

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING
HELD ON NOVEMBER 23, 2009

Directors Present

*Martin D. Payson, Chair
Stephen A. Antaki, CPA
Stephen A. Ashinoff, OD
Leonard A. Benedict, MD, MPH
Joseph Capobianco, Esq.
*Lawrence E. Elovich, Esq.
Bradley L. Gerstman, Esq.
*Rosemarie Guercia, MD
Jemma Marie-Hanson, RN
*George W. Miner, MD, MBA
Asif M. Rehman, MD
*Frank J. Saracino, EdD

Non-Voting Directors Present

Arthur A. Gianelli, President/CEO

Hospital Administration

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

Not Present

Greg-Patric Martello, Esq.
*John F. Ragano, Esq.

*Executive Committee Members

1. Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum of the Executive Committee. The meeting was opened at 9:05 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the minutes of the September 21, 2009 Board of Directors meeting and October 28, 2009 Executive Committee were unanimously approved.
3. **Report of the Chairman.** Mr. Payson introduced two new Board members: Stephen A. Antaki, CPA and Stephen A. Ashinoff, OD. Mr. John Ragano has indicated that he will be retiring from the Board for personal reasons, and spending time in Florida.

Regarding the Committee appointment list, Mr. Payson noted that the Turan Litigation Ad Hoc Committee could be removed. Mr. Payson appointed Dr. Asif Rehman to the Medical and Professional Affairs Committee. Mr. Payson will also be speaking with Board members regarding other appointments, including two more for the Facilities Committee after speaking with Brad Gerstman. Anyone interested in being appointed to a particular meeting may speak with Mr. Payson (or if they would like to be removed from a Committee). Mr. Gianelli suggested that the Board consider expanding the function of the Ambulatory Care Committee to include the clinics at the hospital as well. Dr. Guercia felt that this was an excellent suggestion. Mr. Bullock will update the Bylaws to reflect that change.

Board of Directors Bylaws. Mr. Bullock reported that an amended and restated set of Bylaws were included in the Board packet for the members' review for consideration and asked the Board for a motion to adopt and table the bylaws for the next meeting for final vote. **Upon a motion made, duly seconded and unanimously approved, the Board recommended approval of the NHCC Board of Directors Bylaws and to table a final vote at the next regularly scheduled Board meeting in January 2010.** Resolution No. T-165-2009. Mr. Payson noted that if any Board members had questions regarding the bylaws, they can contact Mr. Bullock or Mr. Payson.

4. **Report of the President/CEO.** Mr. Gianelli reported on the 2009-2010 anticipated performance of the Corporation, discussions with the Department of Health and financial

benefits to the Corporation, where we stand on the nurse staffing initiative and any impacts that may have occurred. Mr. Gianelli will also be discussing patient satisfaction, where NHCC stands with State and Federal policy debates on budgets and health reform. Over the years the Corporation has been trending 1-2% loss in operation that has been sustainable for the Corporation. NHCC has been receiving a significant amount of capital through HEAL New York and Tobacco proceeds for a total of \$92 million for 2008/2009. All of that is recognized below the line as capital for the modernization program. Current financial statements show a surplus for the month and year. Unless there are extraordinary measures taken in the NYS Budget, NHCC is anticipating a small surplus for the year. The State could make significant changes to Medicaid reimbursement between now and the end of the year, for example, that could affect our bottom line. 2009 has been one of the best years since the inception of Corporation. Without supplemental Federal and state payments such as the Disproportionate Share, all public hospitals would all lose money. DSH payments were first authorized by the Federal Government in 1981. They are used to offset losses by eligible hospitals delivering care to Medicaid and uninsured patients. Historically, public hospitals did not receive the full allotment of those payments as state governments would retain some of those payments to offset gaps in the state budget. The CMS said that NYS and other states cannot use DSH funds for other purposes, they have to give health care providers 100% of the funds. The County funds its half (recognized as capital expense) with Tobacco funds and the Federal Government funds the other half (recognized for operations). Because tobacco funds are capital dollars it cannot be used towards operations and must be reported below the line. In 2010 the County will not have tobacco security proceeds to use to fund the DSH program. NHCC is working with NAPH (National Association of Public Hospitals) to identify a solution under Federal law that would permit NHCC to act as the source of IGT funds used to leverage the Federal DSH payments. If NHCC can be a source of IGT payments in 2010, that's the way we will handle it. In 2009 NYS worked with us to identify the new model for the payment of Medicaid payments. The rates for the old model were based on hospital costs from the years when we were a county hospital. The new model makes the base years more current and increases the amount of money received and accelerates receipt of the money. GASB 33 recognizes these funds when they are in the door. The Projected 2010 budget did not focus on increased pension costs. In 2010 the Corporation will have to recognize the increase in pension contributions from 7.4% to 11.9%; other hospitals do not have the same issue. The full accrual is a \$10 million increase to our cost. More damaging is that our competitor's, who are represented by the League of Voluntary Hospitals and 1199, have a different arrangement. Employee pension funds at such other hospital, as negotiated a) delayed any big increases until 2015; and b) 1199 contributed its contractual wage increases to the pension fund. The budget will be further offset by any IGT that AHP will benefit from in 2010. Something else not included in the 2010 is any potential benefit from an UPL (Upper Payment Limit) payment, as this was not known at the time administration was preparing the 2010 budget. There is a limit on non DSH Medicaid payments to institutional providers. It provides for Medicaid patients ONLY. The Corporation would like to take advantage of the benefits in the stimulus package to shift from DSH to UPL under the American Recovery and Investment Act. The Federal Medicaid percentage increase for States on a temporary basis from 50-60% through the end of 2010 and under health reform may extend to June 2011. There is a way substitute to UPL for DSH payments and get additional federal matching percentages or \$47 million of eligible UPL because of the change from 50-60%, the Corporation may be able to receive an additional \$4.7 million in 2010 and \$2.35 million in 2011. The \$4.7 million additional benefit will be obtained moving to UPL swapping for DSH payments.

