, reported that the committee met on June 12, 2009 and the summary is included in the Board packet. The committee discussed the ED/Radiology/Emergency Psychiatry project. Construction documents should be published by the third week in July. Impact and arrangements made regarding the closure of the employee cafeteria were discussed. Over 26 capital projects are currently being coordinated by the Planning Department for completion throughout the year. New York State building code requires a designated code compliance officer and coordinator. Ross Fraser, Director of Planning, is presently completing 120 hours worth of required course work to be certified as a code compliance officer by the end of the year.

10. **Report of the Legal and Audit Committee.** Mr. Brickman, Chair of the committee, reported that the committee met on June 15, 2009 to receive the Ernst & Young audit report for 2008. A copy of the minutes was distributed to the Board members. The audits are also included in the financial packet distributed with the Board packet. The auditors had a clean opinion and were satisfied with each of the various test data conducted. Internal controls are adequate and there is no threat of a "going concern" that NHCC had in 2007. A quorum of the committee was not met, so Mr. Brickman requested Board acceptance of the report. **Upon a motion made, duly seconded and unanimously approved, the Board received the report Nassau Health Care Corporation and Subsidiaries 2008 Financial Statement Audit Results and Communications – Report to the Audit Committee of the Board of Directors, dated June 15, 2009. Resolution No. 102-2009.**

Nassau Health Care Foundation Inc. Mr. Bie noted that the Legal and Audit Committee also received a copy of the Nassau Health Care Foundation, Inc. audit report. The Board of Directors of the Nassau Health Care Foundation, Inc. had a brief meeting on June 22, 2009 to receive the report. **Upon a motion made, duly seconded and unanimously approved, the Nassau Health Care Foundation, Inc. Board of Directors received the Nassau Health Care Foundation, Inc. Annual Audit Presentation (for the audit year December 31, 2008) as distributed. Resolution No. 103-2009.**

11. **Other Business.** Mr. Bullock presented certain Corporate Policies and Procedures for Board approval. Mr. Rowland noted that there are a series of policies that are being prepared for Joint Commission requirements. He noted that one change was made to the Policy on Policy, stating that Chairs of the various departments will sign off on their individual departmental policies and procedures. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted resolution approving the following Corporate Polices and Procedures: Policy and Procedure Development, Policy LD-020 – Revised (Resolution No. 054-2009); Conflict Resolution, Policy LD-036; Public Affairs & Marketing, Policy LD-260; Managerial Contract Staff, Policy HR-**

500; Universal Protocol, Policy NPSG-010; Recall Policy, Policy EC-1.10.8; Cleaning of Medical Equipment, Policy EC-280; Interim Life Safety Measures, Policy LS-020; Smoke-Free Environment, Policy EC-030; Emergency Management Operations Plan, Policy EM-010; Wall Penetration, Policy EC-260; Escalation through the Chain of Command: Communication and Reporting of Clinical and/or Administrative Issues, Policy LD-111. Resolution No. 104-2009.

Mr. Bullock presented a resolution to formally elect on an annual basis, the Officers of the Corporation, and formally create the position of Senior Vice President for Extended Care which did not previously exist in 1999 and is required by statute. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the resolution to create the position of Senior Vice President for Extended Care and elect the following individuals to serve in their designated office for a one-year term until the 2010 Annual Meeting as follows: Arthur A. Gianelli, Chief Executive Officer; Gary E. Bie, Chief Financial Officer/Treasurer; Steven J. Walerstein, Senior Vice President for Medical Affairs; Paul Rowland, Chief Operating Officer, Larry I. Slatky, Senior Vice President for Extended Care; Reginald Bullock, Jr., Senior Vice President for Legal Affairs and Joan Soffel, Secretary (resolution attached to these minutes). Resolution No. 105-2009.**

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:

Executive Committee Meeting of the Board of Directors held on May 14, 2009. The following resolutions were approved:

