

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING HELD ON NOVEMBER 18, 2014.

Directors Present

*Michael B. Mirotznic, Esq., Chair
*Steven Cohn, Esq.
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.
*Linda Reed
Asif M. Rehman, MD
*John A. Venditto, MD
Andrew Zucaro
*Warren D. Zysman, LCSW

Non-Voting Directors Present

Krishan Kumar, MD
Frank J. Saracino, EdD
Victor F. Politi, MD, FACP, FACEP

Hospital Administration

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

Not Present

*Vincent A. Gallo, MD
*John T. McCann, PhD
David J. Sussman, MD

*Executive Committee Members

1. Michael B. Mirotznic, Esq., Chair, Board of Directors of the Nassau Health Care Corporation, noted that a quorum was present. The meeting was opened at 5:25 p.m.
2. Adoption of Minutes. The minutes of September 22, 2014 were approved.
3. Report of the Chairman. None.
4. Report of the President/CEO. Dr. Politi reported that there have been a few changes at the hospital, all good. An acting Pharmacy Director was recently appointed, Mr. Jeh-Hong Lin. The former Deputy County Executive for Finance, Timothy Sullivan, who replaced Arthur Gianelli at the County, graciously accepted the position VP Director of Finance here at NuHealth.

One of our staff members has been selected to receive the 2014 Commissioner's Special Recognition Award for reducing risk of sexually transmitted diseases, Nanette Ecker, Director of Sexual and Reproductive Health.

5. Report of the Medical and Professional Affairs Committee and Medical Director. Ms. Reed reported that the Committee met and she asked for approval of the credentialing recommendations and appointments. **Upon a motion made, duly seconded and unanimously approved the Board of Directors accepted the Medical and Professional Affairs Committee minutes of October 28, 2014. Resolution No. 218-2014.**

Ms. Reed asked that the Board accept the MPAC minutes of September 23, 2014, and the Medical Board Minutes of September 2 and October 7, 2014.

Dr. Scarmato reported that there was one issue regarding Medical Records from the DOH survey. We had switched to the electronic records with some glitches. The CMS survey noted that the charts were non-compliant at 95%, they are now down to 42%. We made a concerted effort to get medical staff to learn the new system and work out the glitches.

6. Report of the Finance Committee. Dr. Venditto reported that the Committee did not meet in September but met in October. The Committee discussed the finances and strategies for next year and

the budget. The Committee also discussed Cyber security insurance. Dr. Venditto asked for acceptance of the Finance Committee minutes of October 28, 2014.

Mr. Maher reported that the September Financial Statements were included in the Board packet. The consolidated statement for the month of September showed an excess of \$627 thousand. On a year-to-date basis the Corporation had a loss of \$680 thousand. Given the IAAF funding we are near break even by the end of next year.

7. Report of the Contract Committee. Mr. Zysman, chair of the committee, reported that the committee met on October 29, 2014 and reviewed various contracts. Mr. Zysman asked for Board approval of those contracts except for the Cardinal Health contract that will be discussed in Executive Session. **Upon a motion made, duly seconded and unanimously adopted, the Board of Directors approved the Resolution Approving Contract Committee Recommendations, dated October 29, 2014 with the exception of the Cardinal Health contract as set forth in the attached. Master Resolution M-219-2014.**

Mr. Ciotti reported that there are two contracts that did not come through the Contract Committee for approval that need to be approved this evening.