Mr. Payson asked how the UPL is different than DSH. Mr. Gianelli said that DSH is based on cost and UPL is based on the Medicaid rate. Mr. Payson asked what the \$17 million IGT for AHP is. Mr. Gianelli said that AHP is eligible for IGT payments pursuant to last years State Budget—up to \$300 million of IGT for all public nursing homes in the State. The benefit from the Federal match is on a temporary basis and may be enhanced until June

2011. We will not receive more recognized IGT for which we are eligible in 2009, it will happen in 2010, and then receive a normal payment in 2010 and both payments add up \$17 million. Issues to confront in 2010 is a proposal by New York State to move to regional pricing for nursing homes that is a change in payment methodology for not for profits in an effort to make nursing homes more efficient. Hospital and nursing associations are pushing to get this put off for 1-2 years given all other issues. It is budget neutral for the State. The argument NHCC is making, is that we know cuts are coming so why don't we put this off. Senator Johnson understands that completely and is advocating for that. Eventually there will be some package that everyone will agree to. Mr. Capobianco asked what we can do about the deficit. The \$4.7 million is not on the slide and that will impact positively. A couple of other things include a competitive case mix and hopefully administration can do something about that in 2010. The key to success in 2010 is to get UPL, figure out case mix and sticking with expense control with the 8-hour shift change for nursing and putting of regional pricing for a few years. Mr. Capobianco assumed that Mr. Gianelli has spoken to the Union regarding the pension and Mr. Gianelli noted that the CSEA does not believe this is their problem. Mr. Payson said that over the last few years, the Corporation has actually been funding depreciation out of capital funds that have been brought into operations. Mr. Gianelli said going forward we will not have that infusion. Ms. Hanson asked if the UPL was only for one year. Mr. Gianelli said it is at least one year, but reform bills may extend it for 6 months. Ms. Hanson asked how real the \$4.7 million swap for DSH is. Mr. Gianelli said that all the State has to do is submit a plan amendment and say they want to make the UPL payment to the NUMC (currently being done for Health and Hospitals Corp.) Ms. Hanson noted that there are other factors in the base line and asked when the board would receive a real roadmap as to how much of a deficit we will have. Mr. Gianelli said that it is impossible to tell because of the State budget and until the Governor comes out with a budget in April. Mr. Payson said that the slide will change with a lot of surprises every year; the management of safety net hospitals is as good as they come. Mr. Gianelli will give advance notice where they see things occurring and monitor that. From Mr. Payson's perspective it has helped the Corporation over the last 2-3 years to build good relationships with NYSDOH and they recognize what we are trying to do and whenever we went for help and it was within their power they have come through for us. This year we budgeted an \$8 million loss and now it looks like we might come in at break even. Mr. Gianelli noted that both the Senate and House of Representatives each have health reform bills, one has passed the House and one is making its way through the Senate. Both bills have DSH payments; the House bill has a lower end of \$20 billion over 10 years starting in 2017 and the Senate bill cuts \$44 billion over 10 years starting in 2016. Mr. Gianelli is working with NAPH and Senator Schumer to get that number as low as we can. It will be critical when all uninsured that we are currently seeing are required to get insurance and we have to make sure that they stick with us by providing high quality ambulatory service.

