

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING
HELD ON SEPTEMBER 26, 2011

Directors Present

Craig Vincent Rizzo, Esq., Chair
Stephen A. Antaki, CPA
Stephen H. Ashinoff, OD
*Richard A. Bianculli
Joseph Capobianco, Esq.
*Steven Cohn, Esq.
*Lawrence E. Elovich, Esq.
*Neal S. Kaplan, Esq.
*Greg-Patric Martello, Esq.
Asif M. Rehman, MD
*Frank J. Saracino, EdD

Non-Voting Directors Present

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

Hospital Administration

Larry I. Slatky, EVP Operations
Richard Perrotti, Acting EVP/CFO
Robert S. Heatley, EVP for Business Development and
Ambulatory Services
Steven Walerstein, MD, EVP/Medical Affairs
James Capozziello, Acting General Counsel
Joan A. Soffel, Assistant to the Board/CEO

Not Present

Aubrey O. Lewis, MD, FACC
Jemma Marie-Hanson, RN
*John T. McCann, PhD
*George W. Miner, MD, MBA
*David J. Sussman, MD

*Executive Committee Members

1. Craig Vincent Rizzo, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum. The meeting was opened at 9:30 a.m.
2. **Adoption of Minutes**. Upon a motion made and duly seconded, the August 8, 2011 minutes of the Board of Directors meeting were unanimously approved (in Executive Session after discussion regarding minor changes in the minutes).
3. **Report of the Chairman**. Mr. Rizzo welcomed everyone back from summer vacations. He welcomed the new non-voting member of the Board who was recently appointed, Aubrey O. Lewis, MD. Dr. Lewis was noted to be in attendance. Dr. Lewis is board certified in cardiology, was an alumni of NUMC where he completed his training in the 1980's. He is very familiar with the hospital. Dr. Lewis also is the founder of the Coalition for Community Well-Being and Community Wellness Center.
4. **Report of the President/CEO**. Mr. Gianelli read a letter from Maria Gardner, whose husband recently passed away at NUMC. Mrs. Gardner praised the care her husband received while here and asked that Mr. Gianelli extend her words of praise and thanks to all of the health care providers involved with her husband's care.

Mr. Gianelli reported that besides the Earthquake in Virginia and the oxygen tank replacement, NuHealth evacuated Long Beach Hospital and two nursing homes in Long Beach during Hurricane Irene. All patients and residents were safely evacuated within 96 hours—census increased from 306 to 509 in 24 hours in order to accommodate Long Beach without any additional staff (Long Beach staff were evacuating their own homes). Mr. Gianelli thanked all staff involved including Keith Grossman, Larry Slatky, Steve Walerstein and Steve Suspenski. Last week NUMC received Medical Home Designation, Level 3 for three health centers, the fourth center should be receiving that designation soon. It is the highest designation that a primary care center can achieve for patient care and provides additional reimbursement on each visit at the health centers. NUMC was designated as a Bariatric Surgery Center of Excellence by the American Society for Metabolic and Bariatric

Surgery. Prior to this designation, Medicaid Managed Care no longer paid for bariatric surgery to non centers of excellence. NUMC worked for 1-1/2 years to achieve this designation and had to perform some cases for free in order to meet the required number of operations. Mr. Gianelli thanked Dr. Venk Sasthkonar and his team of nurses and support staff. The Home Health Application is very competitive State-wide. It provides funding for managed care and care transitions for the Medicaid patient population. NUMC along with mental health agencies and LIFQHC have applied and are optimistic that NUMC will secure that funding. The HANYS Quality Report Card, for the first time since Mr. Gianelli has been here, reported significant indicators above the State average and others were "at" the State average. The new eye center will open imminently after almost 40 years in the works. Signage for wayfinding is going up and all old signs are being replaced. Bruce Siegal, MD, MPH, President and CEO of the National Association for Public Hospitals, and an important figure nationally (one of the top 100 most influential health people in the United States) and born at our Meadowbrook Hospital, will speak. The event will take place on October 18th at 1:00 p.m. in the amphitheatre. Mr. Gianelli invited all to attend and support this event.