Upon a motion made, duly seconded and unanimously approved, the Executive Committee 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 May 5, 2009. Resolution No. 072-2009.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved an extension to the contract with Public Financial Management to provide financial advisory services with respect to Series 2009B, C and D bond financing negotiation process for an additional \$40,000/year, no fee cap. Original contract was for one year at \$40,000 and contained a fee cap (\$200,000 for five years). The fees will be based on a fee schedule in an amount not to exceed (with the \$40,000 addition) \$240,000 for the period 08/01/08-07/31/13. Resolution No. 073-2009.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved an extension to the contract with Greencastle Associates Consulting to provide consulting services and assist in the implementation of the new software installation (TeleTracking) with preexisting Admission and Discharge process redesign. Vendor will ensure true project management rigor is applied to 10 workgroups (Bed Management process control tower model). Cohort sub-process, stakeholder roles and responsibilities, patient touch points, patient hospital departure sub process, patient transport, staffing to meet A/D demand, ancillary department schedule policy and procedures, patient flow coordination group and compliance rounding program for an additional \$96,500 (current contract amount is \$137,000 plus

10% for expenses) to a total of \$233,000 plus 10% expenses for the period 02/01/09-06/29/09. Resolution No. 074-2009.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved the contract with Spencer Management Ltd. (Dr. Mark Raifman) to lease office space at 101 S. Bergen Place, Freeport, New York to NHCC Medical Faculty Practice Plan, PC at \$28.00 per square foot (\$98,000/year) plus approximately \$11,000.00 1st year for operating expenses; subject to adjustment based on actual costs for next two years. The total for three years is \$360,600.00 plus actual costs of operating expenses for the period 06/01/09-05/31/12 with option for two additional 3-year extensions. Resolution No. 075-2009.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved an extension to the contract with David Swift Architects, LLC to provide architectural services regarding the A. Holly Patterson Dialysis Units at the current contract amount of \$49,000.00 (current term to expire 10/31/08) for the extended period of 12/31/08 (due to services not completed by 10/31/08). Resolution No. 076-2009.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved a contract with Modern Medical Systems to provide on-site technical consultant to develop repair and maintenance strategies to reduce our service costs on high end equipment (mostly lab and radiology). A proprietary software package is used to fully document and report all service events and to identify those devices with abnormal failure rates. The data complies with all hospital regulatory agencies such as The Joint Commission and AAMI. A shared savings feature returns 80% of unused funds budgeted for corrective repair expenses in an amount not to exceed \$76,250/month or \$915,000/year for a two year total of \$1,830,000 for the period 07/01/09-06/30/11. Resolution No. 077-2009.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved a contract with Lund International to provide project management, installation, customization, testing, debugging, maintenance, documentation, training and user support for various financial and clinical capital projects, including but not limited to Lawson, SIS, ED and ADT in an amount not to exceed \$79.00 to \$135.00 per hour for a total of \$5,582,933.00 for a five year term 06/01/09-05/31/14. Resolution No. 078-2009.

Executive Committee Meeting of the Board of Directors held on June 3, 2009. The following resolutions were approved.

Upon a motion made, seconded and unanimously approved, the Executive Committee approved the Resolution of the Nassau County Health Care Corporation of its Intent to Declare itself "Lead Agency" for SEQRA Purposes in the Adoption of a Campus Land Use Plan and the Redevelopment of Approximately 35 Acres of the 50 Acre Nassau University Medical Center Campus Consistent with the Campus Land Use Plan. (As attached). Resolution No. 079-2009.

14. Adjournment

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 9:57 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 July 20, 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-099-2009

June 22, 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 May 14, 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.

NASSAU HEALTH CARE CORPORATION
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-100-2009

June 22, 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 June 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.