On June 7, 2009, nursing switched from 12 hour, three days per week shifts to 8 hour, five days a week shifts. This was done in order to optimize the nursing schedule-going from the least efficient to the most efficient nursing schedule. We now know how many gaps in the grid need to be filled with full time and part time. From May to September the FTEs that are required to staff floors have declined by 49.3 FTEs and this is offset set by adding 34 FTEs that are currently in training and has generated a savings through more efficient scheduling without cost to the Corporation.

In responding to the Quality of Care impact by changing shifts, Administration farmed this out to the Krasnoff Institute to determine if there has been an adverse impact that we need to deal with. It is too early to make a broad determination. Right now there have been no significant changes for mortality. We are seeing better performance in CCU, Ventilator Acquired Pneumonia, and Urinary Tract infections. Mr. Capobianco asked what the reaction is from the people on the ground and Mr. Gianelli said that they do not like the change, a minority are happy with the shifts. In the beginning there was more mandated

overtime, but that has gone down. Mr. Capobianco asked if there was a savings of 43 FTE's after you account for the 34 FTEs? Mr. Gianelli said that the savings is 10 after filling 100% of the grid without using overtime or agency employees. Dr. Rehman asked if we lost staff. Mr. Gianelli said that they have lost the usual attrition rate, perhaps slightly higher. Ms. Hanson noted that Krasnoff works for us, and asked what is the satisfaction rate from the nurses. Mr. Gianelli said to the extent that there was adverse feedback in terms of the leaders, that has been shared. An employee satisfaction survey is being initiated at the hospital through Press Ganey and will be done annually—the break down will be shared with the Board. Mr. Payson noted that the Krasnoff Institute is absolutely dedicated to quality and will not pull punches. Dr. Miner questioned the hand off between shifts, from two to three times a day. Ms. Skarka said that it is expected "professional courtesy" they do not have 40 minutes between the shifts (7-3, 3-11 and 11-7). The nurses come in a little earlier and stay a little later about 15-20 minutes. Unless there is something extraordinary they do not get overtime for that courtesy. To ensure that the hand offs for shifts are smooth, they can also utilize nurse managers who are more focused on narcotic count and other issues. Mr. Capobianco asked what the monetary savings is with this change in shift. Mr. Gianelli said the four major areas are Medical/Surgical/Psychiatry. There were 387 FTEs in the system for 12-hour shifts, 348 FTEs for 8 hour shift. The grid had 57.5 vacancies if staffing to 12 hour and just by moving to 8-hour shifts the vacancies are 20.2. Mr. Gianelli recently attended an Advisory Board presentation regarding cost management and they are taking the exact strategy that NUMC is. Ms. Hanson said that now we do not have the overlapping cover to report with an 8 hour shift as they did with the 12 hour shift, and you are asking people to give up their time, why not compensate to accommodate that change. Ms. Skarka said that they have made this point with the Union to provide 3 possible viable alternatives and they have not responded to date.

Patient Satisfaction. Mr. Gianelli said that after the Joint Commission came, attention was turned to patient satisfaction data. There are weekly meetings with department heads with action plans for patient satisfaction and some of the strategies are beginning to work. Dr. Guercia asked if there were plans to look at changes in nursing staff in the health centers. Mr. Gianelli said that this is a different situation at the health centers and ambulatory care, who have their quality indicators.

Ambulatory Care Report. James Senterfitt, EVP for Ambulatory Care and Business Development presented his report "Creating the NuHealth Ambulatory Care Experience through Improvement in Clinical Operations". The key objectives to improve operations are 1) improve customer service/patient care experience, 2) increase transparency and accountability, 3) efficient utilization of limited resources, 4) creation of FQHC structure and initiative, 5) EMR integration/coordination, 6) develop community physician network, 7) shift emergency room clinic care to hospital based urgent center and community primary care physicians, 8) improve access to diagnostic service and 9) integrate sponsored programs, grant management, and enhance community outreach.

There are a lot of challenges such as outdated equipment, physical space which is not designed to deal with our population and staff requires new tools and techniques to work with. The ambulatory care in the hospital should be a place where you would want to receive care and services. For example, the employees are using the Employee Health services under the directorship of Dr. Jorge Gardyn. The institution needs to change the patient experience and make patients out of its employees by increasing transparency and accountability. Mr. Payson asked if the hours of service are adaptable to NHCC's particular communities it serves (working parents) being able to access the services before and after work schedules and getting children in school. Mr. Senterfitt said that after this year's challenging budget cuts, they did have to look at hours of operation. There are evening hours and sessions at the health centers and it is clear that Saturday mornings offer access to care and keeps people out of the emergency department. They are trying to look at what