Congress will return from recess to decide the requirements of further reducing the deficit, everything is on the table including Medicaid/Medicare. It appears that GME and FMAP will be targeted.

5. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Stephen Ashinoff, chair pro tem of the Committee, reported that the Committee did not reach a quorum and therefore required Board approval of the credentialing. Ms. Shannon also presented the Quality Improvement Performance and Patient Safety Plan for 2011-2012 (sent to the Board members in disc form).

Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved the attached recommendations made by the Credentials Committee for appointments to the Medical and Dental Staff to the Executive Committee of the Medical Staff at their meetings held on September 19, 2011. Resolution No. 125-2011.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved the Quality Improvement Performance and Patient Safety Plan for 2011-2012. Resolution No. 126-2011.

6. **Report of the Finance Committee.** Mr. Elovich reported that the committee held a meeting on September 23, 2011 to review contracts. If there are any questions regarding specific contracts, they will be discussed in Executive Session. Mr. Gianelli will present the Siemens Medical Solutions contract in Executive Session. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, dated September 23, 2011 as set forth in the attached with the exception of Siemens Medical Solutions. Master Resolutions M-127-2011.**

Mr. Perrotti reported for the month ended August 31, 2011, the Corporation, on \$44 million of revenue posted a loss of \$1.8 million which is unfavorable to budget by \$1.6. For the 8 months ending August 31, the Corporation, on \$359 million in revenue, posted a loss on operations of \$16.9 million which is unfavorable to budget by \$6.2 million. The losses are mainly at the hospital while the Nursing Home and Family Health Centers are operating at approximately break-even. The year to date loss plus the current run rate would project a 2011 year end loss of \$24 million, but taking into account Management's initiatives scheduled for implementation over the next few months, we anticipate closing the year at a loss of \$18-20 million and achieve a breakeven run rate going into January 2012.

7. **Report of the Ambulatory Care, Managed Care and Community Physician Committee.** Dr. Sussman, Chair of the committee, was not present. Mr. Gianelli reported that there are a number of things they are working on with regard to the LIFQHC, primary care and the ER, exploring different opportunities such as acquisitions of practices and co-locations, Suffolk County inclusion as well as efforts to introduce dental programs at a number of health centers. E-clinical Works are currently being installed at the centers; a contract was approved with Hudson River Healthcare to act as case management with patient care and community care partners. A robust capital plan is being put forward to the health centers for capital investment.
8. **Report of the Extended Care and Assisted Living Facility Committee.** Mr. Saracino, Chair of the committee, reported that he is awaiting further information relative to options facing a new facility. Mr. Saracino is also awaiting appointment of new committee members. When he receives a final report he will report back to the Board. Mr. Saracino noted that the nursing home has contributed to the bottom line for the past 7-8 years with a positive image. The present option of building a new facility does not look viable. The Committee should be meeting within the next two weeks.
9. **Report of the Facilities and Real Estate Development Committee.** Mr. Bianculli, Chair of the committee, reported that the Committee did not meet this past month.
10. **Report of the Legal, Audit and Governance Committee.** Mr. Antaki reported that they received the management letter and a meeting will be called within the next 30-45 days to review the end of year audit.