*Beazley Insurance. Mr. Maher reported that they are purchasing a \$10 million cyber insurance policy at a premium of \$128,777 annually. He is asking for a pro-rated term to end on 9/29/15 to coincide with the expirations of other insurance policies at that time. The purpose of the insurance is to cover the hospital for data breach in some form or another. The acquisition of the insurance was solicited through AON, the Corporation's insurance producer. Three different insurance companies were approached with varying coverage (\$1, \$5 or \$10 million). The deductible with Beazley was \$100 thousand (as opposed to \$150 thousand by Zurich). **Upon a motion made, duly seconded and adopted the Board of Directors approved a contract with Beazley Insurance to purchase insurance coverage for network security and privacy liability, regulatory defense and penalties, cyber extortion, digital asset protection, breach response, business interruption, PCI fines and expenses, and web site media liability. Coverage proposed is \$10 million aggregate limit (with sublimits on defense and penalties-\$5 million, PCI fines and expenses-\$250,000). Retention for third party actions, \$100,000 for a term up to one year effective immediately through 09/29/15 so that the insurance policy is co-terminus with NHCC's other corporate insurance policies as obtained from outside insurers in an amount not to exceed \$128,777 annually or as pro-rate for the term ending 09/29/15. Resolution No. 220-2014.**

*The NYS DOH, Bureau of Women, Infant and Adolescent Health (Grant based). Mr. Ciotti asked Ms. Nanette Eckert what was the emergency to present this contract this evening. Ms. Eckert said the response is due in Albany by Monday and she was planning to present it tomorrow night at the Contract Committee meeting but it was cancelled. This is a grant that we have had for many years and this is the fifth year of a five year contract (2011-2015). It is a revenue generating grant for things we do routinely in Family Planning/Sexual & Reproductive Health. We will get reimbursed for the various services provided. We must provide financial reports to Albany. It is a competitive grant for services in the community with the highest needs to reduce the health disparity and the most needy populations. We have a strong presence in the community and get the message out about the great things this hospital is doing to provide services. Mr. Zysman asked if this is paid on a per diem basis. Ms. Eckert said we get the revenue through billing. Mr. Zysman asked what is the in kind cost. Ms. Eckert said things like setting up the examination rooms with roll-down paper about \$144,000/year and about \$18,000 for the office. Sixty percent of the revenue goes to support salaries and an OB/GYN physician four hours a week in Family Planning and we get reimbursed for those hours. About 25% goes for contraceptives and 11% lab costs. Mr. Zysman asked if Ms. Eckert is tracking patients from that grant to find out if they are actually using our facilities here and Ms. Eckert said she presently has no way of doing that. Ms. Hanson asked how much do you get back in this grant in the five years. Ms. Eckert said about \$492 thousand through the third quarter and we are right on target with \$367 thousand. Ms. Hanson asked what do you ask for and Ms. Eckert said what the State tells us we will get. Ms. Hanson suggested they negotiate with the insurances to get a higher rate. **Upon a motion made, duly seconded and adopted the Board of**

Directors approved a contract with the NYS DOH, Bureau of Women, Infant and Adolescent Health to provide approximately \$900,000 in revenue for work NHCC already provides as a safety net hospital/FQHC. Revenue Funds cover/reimburse NHCC for a range of family planning/sexual and reproductive health (e.g. contraceptive, pregnancy and STD/HIV prevention and related patient recruitment/community education services) targeting poor, underserved and uninsured women, men and teens in Nassau's most at-risk communities. This is the fifth year of a five year Title X Grant. Funding from 1/1/15-12/31/15 to support a range of Family Planning/Sexual and Reproductive Health and Education Services at NUMC and four family health centers. The grant provides approximately \$819,440 (plus annual COLA funds added at the end of annual grant cycle to further supplement staff salaries, etc.). Approximately 60% of total funds support salaries and fringe for various program staff; 25% supports contraceptives purchased; 11% for lab costs; 2% for education/marketing supplies; 1% each for travel and office supplies for a term of one year effective 01/01/15 for an estimated revenue of approximately \$819,440 during the one year term, plus annual COLA at end of annual grant cycle. Resolution No. 221-2014.

