

MINUTES OF THE SPECIAL PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS'
MEETING HELD ON APRIL 7, 2014

Directors Present

*Michael B. Mirotznik, Esq., Chair
*Steven Cohn, Esq.
Jemma Marie-Hanson, RN
*John T. McCann, PhD
*Linda Reed
Asif M. Rehman, MD
David J. Sussman, MD
Andrew Zucaro
Warren D. Zysman, LCSW

Not Present

Vincent A. Gallo, MD
*Greg-Patric Martello, Esq.
*John A. Venditto, MD
Frank J. Saracino, EdD

Non-Voting Directors Present

Victor F. Politi, MD, FACP, FACEP
Krishan Kumar, MD

Hospital Administration

John Ciotti, EVP General Counsel
John Maher, EVP CFO
Robert S. Heatley, EVP, Business Development and
Ambulatory Services
Craig V. Rizzo, EVP, Special Assistant to NHCC
Maureen Roarty, EVP, Human Resources
Kathy Skarka, RN, EVP, Patient Care Services
Vincent DiSanti, VP Revenue Cycle Management
Joan A. Soffel, Assistant to the Board/CEO

*Executive Committee Members

1. Michael B. Mirotznik, Chair, Board of Directors of the Nassau Health Care Corporation, noted that a quorum was present. The meeting was opened at 6:10 p.m.
2. **Adoption of Minutes.** There were no minutes for approval.
3. **Report of the Chairman.** Mr. Mirotznik was humbled and gratified to be appointed as the new Chairman of the Board by the County Executive. Mr. Mirotznik grew up in East Meadow and graduated from the East Meadow High School, Class of 1983. He was hoping to see his old Superintendent, Frank Saracino, now a Board member. Mr. Mirotznik graduated from NYU in 1987 and in 1991 received his law degree from Brooklyn Law School. In 1993 he opened his private practice in East Meadow (general practice emphasizing on litigation, business, criminal, negligence and general family law). He is extremely excited to be here and working with this Board to move the hospital forward and in the right direction. He is here to work diligently with administration and staff as well. He is thrilled to be working with Victor Politi, John Ciotti and Craig Rizzo, it is a good team and together they will do some wonderful things for this hospital.
4. **Report of the President/CEO.** Dr. Politi welcomed Mr. Mirotznik on the Board. Mr. Mirotznik is very enthusiastic and concerned about this hospital and healthcare for the community. He grew up in East Meadow and there has always been a place in his heart for NuHealth and to give back to the community that he grew up in.

Dr. Politi reported that it has been two months since he started. He has full faith in the services that are provided here and that the patients are receiving the best care possible. We cannot do that unless our finances are in order. Dr. Politi recently hired Mr. Vincent DiSanti, VP for Revenue Cycle Management who has a background as a COO, CFO, and a revenue cycle expert who has consulted around the Country. Mr. DiSanti has an office down stairs with the coders, registration, Medicare/Medicaid office, and every morning he is drilling down. We are losing \$7.9 million; he is focusing on registration, admitting, Medicaid, managed care rates, improving documentation with doctors and finally denials. Dr. Politi will also be bringing on a COO and should have an announcement at the next meeting. Dr. Politi noted that he meets with housekeeping, laundry and kitchen staff every morning and they are doing a great job.

5. **Report of the Medical and Professional Affairs Committee and Medical Director.** Dr. McCann, Chair of the Committee, reported that the committee met and credentialed a group of

professionals. The next meeting is scheduled for April 28, 2014. **Upon a motion made, duly seconded and unanimously approved the Board of Directors accepted the Medical and Professional Affairs Committee minutes of March 31, 2014.**

6. **Report of the Finance Committee.** Tabled.
7. **Report of the Contract Committee.** Contracts will be discussed in Other Business.
8. **Extended Care and Assisted Living Facility Committee.** Tabled, Dr. Venditto will report at the next meeting.
9. **Facilities and Real Estate Development Committee.** None.
10. **Legal, Audit and Governance Committee.** None.
11. **Subsidiaries/Foundation Committee.** None.
12. **Other Business.**