it will take to improve productivity and physician performance in advance and in conjunction with becoming a federal qualified health center and if we can afford an evening session or early morning openings. Dr. Miner said that five years ago he toured the ambulatory care facility and in the morning it was pretty much empty. Normal doctor hours open an hour before kids are going to school. The centers are still 9-5. Mr. Senterfitt agreed and those are fundamentally the hours of service. We do have evening hours at the hospital and out there. Dr. Miner said there are some basics that make sense to fix. Mr. Senterfitt said that they are discussing surveys submitted by the patient population to ask them what they want. Unfortunately, when organizations adopt behaviors and patient behaviors, it is difficult to back out of those patterns. There needs to be scheduled appointment times and then customers begin to be seen in a smooth order. Mr. Gianelli said that this is not a static environment, with local competition, State issues and health reform. He is not 100% in agreement with the basic booking tactics at the health centers and clinics. If we do not organize a little differently and incorporate all of this in our strategy it will not work. There is a call tomorrow with the DOH to connect Medicaid outpatient providers through electronic medical records and we want to be in the middle of that—the opportunity to do that is now. Dr. Miner said that the centers are very attractive, but empty. When he asked what the wait time was for an appointment the answer was six weeks because there is a lunch time, has anyone addressed that issue. Mr. Senterfitt said that this is an organization with a multiple mission. Ambulatory clinics have been staffed by attendings and residents from different programs. Pressure is on the residents for education during their morning rounds. Mr. Senterfitt is working with Dr. Walerstein and the Department of Medicine and various resident consultants to look at new models of scheduling in conjunction with hospitalists, allowing us to have the staffing that should be even though there are lunch breaks. Mr. Gianelli said that these behaviors are not isolated in ambulatory care, there are fundamental system issues, such as the phone system, resident scheduling, lack of attention by residents to do primary care, issues regarding access, enrollment issues, pre-authorization. All of these issue bog down the system and have to be addressed. The historical approach was to fix in one place, with twenty others not working. The ED needs to be fixed on the front end and the practice patterns of physicians. He agreed with Dr. Miner's assessment. Dr. Guercia also agreed and noted that a number of years ago the clinics closed mornings and stayed open until 8 p.m. two evenings a week and opened on Saturday. The Saturday morning sessions were extremely well attended. Mr. Gianelli noted that the volumes in the outpatient clinic with the current hours have grown by 15-20% over the last 15 years. Mr. Senterfitt said that there are multiple problems in multiple areas and administration is addressing these problems as effectively as they can and welcome those ideas.

NUMC must attract attention from State and Federal grant programs. Why change is needed – because if it's broken, fix it. NUMC must prioritize patient care, use the facility more effectively, upgrade technology, redesign the operating process to improve efficiency and satisfaction. Redesign the ED with a proximate urgicenter to migrate clinic care. There are 80 different clinics in this campus based facility. Scheduling must be standardized for both staff and physicians. When the ED moves upstairs, there is ideal opportunity to create a hospital based urgicenter and fast track. In Phase I, the initial pilot areas are Pediatrics OB/GYN, Internal Medicine and GI. The practice and staff presently are split between multiple clinics/days/location/phone system—this has been a major challenge. A new PBX system will be installed by the 1st quarter, with an organized reception center, a simple call tree with minimum transfers, with a warm transfer, talking to a live person. There will be a Welcome Center taking phone calls, managing people calling for information and appointments. Staff will be reengineered. In Cook County, Chicago the hospital is specifically designed for a public safety net hospital where there is an ED, family health centers, community physicians answering questions and getting patients sent to the right location. Administration will back fill the clinics as it works toward building the Ambulatory Pavilion. The Welcome Center will have an IRIS windows based software system that will address consistency in rooms, in scheduling appointments and answering calls. There will

be predictable physician schedules, with patients receiving the physician/attending/resident business card—seeing the same doctor for their next visit. Mr. Senterfitt is working with academic affairs and resident education to follow a channel of patients over the course of their education and patient's medical care. There are multiple interrelated activities going on under the direction of Guy Courbois with the goal to change the Chairmen's business plan. Fundamentally, in the past, there was one area responsible for the front desk, another area for nursing support and another for physicians, showing up at different times. It is key to know every clinic area and have a person in charge and predictability. This must be a priority for all departments, with an executive system that people understand and have confidence in and believe their needs will be met. Staff will be introduced to Accountable Care Organizations (ACOs) in January. The Department of Health will pay a higher level of reimbursement for Medicaid if we achieve a patient medical home base. The DOH will reward an ACO if they can reduce length of stay and readmits. To achieve a level I patient medical home base to get enhanced reimbursement from the DOH we need electronic medical records.