NASSAU HEALTH CARE CORPORATION
FINANCE COMMITTEE/EXECUTIVE COMMITTEE

May 14, 2009

CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*Public Financial Management. [Amendment, Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval to extend the contract with Public Financial Management to provide financial advisory services with respect to Series 2009B, C and D bond financing negotiation process for an additional \$40,000/year, no fee cap. Original contract was for one year at \$40,000 and contained a fee cap (\$200,000 for five years). The fees will be based on a fee schedule in an amount not to exceed (with the \$40,000 addition) \$240,000 for the period 08/01/08-07/31/13. Resolution No. 073-2009.

*Greencastle Associates Consulting. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval to extend the contract with Greencastle Associates Consulting to provide consulting services and assist in the implementation of the new software installation (TeleTracking) with preexisting Admission and Discharge process redesign. Vendor will ensure true project management rigor is applied to 10 workgroups (Bed Management process control tower model). Cohort sub-process, stakeholder roles and responsibilities, patient touch points, patient hospital departure sub process, patient transport, staffing to meet A/D demand, ancillary department schedule policy and procedures, patient flow coordination group and compliance rounding program for an additional \$96,500 (current contract amount is \$137,000 plus 10% for expenses) to a total of \$233,000 plus 10% expenses for the period 02/01/09-06/29/09. Resolution No. 074-2009.

*Spencer Management, LLC. [Revised - multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval to enter into a contract with Spencer Management Ltd. (Dr. Mark Raifman) to lease office space at 101 S. Bergen Place, Freeport, New York to NHCC Medical Faculty Practice Plan, PC at \$28.00 per square foot (\$98,000/year) plus approximately \$11,000.00 1st year for operating expenses; subject to adjustment based on actual costs for next two years. The total for three years is \$360,600.00 plus actual costs of operating expenses for the period 06/01/09-05/31/12 with option for two additional 3-year extensions. Resolution No. 075-2009.

*David Swift Architects, LLC. [Extension, multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval to extend the contract with David Swift Architects, LLC to provide architectural services regarding the A. Holly Patterson Dialysis Units at the current contract amount of \$49,000.00 (current term to expire 10/31/08) for the extended period of 12/31/08 (due to services not completed by 10/31/08). Resolution No. 076-2009.

*Modern Medical Systems. [Multi-year contract, contract exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval to enter into a contract with Modern Medical Systems to provide on-site technical consultant to develop repair and maintenance strategies to reduce our service costs on high end equipment (mostly lab and radiology). A proprietary software package is used to fully document and report all service events and to identify those devices with abnormal failure rates. The data complies with all hospital regulatory agencies such as The Joint Commission and AAMI. A shared savings feature returns 80% of unused funds budgeted for corrective repair expenses in an amount not to exceed \$76,250/month or \$915,000/year for a two year total of \$1,830,000 for the period 07/01/09-06/30/11. Resolution No. 077-2009.

*Lund International. [Multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval to enter into a contract with Lund International to provide project management, installation, customization, testing, debugging, maintenance, documentation, training and user support for various financial and clinical capital projects, including but not limited to Lawson, SIS, ED and ADT in an amount not to exceed \$79.00 to \$135.00 per hour for a total of \$5,582,933.00 for a five year term 06/01/09-05/31/14. Resolution No. 078-2009.

Informational.

The Advisory Council. Provides strategic services designed to cost-effectively advise on IT issues. Their model is a just-in-time virtual network that provides for enterprise-wide accessibility. Research and advice provided to the organization uniquely reflects the IT operations and infrastructure as well as the market place in which the client is operating for an amount not to exceed \$14,250 flat fee subscription service for the period 04/01/09-03/31/10.

Barry Mason-Photographer. Provide photography services with respect to the IHD conference held in April in an amount not to exceed \$3,400 for the period 04/16/09-04/18/09.

Grace Baptist Church. Provide clergy prospective on health care disparities at IHD conference held in April in an amount not to exceed \$1,200 for the period 04/16/09-04/18/09.