Mr. Gianelli presented a resolution regarding issuance of revenue anticipation notes. The resolution was included in the Board packet. It is a short term cash flow note secured with the upper payment limitation payments from the nursing home and DSH payments for the hospital up to \$70 million. This is a short term note that must be repaid during the year they are issued. The notes are used to smooth out cash flow for DSH payments now received only annually and the huge delays in upper payment limitation payments over the last 2-3 years. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Authorizing the Issuance of Revenue Anticipation Notes in an Amount not Exceeding \$75,000,000 (as attached). Resolution No. 128-2011.**

11. **Other Business.** None.
12. **Public session.** Mr. Rizzo opened the meeting for public comment. There were no comments from the public.
13. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 9:50 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.
14. **Report from Executive Session.** Upon return to Public Session, the Board reported that the following actions were taken:

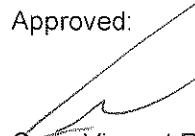
Upon a motion made, seconded and unanimously approved, the Board approved a contract with Siemens Medical Solutions to provide our software, Eagle, the hospital patient accounting admission/discharge/transfer system, renewal with \$50,000 per month discount and to upgrade to the Soarian product in an amount not to exceed

\$34,000,000 for a ten-year period for the anticipated start date of 08/01/11. Resolution No. 114-2011

Upon a motion made, duly seconded and unanimously approved, the Board of Directors accepted the 2010 Annual Board Report: Management of Human Resources. Resolution No. 129-2011.

15. **Close of Regular Meeting.** Craig Vincent Rizzo, Chair, closed the meeting at 11:50 a.m.
16. The next meeting will be announced.

Approved:



Craig Vincent Rizzo, Chair
Board of Directors
NuHealth

NASSAU HEALTH CARE CORPORATION
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-127-2010

September 26, 2011

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

WHEREAS, there is attached to this Resolution a schedule dated September 21, 2011 (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 exception.

NUHEALTH
FINANCE AND CONTRACT COMMITTEE
September 22, 2011
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

***North Shore LIJ. [Multi-year, contract exceeds \$250,000]** Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with North Shore LIJ. Alejandro R. Zuretti will be hired through NSLIJ and work as the Chairman of the Department of Pathology at NuHealth, primary responsibilities will be to NuHealth in an amount not to exceed \$422,500 per year (includes benefits) for the anticipated start date of 10/01/11 for a three-year term. **Resolution No. 111-2011**

***Centering Healthcare Institute Inc. [Multi-year contract].** Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Centering Healthcare Institute Inc. to provide Centering Pregnancy models and educational training and support for the organization. CHI will provide consultation services, onsite assessment and development of implementation plan with NUMC, Centering Steering Committee, unlimited telephone/e-mail communication, training books and reference materials, recruitment kits, promotional materials, single site member for 2 years (5 site visits) in an amount not to exceed \$31,000 for the anticipated start date of 08/01/11 for a two-year membership. **Resolution No. 112-2011**

***Hudson River Healthcare. [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 Hudson River Healthcare to provide comprehensive primary preventive and behavioral health services in connection with LIFQHC. Additional services requested: will hire, orient and deploy community and patient partner navigators to provide increased access and implement enabling and support services for patient and community members. Patient care partners: participates in clinical team to support parents in accessing appropriate clinical services. Community care partners: work with local partners to reach members of community of local congregations and social services in an amount not to exceed \$279,000 per year for a three-year total of \$837,000 for the anticipated start date of 09/01/11 for a three-year period. {Report on progress in September 2012}. **Resolution No. 113-2011**

***Siemens Medical Solutions. [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 Siemens Medical Solutions to provide our software, Eagle, the hospital patient accounting admission/discharge/transfer system; renewal with \$50,000 per month discount and

to upgrade to the Soarian product in an amount not to exceed \$34,000,000 for a ten-year period for the anticipated start date of 08/01/11. Resolution No. 114-2011

*Community Science Inc. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Community Science Inc., a partner in Nassau County SAMSHA grant. Vendor will evaluate this grant over a period of six years to improve the delivery of mental health services to children, adolescents and their families in Nassau County. Goal is to collect data that will identify best practices to be shared on a local and national level in an amount not to exceed \$218,185 (100% Federally funded grant, this is year 4 of the grant) per year for one year for the anticipated start date of 10/01/11. Resolution No. 115-2011