NuHealth has four health centers and we will begin to retool the centers as group practices including the clinic operation at the medical center. It was noted that there is OB/GYN at all of the centers, but there needs to be continuity of care from the OB/GYN at the family health centers and the hospital, the problem is that there are no hospital-based obstetricians at the centers. Prenatal care is good, but then patient delivers elsewhere. Dr. Hsu is in the process of working out a plan to address continuity of care and building a relationship with the patients. Mr. Gianelli noted that Winthrop has an aggressive program in Hempstead and are competing heavily with NUMC for neonatal care. NUMC will not be able to grow until the physical plan is working in 2010. NUMC will place physicians in private practice settings in Freeport to complement the health centers.

Mr. Payson noted that historically, when personnel did not work out well at the hospital, they were sent to the community health centers. Dr. Guercia said that we should never underestimate the staff and the attendings at the centers; the patients are pleased with the care received in Roosevelt.

NuHealth Affiliated Practices include Southcoast Care (SOC) an Article 28 facility in Freeport with Dr. Mark Raifman as the Managed Care Medical Director and Lee Raifman who is the Executive Director of the LIFQHC. The upstairs of the SOC houses a faculty practice plan, GI and high risk OB services. NUMC rents space for high risk OB in Bethpage (Dr. Rachlin) and Dr. Delmont has three locations where NUMC will be placing Cardiology, GI and behavioral health services. There is a primary care opportunity and Mr. Senterfitt is working on those business plans and will share them with the Board over the next month or two. Ms. Hanson asked if there was a timeframe when we will get half way through this process. Mr. Senterfitt included a timeline in the Board packet highlighting Phase I through III. In Phase I, Pediatrics will be moved to a new temporary quarters until the new Ambulatory Pavilion is built in Phase III with is 1-2 years away. In February/March, the central registration desk will be in position downstairs. There will be multiple interrelated activities over the next three months. Ms. Hanson asked how ground level education would be handled. Mr. Senterfitt said that the education starts with the way they will organize the health centers and staffing. Staff will be led by one manager. Mr. Gianelli said that it will be radically different than it was a year ago. Front line staff and practitioners will understand that the micro plans are tied to the macro plans of the Corporation and to education staff as to the larger picture and they fit into the success of the Corporation. Mr. Senterfitt noted that administration will be speaking with the Department of Health tomorrow regarding a health information technology program and for Nassau county Medicaid providers gaining access to funds that are available right now.

Mr. Payson said that the Board would be hearing more about Ambulatory Care in the future. In the meantime, if any Board member would like to tour the community health centers, they can call Mr. Gianelli's office. The new Roosevelt center should be opening in January/February. Mr. Gianelli noted that there is an application with the Federal government for a look alike FQHC and Mr. Benrubi met with a representative from HRSA (Health Resources and Services Administration) who indicated that they want to preview the co-application and give some feedback before NHCC submits. There is a 120-day review period once submitted and if accepted will provide enhanced reimbursement rates for the LIFQHC as well as low-cost pharmaceuticals to the outpatient facility.

5. **Report of the Finance Committee.** Mr. Elovich, Chair of the committee, noted the Finance Committee minutes of October 21, 2009 were included in the Board packet along with the Executive Committee minutes of October 28, 2009 where the Board approved the Contract Exhibit dated October 21, 2009 in Master Resolution M-146-2009. Mr. Elovich also reported that the committee met on November 19, 2009 and reviewed a number of contracts and a list of the contracts recommended for approval are included in the Board packet.

Mr. Payson reported that the Finance Committee, besides reviewing the financials, goes through contracts very carefully in a way that most Board members do not, and being a public authority those contracts then come to the Board for final approval. The Board approves these contracts based on the recommendation of the Finance Committee, if there are any issues; they are brought up in Executive Session. There was one exception to the contract exhibit included in the Board packet and that was Plaza Construction. When the committee discussed this contract, it was decided that the CEO/CFO and certain Board members should meet with the executives of Plaza Construction since it is a \$20 million construction project. As of today, they have not met, but Mr. Payson was assured that they will meet this afternoon. Mr. Elovich asked for approval of the Contract Exhibit with the stipulation that if the CEO finds Plaza Construction unacceptable he will come back to the Board and it will be re-bid. Mr. Payson noted that Plaza Construction was the low bidder. They are one of the largest construction companies operating in this area and are known for residential office buildings, but are relatively new to hospital construction. The Finance Committee felt that the CEO/CFO/COO should meet with this firm, even though they were reviewed by the Facilities Committee. Mr. Gerstman, Chair of the committee, reported that this is accurate. The Facilities Committee received a report, as noted in the meeting summary of November 13, 2009 and was supportive of approval by the Finance Committee. After hearing feedback from other members of the Board, it is certainly a good step to meet with the principals of the company and to be confident in their ability to perform. Mr. Payson noted that this is a major contract in dollar amount and importance to the institution as it constructs the new Emergency Department and that the project is completed on time and on budget.