Your Car Service. Provide transportation for speakers and consultants to and from the conference in an amount not to exceed \$2,222.00 (original contract amount approved was \$1,800.00), amount needs to be increased, for the period 04/16/09-04/18/09.

Nassau County Fire Marshalls. NHCC to provide Occupational Health Services to the NC Fire Marshall employees. Nassau County to pay NHCC an amount not to exceed \$67,275/annually for the period 01/01/2009-12/31/12 (extend contract to expire on 2012).

Nassau County Department of Public Works. NHCC to provide Occupational Health Services to the NC Dept. of Public Works employees. Nassau County to pay NHCC an amount not to exceed \$210,000 annually for the period 01/01/06-12/31/10. Amendment to current contract to add new pricing schedule and to increase total contract payment to \$210,000 annually, prior contract payment was \$85,000 annually.

Island Occupational Medical. [Amendment to current contract]. Current physician at NUMC, Dr. Janet Beccaro, will become part of Island Occupational Medical staff leasing agreement. Salary will be paid by Island Occupational in an amount of \$137,693 per year plus overtime for the period 04/01/08-03/31/09 initial term, automatic renewal of one year terms upon mutual written agreement.

*Requires approval of the Board of Directors

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

NASSAU HEALTH CARE CORPORATION
FINANCE COMMITTEE
June 17, 2009
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*Pacific Interpreters. [multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to the contract with Pacific Interpreters to provide language interpreting services required by the Office of Civil Rights, The Joint Commission and New York State Department of Health, until such time as the Corporation hires four new part time interpreters, in an additional amount not to exceed \$700,000 (original contract was \$240,000 for three years) for a total amount of \$940,000 for the period 01/01/07-12/31/10. Resolution No. 080-2009.

*Lund International. [multi-year, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with Lund International to provide programming services for the Lawson System applications maintenance and upgrade in an additional amount not to exceed \$253,000 and to extend the contract until 05/31/09 when a new contract becomes effective, for a total of \$630,200 (original contract amount was \$377,200 for the term 06/01/07-05/31/08). Resolution No. 081-2009.

*Corinne Kyriacou. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Corinne Kyriacou to provide grant writing and grant consulting services for the Institute for Health Care Disparities in an amount not to exceed \$15,000 at the rate of \$100/per hour for the period 04/01/08-08/30/09. Resolution No. 082-2009.

*North Shore-LIJ/Schneider's Childrens' Hospital. [multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with North Shore-LIJ/Schneider's Childrens' Hospital to provide the services of a physician, Michael Frogel, to serve as Department of Pediatrics Chair at Nassau Health Care Corporation, in an amount not to exceed 1st year - \$381,334; 2nd year - \$382,216; 3rd year - \$383,123 plus incentive of \$25,000 per year if exceeding previous RVU's for a total of three years, \$1,146,673 for the period 07/01/09-07/10/12. Resolution No. 083-2009.

*Allscripts Misys Health Care Solutions, Inc. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment of the contract with Allscripts Misys Healthcare

Solutions, Inc. to provide additional forms that need to be completed in order to arrange necessary services for patients being discharged in an additional amount not to exceed \$1,000 per page for a total of \$3,000 for these additional documents (current contract is \$338,379 for three years for a total with addition of \$341,379) for the period 01/31/09-01/30/12. (HEAL II grant, IT project). Resolution No. 084-2009.

*QA Systems, Inc. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with QA Systems, Inc. to provide software to track the progress of claims against the Corporation and to set and monitor reserves on each case, monitor expenses, report directly to Cayman Island Captive, and provide a venue for trend analysis in an additional amount of \$27,000 for the extension (current contract is \$64,764 for a total of \$91,764) for the period 02/04/06-02/03/10 (current contract term 02/04/06-02/03/09). Resolution No. 085-2009.

