

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING
HELD ON JUNE 25, 2013

Directors Present

*Craig Vincent Rizzo, Esq., Chair
Joseph Capobianco, Esq.
*Paul J. Leventhal, CPA
Jemma Marie-Hanson, RN
*John T. McCann, PhD
George W. Miner, MD, MBA
*Linda Reed
Asif M. Rehman, MD
*John A. Venditto, MD

Non-Voting Directors Present

Frank J. Saracino, EdD
Krishan Kumar, MD

Hospital Administration

John Ciotti, EVP General Counsel
John Maher, EVP CFO
Steven Walerstein, MD, EVP Medical Affairs
Kathy Skarka, RN, SVP Patient Care Services
Maureen Roarty, SVP Human Resources
Joan A. Soffel, Assistant to the Board/CEO

Not Present

Stephen H. Ashinoff, OD
*Steven Cohn, Esq.
Vincent A. Gallo, MD
*Greg-Patric Martello, Esq.
David J. Sussman, MD
Arthur A. Gianelli, President/CEO

*Executive Committee Members

1. Craig Vincent Rizzo, Chair, Board of Directors of the Nassau Health Care Corporation, noted that a quorum was present. The meeting was opened at 9:10 a.m.
2. **Adoption of Minutes.** The minutes of April 4 and May 29, 2013 were approved.
3. **Report of the Chairman.** Mr. Rizzo introduced two new Board members. Linda Reed, who is well known to the community for her services, she is very knowledgeable about the hospital. Dr. Kumar is a non-voting member of the Board and is a physician on staff at NUMC.

Mr. Rizzo noted that Mr. Gianelli is in Albany regarding the DSRIP. He will however, be available for a conference call in the Executive Session to report.

The collaboration bill was successful in the Assembly and Senate and is awaiting approval by the Governor. One issue is whether or not the sunset provision will be ten years and if it will further the State interest. The anti-trust provision helps with respect to the COPA application with the State. It provides COPA anti-trust protection for this institution. Hopefully the Governor will sign the bill.

4. **Report of the President/CEO.** Report will be given in Executive Session.
5. **Report of the CFO.** Mr. Maher reported on the April 2013 financials. There is a \$6.5 million loss from operations—a \$1.2 million loss from revenue and a \$5.3 million loss on the expense side. Between now and the end of the year, there are eight targeted areas for gap closing initiatives in order to break even by end of year, absent any downturn in discharges and denials from Medicaid/Medicare. The eight areas targeted including employee reductions (overtime, flexible staffing), expense reductions, revenue cycle, bad debt and charity for a total of \$17 million. This coupled with a DSH initiative for changes of reimbursement by the end of the year.

Discharges are down across Nassau County. Each discharge is worth \$10,000—a significant amount of money. When the discharges drop we can compress floors and/or make staff adjustments as appropriate (most staff levels are fixed and you cannot always adjust as quickly as you would like to). We are seeking new partnerships in the community—physician offices or practices. Eighty percent of admits are not voluntary, they come through the ER. We look at trends quarter by quarter and compared to last year when considering floor compression/restaffing. Ms. Hanson asked if the summertime would see an increase in discharges. Mr. Maher said because of the Long Beach closing, we thought we would have seen an up tic in discharges, but we did not and do not know where those discharges went.

Mr. Rizzo asked for an update on A. Holly Patterson. Mr. Maher said the nursing home is holding its own. There are some outstanding issues arising with the Berger Commission that suggested a downsize at A. Holly Patterson. The issue right now is in limbo. A. Holly Patterson is substantially full. We are not sure what direction the State will go on this and we are looking at worse case scenarios. Going back a few years there were changes with the Accountable Care Act that would adversely impact A. Holly Patterson. Mr. Rizzo asked if that was the upper payment and the answer was yes. Mr. Rizzo asked what specific staff adjustments are you making. Mr. Maher said it is elimination of overtime and slowing down on replacement staff for the reduced census. Ms. Hanson asked the staff ratio. Ms. Skarka said the nursing staff is 1-6 on medical/surgical, 1-1 or 1-2 in the ICU and they are part with the national ratio. Ms. Skarka noted that there is a new bill with a mandatory ratio of 1-4.