Mr. Payson added that if anyone has background in the area and wishes to attend the meeting they are certainly invited to attend. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, dated November 19, 2009, with the stipulation that if after meeting with Plaza Construction, the CEO finds them unacceptable, he will come back to the Board to report and re-bid the contract, as set forth in the attached. Master Resolution M-164-2009.**

Financials. Mr. Bie reported that in October the Corporation had a surplus of \$28 million. This surplus had to do with the IGT money recorded on a cash basis according to the GASB. If you look at NUMC discharges from year to year, the discharges drive 8% of revenue. Discharge level between last year and this year are relatively flat. Without successful implementation of the Ambulatory Care strategy the discharges will remain flat. If it was not for the IGT payment, the hospital would have lost \$30 million this year. The Corporation

cannot count on IGT indefinitely. Mr. Payson noted that over the last three years, from a mission point of view, it has been very positive, but the hospital tried to do all things for all people without the resources to do that. There is a good affiliation with North Shore. Administration has to pay proper attention to primary care and the ambulatory mission, focusing on preventative care, the burn unit, ambulatory care and infants and children. NUMC will integrate coronary care with North Shore and in 2-3 years, NUMC may be a model of what a public hospital should be. Under the leadership of Mr. Gianelli, the hospital is heading in the right direction. With the Tobacco and HEAL funds for the next 2-3 years, the hospital can move forward to get where it needs to be. Mr. Gianelli said that at the next Board meeting they will talk about some of the changes in service lines, specifically volume and the case mix drop. Three areas of weakness are cardiology, neonatal and neurosurgery. Dr. Faust will strategize with North Shore regarding neurosurgery. There may be a good solution for cardiology as an intervention center and the newly opened stress center.

6. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner referred to the list of appointments and reappointments. There was one change under new privileges, Alice Lee, the application is on hold until the paperwork is presented. With that exception, Dr. Miner asked for approval of the credentialing list. **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 November 3, 2009. Resolution No. 166-2009.**

Dr. Walerstein reported that as mentioned by Mr. Senterfitt, Dr. Laurie Ward has been working in Ambulatory Care as an acting Chair of that department. The Medical Staff has recommended that she be appointed as permanent chair of the Department of Ambulatory Services. She has done a tremendous job in her leadership and improving quality and clinical care in that area. She is also unanimously supported by the Executive Committee of the Medical Staff who are requesting Board approval of her appointment. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved the appointment of Dr. Laurie Ward, as Chairperson of the Department of Ambulatory Care. Resolution No. 167-2009.**

Dr. Walerstein reported that Alan Multz, MD, joined the staff two weeks ago as Chairman of the Department of Medicine. He was formerly with LIJ in the critical care program and director and just received an appointment as a professor at Hofstra University Medical School.

Academic Affairs has made some important changes with graduate medical education at NUMC. The ACGME regularly performs a series of visits and a few years ago, the medical center was facing a significant number of challenges with threatened probation for training residents. Pediatrics was in trouble and Kay Lane (interim director of Academic Affairs) was brought on and under her leadership a strategic plan was developed to decide which residencies program needed support and some tough decisions about other programs. Academic Affairs is aligning with the strategic vision of NuHealth and will continue affiliations with Stony Brook, Hofstra and the American University of the Caribbean. The 2nd year students from AUC are now seeking residency programs at NUMC. Funds from ACU will be used to begin a classroom project redesign and refurbishment including smart boards. In January the amphitheatre will be closed for eight weeks to be refurbished with internet ability and audio visual support. The funds will also be used to rebuild the medical library towards the end of the year. The residency program in Oncology will be phased out over the next 1-1/2 years, NUMC does not have the infrastructure to support program which is threatened by probation. Dr. Walerstein will readdress NUMC's cancer service and rejuvenate that program through referrals and affiliation with NSLIJ. The Pediatric residency program was

on probation, but under the leadership of Dr. Frogel it was removed from probation and accredited 100%. Radiology had received a citation, but under the leadership of Dr. Scarmato, it has been approved for five years. Plastic surgery, under the leadership of Dr. Simpson, is a strong program and received a 5 year accreditation. Mr. Gianelli noted that Dr. Walerstein deserves a significant amount credit for this demonstrable improvement making NUMC's average length of accreditation at/or slightly above North Shore's average length of accreditation. NUMC is not out of the woods in a couple of areas. Dr. Walerstein announced that there is an aggressive plan regarding the H1N1 flu vaccine program. A task force is working with the County vaccination program. Last Monday, 950 community patients came to NUMC for the vaccine with another 650 at A. Holly Patterson. There are a series of programs scheduled in the next eight weeks.