2014 Capital Plan. Mr. McDonald reported that the capital project spending projection for 2014 was included in the Board packet. Administration is requesting additional funding for the primary care project (HEAL 21 funded). Administration may have to come back to the Board from time to time to amend portions of the plan. **Upon a motion made, duly seconded and adopted the Board of Directors approved the 2014 Capital Plan as attached. If any changes are made to extend or increase cost, Administration will come back to the Board for approval. Resolution No. 222-2014.**

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

9. Behavioral Health Committee. Mr. Zysman reported that there is no update at this time.

10. Extended Care and Assisted Living Facility Committee. Dr. Venditto reported that there is no update at this time.

11. Facilities and Real Estate Development Committee. Ms. Reed reported that there is no update at this time.

12. Legal, Audit and Governance Committee. Mr. Cohn reported that the Committee met on October 20, 2014 requested that the Board accept his report as included in the Board packet.

13. Other Business. Ms. Leslie reported on Board training and other requirements for voting and non-voting members of the Board. Members must complete certain items before the end of the year and therefore are due within the next few weeks. Ms. Leslie handed out a list of Board training and requirements for staff members as well as Board members. 1) Compliance Training done online, 2) On line Board training – compliance with Public Authorities law, 3) Annual Board of Directors Evaluation, 4) JCOPE Live Comprehensive Ethics Training Course by Ms. Leslie, 5) Acknowledgement of Fiduciary Duties and Responsibilities, 6) Conflicts Disclosure Statement and 7) Financial Disclosure to the Joint Commission on Public Ethics (JCOPE) done online. Dr. Politi is required to certify training of all employees and Board members. Ms. Leslie will also email the list of training and Annual Board of Directors Evaluation to all members of the Board. Mr. Martello asked if this training is required every year because he has done the training in the past and Ms. Leslie said yes. Ms. Leslie said she notified those members who are required to participate in the Live training scheduled for Monday in the Amphitheatre from 10-12 noon. She will also provide training on January 8, 2015 in the Board Room through the JCOPE Webinar. Ms. Leslie noted that staff and Board members can be fined for not complying (anywhere from \$200-\$40,000). Mr. Ciotti asked does this have to be done before 12/31/14. Ms. Leslie said people were notified we do not want to delay. Mr. Ciotti asked that Ms. Leslie send the email out to members who must do the live training and Ms. Leslie said she sent it out yesterday.

14. Adjournment. Upon a motion made, duly seconded and unanimously adopted, the meeting was adjourned at 6:00 p.m. to Executive Session.

15. Public Session. Mr. Mirotznik opened the meeting for public comment and there were no comments.

16. Report from Executive Session. Upon return to Public Session, the Chairman reported that the following resolutions were approved by the Board of Directors.

Upon a motion made, duly seconded and unanimously adopted the Board of Directors instructed administration to withdraw the sealed bid for the pharmaceuticals distribution program. Resolution No. 223- 2014.

Upon a motion made, duly seconded and unanimously adopted the Board of Directors instructed administration to refund to Cardinal the discounted pharmaceutical funds received since March 1, 2014 in the approximate amount of \$22,000; there may be more discounts up to the date of this decision or motion. Resolution No. 224-2014.

Upon a motion made, duly seconded and unanimously adopted the Board of Directors instructed administration to purchase under the Premier contract GPO at a cost minus 3.1% that terminates on 12/13/15. Resolution No. 225- 2014.

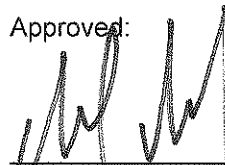
Upon a motion made, duly seconded and unanimously adopted the Board of Directors instructed administration to engage a law firm to bring action concerning the Cardinal contract based upon the opinion of the Board that the contract was executed by an unauthorized individual. Resolution No. 226-2014.

Upon a motion made, duly seconded and unanimously adopted the Board of Directors approved the DSRIP Term Sheet and Affiliation Agreement. Resolution No. 227-2014.

17. Close of Regular Meeting. Mr. Mirotznik closed the meeting at 8:20 p.m.

18. The next meeting will be announced.

Approved:



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