6. **Report of the Medical Director.** Dr. Walerstein reported that a resolution was included in the Board packet for authorization to submit a Certificate of Need (CON) for a PCI Program (interventional cardiology program). This resolution would give administration the green light for a CON submission, not an approval of a final plan that will be brought to the Board once the business plan is completed. At the current time our cardiac capabilities extend to testing, we lack the capability to mechanically open the arteries and transfer the patient to our affiliate for interventional therapy. We believe there is community need for NUMC to elevate its cardiac services to PCI. There are disparity issues regarding access from the community we serve. The data indicates that the zip codes in our primary area are less likely to receive primary intervention. We believe there are currently significant numbers, approximately 100 patients per year who go through our ER or in the Catherization Lab indicating the need for interventional therapy. Those patients are now transferred to North Shore LIJ. If a patient is in Massapequa it may take them 20-25 minutes to get to Winthrop. The Health Centers have expanded volume and there is need for patients with obesity or diabetic problems. There a possibility to work with our affiliation with North Shore LIJ to establish a PCI lab and center here. We have received from NYS through HEAL funding for capital investment in our catherization lab. We have developed a interventional radiology lab. Mr. Rizzo questioned staffing. Dr. Walerstein said they are currently staffing the diagnostic catherization lab on Monday through Friday from 8:00 a.m. – 5 p.m. for elective procedures. If we go to interventional, we need 24/7 coverage with a team on interventional cardiologists, nursing and technical support. We will bring a business plan to the Board with staffing needs, projected revenue, a contract with NSLIJ, etc. We have one interventional cardiologist who can diagnose an acute event and bring that patient to North Shore and once stabilized bring the patient back to NUMC. Mr. Rizzo asked if NuHealth would pay the North Shore team and the answer was yes for coverage 24/7. Mr. Rizzo asked about open heart surgeries. Dr. Walerstein said those are things we would never see an investment in here—North Shore is our back up for that. This CON has to go to Albany to go on their agenda for the October meeting for consideration (it is not a slam dunk). The State needs to agree that there is a need for access to this cardiac intervention in this area. We also need to have a business plan and quality plan for the American Coronary Care. Dr. Venditto asked if this would be for emergency PCI and not elective and Dr. Walerstein said both. The interventionalist on staff here is credentialed for North Shore LIJ. Dr. Miner asked if the 100

patients were transferred and Dr. Walerstein said yes, presently they come through our ER and if they present with acute chest pain they are transferred. Dr. Miner asked if there was any idea of how many patients are brought to other hospitals that live in this vicinity. Dr. Walerstein said the ambulances are required to transport a patient with acute interventional criteria to a center that has acute intervention. Ms. Hanson asked if Dr. Walerstein had a figure on the cost for this coverage and Dr. Walerstein said no, they will work on that through the business plan. Ms. Hanson asked the name of the interventional cardiologist and the answer was Dr. Kyriaki Poumpouridis. Dr. Rizzo asked if she was employed by us and the answer was through a North Shore contract. Mr. Rizzo asked if we received the revenue and the answer was yes for our own programs, but North Shore receives the revenue for the procedures done at North Shore. Dr. Venditto asked if North Shore was going to have ambulances on standby 24/7. Dr. Walerstein said yes and we have our own ambulance service as well. Dr. Venditto asked if the State had a stipulated number of interventions that need to be performed. Dr. Walerstein believed it was 125, but noted that the State is dropping the focus on the number vs. quality and outcomes. Dr. Venditto said there is a number a facility performs in a year to keep that facility running, is the doctor here limited by cases done here. Dr. Walerstein said the interventional cardiologist is covered by a pool of physicians when she is on vacation. Mr. Rizzo asked the anticipated timeline for this. Dr. Walerstein said the application would need to go through the appropriate committees in Albany. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved the Resolution to authorize the filing of a Certificate of Need Application to the New York State Department of Health for the Development of an interventional cardiology program at Nassau University Medical Center, in conjunction with the North Shore-LIJ Health System (as attached). Resolution No – 156-2013.**

6. **Election of Officers.** Mr. Rizzo reported that a resolution was enclosed in the Board packet for the election of officers for 2013 that includes additional officer positions for Human Resources and Nursing as attached to these minutes. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors approved the 2013 Election of Officers as attached to these minutes. Resolution No. 157-2013.**
7. **Report of the Medical Professional Affairs Committee and Medical Director.** John McCann, PhD, Chair of the Committee reported that the committee met twice but did not have quorums. He requested that the Board discuss credentialing in Executive Session.
8. **Report of the Finance Committee.** Paul Leventhal, Chair of the Committee reported that the committee met on June 19, 2013 and received a report from Mr. Maher on the Corporation's financial condition. In addition, Mr. Leventhal asked for acceptance of the Finance Committee minutes dated January 29, 2013 and May 14, 2013. The Board accepted the minutes as presented.