Medical Staff Bylaws. Ms. Maliszewski presented the Medical Staff Bylaws that were included in the Board Packet with revisions. Major changes were highlighted. The bylaws committee reviewed revisions with the Chairs and in November the bylaws were brought the ECMS for approval, and then to the Medical Staff for a vote on November 18, 2009 for approval. The process concludes with the approval of the Board of Directors. Dr. Miner will work with Ms. Maliszewski on any minor issues with the presented bylaws. **Upon a motion made, duly seconded and unanimously adopted, the Board of Directors approved the Medical Staff Bylaws as presented and with minor changes that may be made by Dr. Miner. Resolution No. 168-2009.**

7. **Report of the Ambulatory Care Committee.** Dr. Guercia, Chair of the committee, reported that the committee met on October 6, 2009 and reviewed much of what has been discussed. The centers are working on a new telephone system and the FQHC program. Dr. Guercia had two concerns regarding Freeport and Hempstead. Additional space is needed to expand the clinical services and dental services. The next meeting is December 8, 2009.

Mr. Gianelli noted that Freeport is scheduled to open in February and Dr. Guercia would like to attend that opening, but may be away at that time. The DOH is expected to sign off by mid to late January. Mr. Gianelli will try to conduct an opening event prior to Dr. Guercia's out of town trip in February since she has been involved in the health centers for many years.

8. **Report of the Extended Care Committee.** Mr. Saracino, Chair of the committee, reported that the committee did not meet this month. At the last walk-through of the facility, Mr. Saracino reported that it continues to be clean and providing a good level of care and the financials continue to be favorable. The next meeting will occur in early January.

9. **Report of the Facilities Committee.** Mr. Gerstman, Chair of the committee, reported that the committee met on November 13, 2009. Mr. Gerstman noted that the committee went through the process by which the Plaza Construction contract was chosen making sure that it was fair and compliant with legal process and to make sure they are qualified for this project.

Mr. Payson said that he would like to add two members to the Facilities Committee, due to the monetary size of some of the contracts. Mr. Payson will meet with Mr. Gerstman to discuss.

10. **Report of the Legal and Audit Committee.** Mr. Payson reported that no meetings have been held since Mr. Brickman retired from the Board. Mr. Payson appointed Stephen Antaki as chair of this committee. Therefore, there is no report this month. Mr. Payson did note that the Board received a clean opinion with no conditions in the 2008 audit report. In previous years there had been "an ongoing concern".

11. **Other Business.** Mr. Payson noted that the Board packet also included a report on the Operations Report and Capital Projects Status Summary.

Mr. Gianelli said that there is a lot happening between the Emergency Department, Ambulatory and Nursing Home plans for construction. Mr. Gianelli will report back when those projects get ready to go. Also Academic Affairs is working with consultants regarding renovations to the Auditorium as well as the Amphitheatre. The Eye Center, Chaired by Dr. Marcos, also will have a number of things that they are working on.

12. **Close of Regular Meeting.** Martin D. Payson Chair closed the meeting and opened the floor for public comment. There were no comments.

13. **Report from Executive Session.** Upon return to Public Session, the Board reported that no actions were taken.

14. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 11:50 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 January 25, 2010 in the Auditorium.

Approved:



Martin D. Payson, Chair
Board of Directors
NuHealth

NUHEALTH
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-164-2009

November 23, 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 November 19, 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 the stipulation in regard to Plaza Construction.**

NUHEALTH
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-146-2009

October 28, 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 October 21, 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 corrections made to the Germain contract deleting sentence regarding neurosurgery.**

NUHEALTH
FINANCE COMMITTEE
October 21, 2009
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*The Ferguson Group. [multi-year contract, renewal]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a one-year renewal with The Ferguson Group to provide services as strategic consultants and federal government lobbyists for NUMC, which includes earmarking, health care policies and other federal corporate interests in an amount not to exceed \$10,500 per month plus \$6,000 per year for expenses for a total of \$132,000 for the period 12/31/09-12/31/10. Resolution No. 140-2009.