*Saratoga Associates. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to amend and extend a contract for Saratoga Associates to provide architectural services with respect to the design of fire suppression plan for the Q and R buildings, for no additional amount (original contract \$45,950) but for the term to be extended to 06/30/09 (Contract work was not completed within the time frame of original contract expired on 12/31/07). Resolution No. 086-2009.

*Saratoga Associates. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment and extension of the contract with Saratoga Associates to provide architectural services, including a design to assess water infiltration of the DCB for no additional amount (original contract was \$104,500) but for the period to be extended to 06/30/09 (contract work was not completed within the time frame of original contract that expired 12/31/07). Resolution No. 087-2009.

*Public Health Institute-C/Net Solutions. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to a current contract with Public Health Institute-C/Net Solutions to provide software renewal and update of the tumor registry data system in the amount of Years 08-09 - \$9,900; Years 09-10 - \$10,500; Years 10-11 - \$10,500 for a total of \$30,900 for the period 09/30/08-09/30/11. Resolution No. 088-2009.

*Jzanus, Ltd. [multi-year contract]. Upon a motion made, seconded and unanimously approved (with the exception of Greg-Patric Martello who recused himself), the Finance Committee recommends Board approval to extend the contract with Jzanus, Ltd. to provide Medicare reimbursement appeal consulting services and to identify instances of under payment by Medicare for cases that were incorrectly underpaid for the years 01/01/08-12/31/09 in an amount not to exceed a 20%

contingency of amount recovered or approximately \$60,000 per year (prior year was \$95,000) for the extended period 11/30/08-12/31/09. Resolution No. 089-2009.

*Sunquest Information Systems (formerly Misys Hospital Systems, Inc). [amendment to current contract, multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval to amend the contract with Sunquest Information systems to provide software for laboratory information systems. This is an additional physician interface added to original software in an amount not to exceed an \$835.00 maintenance fee per year (current contract amount is \$501,445 for a 7-year term which expires 03/28/10). Resolution No. 090-2009.

*Community Science, Inc. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Community Science, Inc. to partner with Nassau Health Care Corporation in a grant for the Nassau County “No Wrong Door Family Support System of Care”. The vendor will develop and execute the evaluation portion of the proposal to measure the outcome and utility of the project. The goal of the project is to establish the Nassau County No Wrong Door Family Support system of care (NWD-FSS) an empowerment based, family-driven, youth-guided, cultural and linguistically competent, holistic approach to serving children and youth with serious emotional disturbances in an amount not to exceed \$185,000 (monies from a grant through Nassau County Department of Mental Health, Chemical Dependency and DSS – SAMHSA award) for the period 10/01/08-09/30/09. Resolution No. 091-2009.

*Dover Gourmet Corp. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to the contract with Dover Gourmet Corp. to provide and operate a restaurant and gift shop located in the main lobby. Due to cafeteria closing at NHCC, Dover will need additional space to build out (subject to approval by NHCC) a new gift shop and convert the existing gift shop space to additional café seating including a three year extension of the current contract. The vendor will pay for renovations and also provide NHCC employees with a 10% discount on purchases. NHCC will provide Point of Sale Machines and train vendor how to use machines. Currently NHCC receives 12% commission of all sales of vendor. The current term is 11/01/01-10/31/16 to be extended to 10/31/19. Resolution No. 092-2009.

*Garden City Hotel. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with the Garden City Hotel to provide Institute for Healthcare Disparities hotel rooms for guest speakers at a conference and conference services manager and scheduling of events for IHD in an amount not to exceed \$85,000 for the period 04/16/09-04/18/09. Resolution No. 093-2009.

