

NUHEALTH BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

MEETING HELD ON

Monday, September 22, 2014

Board Room (NUMC)

Executive Committee Present: Michael B. Mirotznik, Esq., Chairman; Victor A. Gallo, MD Linda Reed; John Venditto, MD; and Warren Zysman.

Not Present: Steve Cohn, Esq.; Jemma Marie-Hanson, RN; David Sussman, MD and John McCann, PhD.

Guests of the Committee: Asif Rehman, MD; Andrew Zucaro, Krishan Kumar, MD; Frank J. Saracino, EdD and Victor F. Politi, MD, FACP, FACEP, President/CEO.

John Ciotti, EVP/General Counsel; John Maher, EVP/CFO; Kathy Skarka, RN, EVP Patient Care Services; Maureen Roarty, EVP Human Resources; Victor Scarmato, MD, Acting Medical Director; Craig V. Rizzo, SVP, Special Assistant to NHCC; Harold McDonald, SVP/Chief Administrative Officer; Karen Leslie, Compliance Officer; Mary Harms, ER; Joan A. Soffel, Assistant to the Board/CEO; Andrea Rivera, Executive Assistant to the President/CEO.

1. Michael B. Mirotznik, Esq., Chair, Board of Directors of the Nassau Health Care Corporation, noted that a quorum was present. The meeting was opened at 5:20 p.m.

Mr. Mirotznik reported that a full Board meeting was noticed but late this afternoon the Assistant to the Board received an email and call from members who had problems attending this evening and therefore there was not a quorum present for a full Board meeting.

2. Adoption of Minutes. The minutes of August 12, 2014 were approved.
3. Report of the Chairman. Mr. Mirotznik asked Dr. Politi to report.
4. Report of the President/CEO. Dr. Politi reported that DSRIP is a system for CMS to give the State \$6 billion for safety net hospitals to develop programs to increase outpatient services and decrease avoidable admissions. NuHealth has been chosen along with two other non-public safety net hospitals—North Shore and the Catholic hospitals—to partner in decreasing inappropriate admissions. NuHealth would be the Preferred Provider System (PPS) and would oversee North Shore and the Catholic hospitals. NuHealth is providing the IGT funds to pay for this DSRIP and has a good chance of becoming that lead. Administration is meeting with North Shore and the Catholic Hospital Systems tomorrow. NuHealth received \$37 million in IAAF funding a few months ago and that will help us through the remainder of the year. DSRIP begins in April 2015 and is a five-year grant.

CMS conducted a full survey and there were quite a few deficiencies, mostly environment of care. Staff is working to fix those deficiencies. There was one immediate

jeopardy regarding alarms on the pediatric floor that were not fully operational and that problem was immediately solved. NuHealth submitted a plan of correction for eight tag items and all departments are working to get those items corrected so that we are not in jeopardy of losing federal funding.

Dr. Politi announced a few new hires. Mr. Kevin Mannle, VP for Facility Management Systems, was recruited to assist with the CMS survey corrections. Mr. Mannle worked with NY Hospital in Queens and Presbyterian Hospital and lives in Long Beach. A new neurosurgeon was hired, Dr. Elizabeth Fontana, who will be working full time in trauma and surgeries. Dr. Fontana attended Harvard and Columbia. The new Chair of Labs and Pathology is from the North Shore System/Glen Cove, and attended the University of Pennsylvania and Columbia—Dr. Rachel Robbins.

Mr. Mirotznik thanked Mr. Zysman who is chair of the Contracts Committee for instituting a rule that before the committee and the Board approve contracts all principals of every company/entity seeking a contract with this Corporation provide full disclosure of ownership. This disclosure will provide transparency and any potential conflict of interest.

5. Report of the Medical and Professional Affairs Committee and Medical Director. Ms. Reed reported that the committee met on July 28, 2014 and will meet tomorrow on September 23, 2014. Ms. Reed noted that the Medical Board Minutes of August 5, 2014 and the minutes of the MPAC on July 28, 2014 were included in the Board packets. Ms. Reed asked for approval of the Medical Staff recommendations for appointment. **Upon a motion made, duly seconded and unanimously approved the Executive Committee accepted the Medical and Professional Affairs Committee minutes of July 28, 2014. Resolution No. 193-2014.**

6. Report of the Finance Committee. Mr. Maher reported on the July 2014 year-to-date finances. On a consolidated basis, the Corporation lost \$3.4 million. There was \$7 million in IAAF funds coming from DSRIP. In July the Corporation reported an excess of \$1.3 million in expenses and \$3.7 million worth of IAAF funding that the hospital received. Overall the hospital contributes most to the loss and that is due to case mix problems. In the month of July, the loss was \$1.6 million and finance needs to look at that payer mix shift that is lower weighted and therefore earns less revenue.