Report of the Contract Committee. Mr. Rizzo reported that the Committee met on June 18, 2013 and asked for approval of the minutes and contracts recommended for approval by the Board of Directors. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Approving Contract Committee Recommendations, dated June 18, 2013 as set forth in the attached. Master Resolutions M-158-2013.**

Procurement Policy. Mr. Tepper reported that the Board packet included an updated Procurement Policy that is required by law to be updated annually and approved by the Board of Directors. Mr. Tepper reviewed the changes including the separation of the Contracts and Finance Committees and procedures for emergency purchases. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Procurement Policy Updates for 2013. Resolution No. 159– 2013.**

Mr. Rizzo also reported that the Executive Committee met on May 29, 2013 and approved the following contracts and other items.

Upon a motion made, duly seconded and unanimously approved, the Executive Committee of the Board of Directors adopted the Resolution Approving Contract Committee Recommendations (with the following exceptions: Steve Cohen recused – Engel Burman; Craig Rizzo abstained Long Island Plastic Surgical Group; Craig Rizzo abstained Birzon Strang; Greg Martello recused Jzanus Consulting; and Paul Leventhal abstained Martin Diamond, DO) dated May 8, 2013 as set forth in the attached. Resolution No. M-123-2013.

Upon a motion made, duly seconded and unanimously approved, the Executive Committee of the Board of Directors adopted the Resolution approving Unauthorized Purchases (Milburn) in an amount not to exceed \$7,499.94, spreadsheet attached). Resolution No. 124-2013.

Upon a motion made, duly seconded and unanimously approved, the Executive Committee of the Board of Directors adopted a resolution to authorize administration to negotiate a lawsuit with Rocco Tile and Milburn. Resolution No. 125-2013.

Upon a motion made, duly seconded and unanimously approved, the Executive Committee of the Board of Directors adopted an amendment to a contract with POMCO (Resolution 039-2013) in an amount not to exceed \$150,000 FOR A TOTAL OF \$511,806 to cover medical bill review and PPO (preferred provider organizations) with the caveat that information will provided in six months with a report of savings. Resolution No. 126-2013.

Upon a motion made, duly seconded and unanimously approved, the Executive Committee of the Board of Directors adopted an amendment to a contract with WJ Northridge in an amount not to exceed \$104,600 (prior change order amount was \$67,698) for a total contract price of \$1,610,568). Resolution No. 127-2013.

9. **Report of the Ambulatory Care, Managed Care and Community Physician Committee.**
None.
10. **Report of the Extended Care and Assisted Living Facility Committee.** Dr. Venditto reported that the committee last met on March 6, 2013 and asked for more information and data regarding A. Holly Patterson and the long term plan moving forward. Mr. Rizzo requested that administration provide the information to Dr. Venditto so that a subsequent meeting can be scheduled.
11. **Report of the Legal, Audit and Governance Committee.** Mr. Leventhal reported that the committee met on May 28, 2013. He requested that the Board of Directors approve the financial statements that were included in the Board packet.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Financial Statements of Nassau Health Care Corporation (NHCC) and Subsidiaries Years Ended December 31, 2012 and 2011. Resolution No. 160– 2013.

Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Financial Statements of the Nassau Health Care Foundation (NHCF) Years Ended December 31, 2012 and 2011. Resolution No. 161– 2013.

12. **Report of the Facilities and Real Estate Development Committee.** None.
13. **Subsidiaries/Foundation Committee.** None.
14. **Other Business.** None.
15. **Public session.** Mr. Rizzo opened the meeting for public comment. There were no comments.

16. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 9:40 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations or litigation.

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

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 Medical Staff at their meetings held on June 25, 2013. Resolution No. 162- 2013.

16. **Close of Regular Meeting.** Craig Vincent Rizzo, Chair, closed the meeting at 10:30 a.m.
17. The next meeting will be announced.

Approved:



Craig Vincent Rizzo, Chair
Board of Directors