*Martin Diamond, DO. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Martin Diamond, DO the interim Director of Medical Education for the Osteopathic Program. Dr. Diamond will provide oversight of post-graduate and student training programs by assuring regulatory compliance, maintaining policy and procedures, assuring residents and students receive appropriate feedback, training, evaluating and mentoring and general administrative responsibilities in an amount not to exceed \$162,000 per year for the anticipated start date of 01/01/12 for a one-year period. Resolution No. 116-2011

*Digiacommo-Geffers & Associates. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Digiacommo-Geffers & Associates to provide consulting services to healthcare organization on the Joint Commission continuous survey readiness, both domestic and international. Will provide on-site two to three day mock survey (pre-survey assessment visit) utilizing 4-6 mock survey consultants-1st quarter 2012. Before, during and post survey off-site or on-site consultations to assist with the Joint Commission compliance issues and or complaints Post Survey assistance during the Joint Commission clarification, evidence of standard and measure of success processes in an amount not to exceed \$98,900 per year for the anticipated start date of 01/01/12 for a one-year period. Resolution No. 117-2011

*Outcome Sciences. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Outcome Sciences to provide Get With the Guidelines (GWTG) modules for warehousing data required for Stroke Certification and Heart Failure in an amount not to exceed \$3,502 for two modules per year for the anticipated start date of 01/01/12 for a one-year period. Resolution No. 118-2011

*Garfunkel Wild PC. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Garfunkel Wild PC to provide legal services and to work with a NHCC vendor, Health ROI, to pursue payment for days that were denied by

Emblem Health due to untimely discharges. They will pursue lawsuit on behalf of NHCC on a contingency fee based on outcome of lawsuit for the anticipated start date of 07/01/11 for a three-year period. Resolution No. 119-2011

*MDeverywhere. [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 MDeverywhere to provide faculty practice physician billing and collection services, claim submission, payment posting, charge posting, coding, denial management, accounts receivable follow up, contract definition and management, payer rules additions, patient statements, patient in-bound phone center, postage, software-patient ledger, rules engine, PQRS knowledge base, payer contract compliance, document management, task work list management, reports and custom report tool in an amount not to exceed \$1,333,000 per year; total for three years is \$4,000,000 for the anticipated start date of 01/01/12 for a three-year period. Resolution No. 120-2011

*McKesson Technologies. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with McKesson Technologies to provide RevRunner software to address the most critical areas of revenue cycle to achieve the greatest impact for accelerating reimbursements. Highlights include: determining patient's ability and likelihood to pay for care/services, payer eligibility credible bill estimates, post invoice generation and payment processing, address and ID verification including fraud alert, auto admission notification, PCP assignment and all real time at the point of registration in an amount not to exceed \$205,000 per year; three-year total \$605,000. Improved performance in revenue is estimated at: Year 1 \$205K; Year 2 \$350K, Year 3 \$500K, total improvement for three-year period is \$1,055M for the anticipated start date of 11/01/2011. {Report on progress in September 2012 and amount saved by using this system} Resolution No. 121-2011

*KPMG LLP. [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 KPMG LLP to assist NUMC to design and implement a clinical documentation improvement program which will reduce payor denials and improve the quality of clinical documentation so that our medical providers more accurately document the condition of their patient and the care that we provide. Scope of work includes training clinical documentation specialists who will perform concurrent review of all patient documentation, training our physicians and residents and our coders in an amount not to exceed \$720,000 per year for a two-year period for the anticipated start date of 01/01/12. {Report on progress in September 2012} Resolution No. 122-2011

*Foley Lardner. [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 Foley Lardner to provide legal services with respect to healthcare regulatory and corporate issues (Jeffrey Thrope) for an

additional amount of \$250,000 to current contract (\$520 per hour). The current contract is in effect from 01/01/11-12/31/11 for a one year period. Resolution No. 123-2011.