Dr. Venditto reported that a Finance Committee meeting needs to be scheduled and he will speak with John Maher.

7. Report of the Contract Committee. Mr. Zysman, chair of the committee, reported that the committee met on September 10, 2014 and reviewed various contracts. **Upon a motion made, duly seconded and unanimously adopted, the Executive Committee approved the Resolution Approving Contract Committee Recommendations, dated September 10, 2014 as set forth in the attached. Master Resolution M-194-2014.**

8. Ambulatory Care, Managed Care, and Community Physician Committee. Dr. Sussman was not present.

9. Behavioral Health Committee. Mr. Zysman reported that the committee will meet on October 21, 2014. Since the last meeting a CON was filed for the CPEP unit.
10. Compensation Committee. Ms. Reed has no report at this time.
11. Extended Care and Assisted Living Facility Committee. Dr. Venditto reported that a meeting will be scheduled.
12. Facilities and Real Estate Development Committee. Ms. Reed has no report at this time.
13. Legal, Audit and Governance Committee. Mr. Cohn was not present.
14. Subsidiaries/Foundations Committee. Ms. Reed has no report at this time.
15. Other Business. Mr. Ciotti reported that it was brought to his attention that a contract previously approved by the Board had a name change. Ms. Harms reported that the Board Contracts Committee approved a contract with MED 3000-McKesson on April 30, 2014. The name was changed to PER-SE McKesson. Mr. Mirotznik asked if anything changed other than the name of the prior vendor approved by the Board and Ms. Harms said no. The name changed from MED 3000 McKesson to PER-SE McKesson. It was noted that the spreadsheet handed out reflects a payment based on a per chart fee, as opposed to the previously approved percent of collections. Mr. Zysman asked if there was any explanation for the name change and the answer was no. Mr. Saracino asked if any of the principals changed. Ms. Harms said it is a branch of McKesson, the name was changed to PER-SE and everything else is exactly the same.

*PER-SE McKesson (Previously approved as MED 3000 McKesson). [Multi-year contract, LD200 #2200 to modify prior LD200 #2027]. **Upon a motion made, duly seconded and adopted the Executive Committee approved an amendment of a contract with PER-SE McKesson (previously approved as MED 3000 McKesson). This is intended to reference LD-200 2027 where as MED3000 has changed its name to PER-SE after being selected to provide certified professional coders with expertise in reviewing and assigning accurate medical codes for procedures, diagnosis and sound knowledge of medical coding regulations including compliance and medical necessity requirements. Aggressive follow up with insurance companies and patient balances; appeal and re-appeal denials, as well as arbitrate all claims until they are paid and turn bills around quickly in an amount not to exceed \$16.50 per chart for a term of one year with an anticipated start date of 11/01/14. Resolution No. 195-2014 (superseding Resolution No. 075-2014). (See below).**

{Approved at May 7, 2014 Board Meeting - *MED 3000- McKesson. [Multi-year contract]. **Upon a motion made, duly seconded and adopted the Contracts Committee recommends Board approval of a contract with MED 3000-McKesson who specializes in ambulance billing; it provides EMS revenue recover to over 160 EMS clients in 16 states. MED 3000 will provide certified professional coders with expertise in reviewing and assigning accurate medical codes for procedures, diagnosis and sound knowledge of medical coding regulations including compliance and medical necessity requirements., MED 3000 will perform aggressive follow up with insurance companies and patient balances, as well as handle appeals and re-appeal denials, as well as arbitrate all claims until they are paid in an**

amount based on collections on ambulance billing (5.5% of ambulance collections) for a term of one year with an anticipated start date of 08/01/14. Resolution No. 075 -2014.}

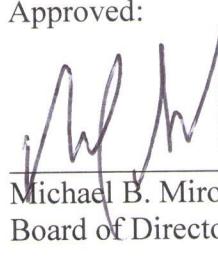
16. Adjournment. Upon a motion made, duly seconded and unanimously adopted, the meeting was adjourned at 5:45 p.m.

17. Public Session. Mr. Mirotznik opened the meeting for public comment. There were no comments from the public.

18. Close of Regular Meeting. Mr. Mirotznik closed the meeting at 5:45 p.m.

19. The next meeting will be announced.

Approved:



Michael B. Mirotznik, Esq., Chair
Board of Directors, NHCC