***Nassau Medical Associates (NMA).** [Amount exceeds \$250,000]. Dr. Politi reported that Nassau Medical Associates (NMA) is requesting advanced funding. NMA recruits physician practices for the hospital. They need support for operations and are asking for three months advance in the amount of \$342,000. Dr. Sussman, as Chairman of the Ambulatory Care, Managed Care and Community Physician Committee, reported that the NMA goes out to recruit doctors to increase the functions of this hospital. This is being done across the country by hospitals to essentially bring in private practices. At the last meeting of the Committee two weeks ago there was a long discussion about the NMA and the continued need for funding. For the record the Board was extremely supportive of this initiative but always looked at the amount of dollars that the infrastructure needed to continue and they continue to be concerned about that financial support, but are very satisfied at this point and agreed to grant the \$342,000 for the next three months. In all reports, Dr. Sussman will continue to drill down on the numbers and cost of this program. Mr. Zysman asked if someone could report on the successes of this initiative to date and the types of things that are funded with this advance. Mr. Polacco said there are various physician practices on board (pediatrician, podiatrist and physiasist). The physiasist started on 1/1/14 and brought in 21 inpatient rehab patients and the revenue was \$20,000/case. General practice, internal medicine and podiatrists over the last year brought in 85 admissions to the hospital and over 900 outpatients. We are looking to exceed those numbers and for the hospital to receive \$1.8 million in downstream revenue. Conservatively, Mr. Polacco projected 25 visits for the year by the physiasist and in three months she has already brought in 21 visits. The funding for NMA is for salaries for the physicians and the revenue is \$1.5 million. Dr. Sussman noted that at the last meeting the committee agreed that gross revenue does not necessarily help your bottom line, it may be costing you more, and you could be losing money by doing more volume. We are committed to not just looking at the gross revenue, but where we stand with the initiative as far as bottom line and get more money for what we do. Mr. Mirotznik said the request is for the \$342,000 appropriation to cover payroll for physicians and management support, back office work, malpractice and other sundries for the day to day operations. They are generating revenue. Mr. Mirotznik asked Mr. Polacco to confirm that the NMA has not received, as of this evening, accounts receivables over \$100,000 to help fund the office practice and Mr. Polacco confirmed that it is under \$100,000. **Upon a motion made, duly seconded and unanimously adopted the Board of Directors approved advancement of \$342,000 for a three month term to the Nassau Medical Associates (NMA) for operational support. Resolution No. 040-2014.**

***Jzanus Consulting Inc.** [Multi-year contract]. Mr. Maher reported that the contract is for a vendor that does coding and validation. The contract was RFP'd. The amount of errors found in coding has almost paid for the contract itself through the year. Ms. Hanson asked what have we already

paid and Mr. Maher said \$17,000 a month and the coding errors are down 2%. Mr. Zucaro asked if they were the lowest qualified bidder and Mr. Maher said there were five responses, one requested \$35,000/month, one was \$65/chart, one \$45/chart. Jzanus is approximately \$56/chart and they provide appeal services. Mr. Cohn said this is a continuation of an existing contract, how many days are they coming in now and Mr. Maher said 2-3 days. Mr. Cohn said you have an option to increase to five days and to increase the contract. Mr. Maher said they are changing the mix, they don't intend to go up. Mr. Cohn said before you go up, come back and tell the Board you are going up and Mr. Maher agreed. Dr. Rehman said we have electronic medical records, how are they doing this review. Mr. Maher said the records are scanned documents and they are looking at that, they are not fully on electronic medical records at this time. Dr. Rehman said the job will be less when you move to electronic medical records that must be completed by 2015. Mr. Maher said it should be, but there are compliance rules and they have to do this correctly. Mr. Cohn asked Mr. Maher to speak about the next contract that is related to this contract—Qualcode. Mr. Cohn noted that the two vendors are similar and performing the same work. Mr. Maher said the difference is that Jzanus does appeals, Qualcode does not, and if we use more of Qualcode we will bring down the cost of Jzanus, it is a different view of the records and to spread the work out between the two. Mr. Cohn said the cost for both is approximately \$570,000. Mr. Maher said there are specific sets of DRGs known in the industry, and they must be coded correctly, they target those DRGs to make sure they are coding correctly. Dr. Sussman said for \$17,000, how many charts are they reviewing in a month. Mr. Maher said about 30-day, 2-3 days a week. Jzanus also does the appeal work for us it takes more time. Mr. Zysman asked if there was anyone in house that could do this and the answer was no, some chart review is done by Utilization Review. Mr. Zysman asked for a contrast between the two vendors, what is the scope of work, what are the clear differences. Mr. Maher said Jzanus does appeal work, Qualcode does not, both validate what coders are putting in the documentation and we are looking at a different vendor. Mr. Cohn asked why would you in someone else to do appeals if you are happy with the vendor doing the appeals. Mr. Maher said he wants to make sure that what they are doing is correct and also another vendor could be better than Jzanus. Mr. Zysman asked what the problems with Jzanus are. Mr. Maher said if they find that the appeal process is not as good as it could be, and then they could move that to someone else. Mr. Cohn said you are just bringing this company in to check on Jzanus to get the same results? Mr. Maher said to get new blood in here and if they spend more on Qualcode, they would reduce Jzanus. Dr. Rehman asked, but you said you are happy with Jzanus? Mr. Maher said he could not compare them to anyone else right now. He wants to introduce a new vendor. Ms. Reed asked why not one year instead of two years. Dr. Sussman asked can't you just get someone to come in to look at what Jzanus is doing and tell us, you only need two months to see if the original company is doing good job—a consultant comes in for two months and if they are not doing a good job you go out and replace Jzanus, your spending \$200,000 and they may be doing a good job. Mr. Maher said it is (1) to find out if they are doing a good job and (2) to change out vendors so they are not getting stale. Mr. Mirotznik asked if the Board would like to make a motion to amend the Jzanus contact to one year. **Upon a motion made, duly seconded and unanimously adopted the Board of Directors amended (from a term of two years to one year) and approved a contract with Jzanus Consultants Inc. to provide concurrent DRG coding and validation services three days per week at \$17,000 a month with the option to expand to five days as needed or reduce based on need in an amount not to exceed approximately \$56/chart and to provide appeal services not provided by the other vendor (Qualcode) for a total amount of \$204,000 for the term of one year with the anticipated start date of 07/01/14. (If a need arises to expand services to five days, this contract should be brought back to the Board for notification). Resolution No. 041- 2014.**