*Hyperbaric Medical Technologies. [multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Hyperbaric Medical Technologies to provide comprehensive management and operation services for NHCC's hyperbaric oxygen therapy facility; and to provide technicians and other non-physician and non-podiatrist personnel necessary to perform hyperbaric oxygen therapy on a timely basis for all patients referred to the facility for such services. Vendor will provide clerical and support staff to perform the day-to-day administration, reception, scheduling medical records, public relations billing support and coordination in an amount not to exceed \$281 per treatment, including Emergency/After Hours treatment at \$376.25 per treatment, for a three-year term project amount not to exceed \$1.5 million for the period 07/01/09-06/30/12. (This is a one year contract with two, one-year extension options). Resolution No. 094-2009.

*Cogent. [amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Cogent to provide a Physician Medical Director and Administrative Director for NHCC's hospitalist program, providing back office functions for measuring quality, productivity, patient satisfaction, LOS and conducting management and variable cost controls, and program management, billing and support in an amount not to exceed \$400,000 for the period 07/01/09-12/31/10 (it was noted that Administration will come back to the Board for approval of a phase II contract). Resolution No. 095-2009.

*German & Co. [amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to the contract with Germain & Co. to provide consulting services in implementing opportunities identified by the ongoing GMC benchmarking process, increasing services to cover a redesign of ambulatory care and operational changes in internal medicine clinical operations as well as development of various plans in conjunction with Cogent for an additional \$118,600 plus 20-22% in expenses or \$144,692 (current contract is \$502,507 per year, total with addition is \$647,199 including expenses per year) for the period 01/01/09-12/31/09. Resolution No. 096-2009.

*North Shore LIJ Health System. [multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with North Shore LIJ Health System to provide clinicians which include Division Chief, three Physicians and PA to provide services in the Department of Cardiology, including but not limited to, inpatient medical consults, CCU clinical rounds, telemetry clinical rounds, EKG and Holter test; outpatient clinical coverage invasive diagnostic catheter and TEE services, echo-cardiogram test, stress tests, cardio on-call coverage in an amount not to exceed \$1,252,488 in the first year, \$1,272,101 in the second year and \$1,283,127 in the third year for a total of \$3,806,650 (not including potential bonus) for the three-year period 07/01/09-06/30/12. Resolution No. 097-2009.

Informational.

T-Systems Inc. to provide nursing documentation paper system for emergency room departments in an amount not to exceed \$48,000 (\$4,000/month) for the period 05/01/09-4/30/10.

The Joint Commission to provide expert panelist at IHD Conference in an amount not to exceed \$1,200 for the period 04/16/09-04/18/09.

Mount Sinai Hospital to provide panelist at IHD Conference in an amount not to exceed \$600 for the period 04/16/09-04/18/09.

Laura Josephson to provide panelist at IHD Conference, specialist of health care disparity in an amount not to exceed \$600 for the period 04/16/09-04/18/09.

Xuemin Ren, PhD (DABMP) an independent board certified physicist who will audit, prepare and deliver a report which contains assessment of effectiveness of the Quality Assurance program and make recommendations for any needed modifications-NYS mandated in an amount not to exceed \$1,500 for the period 06/01/09-07/30/09.

Joseph Cirrone to provide external audit services of the radiation therapy program required by the NY State Department of Health Bureau of Radiation protection in preparation for certification by the American College of Radiology (this service is for radiation oncologist only) in an amount not to exceed \$1,500 for the period 06/01/09-07/30/09.

Institute for Healthcare Improvement to provide initiative "Prototyping the Triple Aim Phase III" geared to improving healthcare and identifying vital measurement strategies while compiling successful models and approaches in an amount not to exceed \$18,000 for the period 03/01/09-02/28/10.

HRI (Heath Research Inc.) to provide clinical services to women over 50 years of age for breast and cervical screening and follow up receiving an additional \$53,990. Total of contract is now \$189,550, NYSDOH grant reimbursement with federal dollars for the period 04/01/09-0629/09.

Weight Watchers for a space utilization agreement, vendor will be on site as a "courtesy" to employees at NHCC. Employees will attend meetings during their own time and all monies are paid direct to Weight Watchers for the period 06/09-open ended.

*Requires approval of the Board of Directors

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