Parking Systems Plus. Upon a motion made, seconded and unanimously approved, the Finance Committee approved a contract with Parking Systems Plus to manage operation of parking lot #12 for staff to accommodate 700 cars which includes 200 double lifts and parking lot #2 for visitors to accommodate over 350 cars which includes 100 lifts between the hours of 6 a.m. – 1 a.m. Staff will include 21 valet equivalent to 840 attendant hours and a parking field supervisor in an amount not to exceed \$22,500 per month; \$19.50 per hour for additional staffing; \$28,000 parking revenue equipment for a total for 8 months of \$180,000 for the anticipated start date of 07/01/2011 for an eight month period. Resolution No. 124-2011

Informational.

South Nassau Community Hospital. NHCC Department of OB/GYN has licensed maternal fetal medicine physicians who will provide emergency NFM and scheduled MFM sessions and consultations at SNCH in addition to on-call services. NHCC will also provide perinatal sonographer and genetic counselor services. Revenue generating - \$208,700 per year for the anticipated start date of 09/01/11 for a one-year term.

Nassau County Department of Health. NHCC will provide OSHA medical exams for Department of Health employees. Revenue generating - \$14,000 per year for a one-year term.

Pacific Interpreters Resolution #050-2011. Provides interpreter services to NHCC – Resolution needs to be amended to change the total not to exceed amount from \$325,000 to \$310,000.

Ali Safavi, MD. Provides specialty services in Thoracic and Cardiovascular surgery in conjunction with Dr. Barrett. Has requested a modification to his current agreement that malpractice insurance be provided to him in return for all commercial provider billings for the anticipated start date of 08/01/11 for a seven-month period.

Littler Mendolson. To provide outside counsel in matters of employment and labor law in an amount not to exceed Tier Rates; budgeted, \$100,000 per year, amount requested \$150,000 for the anticipated start date of 06/17/11 for an 18-month period.

NSLIJ Neurosurgery, Amend Board Resolution 099-2011. Revise total amount from approved amount of \$5,521,803 for a three-year total to be \$5,310,562. This is due to the revision to discount malpractice insurance and express the impact as an expenditure.

South Ocean Care. Community multi-medical facility located in Freeport wherein NHCC Dept. of OB-GYN will be providing sono-technician, genetic counselor, and use of the sonographic equipment in an amount not to exceed Sono-tech \$60/hr.; Genetic

counselor \$70/hr.; equipment \$100 per session, revenue generating \$6,100 yearly total for the anticipated start date of _____ for a period of one year and renewable.

For approval by the CEO.

Mary D. Curtis, PhD. To provide grant proposal writing services specifically for behavioral health management grants in an amount not to exceed \$125 per hour, not to exceed \$25,000 per year for the anticipated start date of 08/01/11 for a one-year term.

Medco Consultants. To provide professional coder services to review and code 80 ophthalmology services per week submitted by one physician for no additional monies for the anticipated start date of 06/01/11 for a three-month period. Extension of contract three months (04/01/11-05/31/11).

Bartlett Amorusa & Recce Architects. To provide design services to design the demolition of ML Butler buildings and former CEO house and garage and to design surface parking for those spaces to maximize the number of cars to park in the space with proper grading, drainage, lighting, fencing and striping in an amount not to exceed \$31,000 for the anticipated start date of 09/15/11 for an eight-month period.

Kanner Connect. Will perform a comprehensive operational assessment of the Medical Records department. Specifically, will evaluate present HIM daily operations, conduct staffing analysis, review coding and chart completion process and conduct walk through of all client/departments in an amount not to exceed \$39,500 for the anticipated start date of 09/01/11 for a four-month period.

Design Ideas Group. Will provide architectural design with respect to the development and construction of the NuHealth Catherization Lab. Also will assist with bidding the construction of the lab and provide construction administration services through the construction phase of the project in an amount not to exceed \$41,800 for the anticipated start date of 07/01/11 for a one-year period

Extensions not Requiring Additional Funds

None.

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

None.

*Requires approval of the Board of Directors

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