***Qualcode. Upon a motion made, duly seconded and unanimously adopted the Board of Directors amended (from a term of two years to one year) and approved a contract with Qualcode to provide consulting services specializing in medical record coding, validation reviews and coder education in an amount not to exceed \$81,900 for a term of one year with an anticipated start date of 04/01/14. Resolution No. 042-2014.**

***Littler Mendelson, PC.** [Multi-year contract]. Mr. Ciotti reported that this is a request for the amendment of a contract with the labor law firm for extra work that was performed in 2013. **Upon a motion made, duly seconded and unanimously adopted the Board of Directors approved an amendment to a contract with Littler Mendelson, PC for additional work performed in 2013 in an amount not to exceed \$15,000 for a term of one year with a start date of 01/01/13. Resolution No. 043-2014.**

***Island Occupational Medical Resources (IOMR).** [Multi-year contract]. Dr. Walerstein reported that the organization provides services to the medical center. Dr. Gardyn is currently under contract to provide medical services to Nassau University Medical Center in Employee Health, Occupational Health and Workers' Compensation. Business Development had reviewed the advantages of having an external organization run these programs and they have done a better job than internally with regulatory challenges, tracking data and assuring that all employees, students, etc. have the appropriate clearances. Mr. Mirotznik asked how much has he been paid and Mr. Polacco said \$1.1 million. The request was for \$33,442.88 for reimbursement. Mr. Polacco noted that this contract was submitted to the Board in error and had already been discussed and approved by the Board at a previous meeting. The contract was withdrawn by administration.

***Nassau County DSS.** [Revenue]. Ms. Skarka reported that NuHealth provides services to DSS, the contract has been decreasing and NuHealth provides 15 nurses who go out to the homes to assess patients. NuHealth is reimbursed through the contract. Mr. Tepper noted that the contract is revenue producing the County pays us. **Upon a motion made, duly seconded and unanimously adopted the Board of Directors approved an extension of a contract with Nassau County DSS for NuHealth to provide 15 nurses for the entire 2014 year. This amendment is for the 2014 year. The contract amount is \$2,105,946 and will increase the total contract terms to \$10,455, 946 since inception with an anticipated start date of 01/01/14 for a term of one year. Resolution No. 044- 2014.**

13. **Adjournment.** Upon a motion, duly made and unanimously approved, the meeting was adjourned at 6:55 p.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations or litigation.
14. **Report from Executive Session.** Upon return to Public Session, the Chairman reported that the Board discussed an employment contract for Mr. Craig Rizzo. Dr. Politi said he could not have asked for a better wingman, Mr. Rizzo brings a lot to the table and has expertise in legal, malpractice and labor issues. Mr. Rizzo will be overseeing contracts, policies, labor relations as well as other projects. Mr. Rizzo has already been working with contracts, procurement and construction and reduced a construction project that was originally \$5 million over five years to \$200,000 per year for three years. **Upon a motion made by Mr. Cohn, duly seconded by Dr. Sussman and unanimously adopted the Board of Directors approved the Employment Agreement with Mr. Craig Rizzo effective March 18, 2014. Resolution No. 045-2014.**
15. **Public session.** Mr. Mirotznik opened the meeting for public comment. There were no comments from the public.
16. **Close of Regular Meeting.** Michael B. Mirotznik, Chair, closed the meeting at 7:15 p.m.
17. The next meeting will be announced.

Approved:


Michael B. Mirotznik, Chair
Board of Directors