*TRO JB. [multi-year, contract exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with TRO JB to provide interior and exterior design services with respect to furthering NuHealth's modernization program, augment NuHealth's green and sustainable programs, interior and exterior design services consistent with rebranding efforts, redesign and redevelopment of DCB lobby and landscaping, and assist NuHealth's exterior and interior wayfinding programs and design in an amount not to exceed \$750,000 for the period 10/01/09-09/30/11 (subject to an on-site visit to a facility in Stamford, CT to view and assess the design work performed there by TRO). Resolution No. 141-2009.

*Robert Schwartz, MD, PLLC. [multi-year contract, renewal]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Robert Schwartz to provide Gyn-Oncology services to the GYN oncology clinic patients as well as teaching residents in this area one day per week in an amount not to exceed \$130.00 per hour, not to exceed \$86,000 per year for the period 09/09/09-08/31/10. Resolution No. 142-2009.

*Mill Neck Interpreting Services. [multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an extension of a contract with Mill Neck Interpreting Services to provide sign language interpreting services for patients and families as required by the Office of Civil Rights, the NYSDOH and Joint Commission in an amount not to exceed \$50.00 per hour, emergency visits \$100.00 per hour, two-hour minimum, on call as needed. The total of the contract is not to exceed \$75,000 per year for a total of \$225,000 for three years for the period 07/01/09-06/30/12. Resolution No. 143-2009.

***Allscripts.** [multi-year contract, exceeds \$250,000]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of the contract with Allscripts to provide ambulatory information systems, an array of outpatient services, full practice management for all outpatient clinics, both in-hospital and Family Health Center based in an amount not to exceed \$8,600,000 for the period 09/10/09-09/09/12. Resolution No. 120-2009.**

***Germain & Co.** [Amount exceeds \$250,000]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to a contract with Germain & Co. to provide additional services in ambulatory care restructuring, support in rollout of department administrator design, regionalization of ancillary GME programs and assistance to CFO in several areas including physician practice plan review in an amount not to exceed \$368,196 additional funding, current total of contract is \$647,199 and with addition is \$1,015,395 to expire on 12/31/09. Resolution No. 144-2009.**

***Horizon Engineering Associates, LLP.** [multi-year contract]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an additional to a contract with Horizon Engineering Associates, LLP for an additional \$1,600 in costs to provide commissioning services at the end of the capital project for Roosevelt Health Center. Original contract was \$48,756 with the addition; the total amount is \$50,346 for and extended period to expire on 03/31/10 (instead of 10/31/08). Resolution No. 145-2009.**

Informational

For approval by the CEO.

Planned Parenthood – IHD/NHCC sponsored program NuHealth is cosponsoring BEATS (Bringing Education about Aids to Students). Conference being held on November 20, 2009 at Hofstra University. IHD is participating and cosponsoring the event by donating breakfast for 200 Nassau County youth in the amount of \$2,000 for period 11/20/09-12/31/09.

Cvent – event management – managed the IHD conference held in April, amendment to contract due to increase in number of registrants than originally contracted for. Additional \$862.50, original contract was for \$2,287.50 for a total of \$3,147.00 for the period 11/21/08-11/20/09.

McKesson – provide health information technology to improve health care quality to a group of 50 diabetic patients in the Nassau County region in an amount not to exceed \$50,000 for one year for the period 09/01/09-08/31/10.

Bespoke Software, Inc. – to provide volunteer management software to be used for preparing reports and tracking hours worked. Vendor will provide two named user

licenses and four hours introductory web based training, one year of phone, e-mail and online support in an amount not to exceed \$3,750 for one year (funds to be provided through Service Excellence Volunteer Funds in LIMF account) for the period 10/14/09-10/13/10.

Extensions not Requiring Additional Funds

Success Advertising contract extended to 03/31/10 (contract expired 10/10/09).

Ehasz Giacalone Architects contract extended to 12/31/11 (contract expired 08/31/09).

Premier Utility Services LLC contract extended to 06/30/11 to complete work on modernization program (contract expired 05/06/08).

HAKS Engineering/Construction contract extended to 06/30/11 to complete work on modernization program (contract expired 05/06/08).

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

Rainbow Broadband to provide telecommunications space license agreement, vendor will install, operate and maintain certain telecommunications antennas, cabling and related equipment on 20th Floor roof and pay NHCC a license fee of \$2,000 per month (\$24,000/year), with a 3% increase after the first year over the base license fee and on each year thereafter for the period 07/01/09-06/30/14.

Health Research Inc. to provide NYS Bioterrorism Hospital Preparedness Program at NUMC, NYSDOH Health Emergency Preparedness Program, amendment to current contract to change scope of work/budget and also renewal for one year in an amount not to exceed \$45,000 (provided by a grant) for the period 08/09/09-06/30/10.

*Requires approval of the Board of Directors

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