

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING  
HELD ON JANUARY 25, 2010

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Directors Present

\*Martin D. Payson, Chair  
Stephen A. Antaki, CPA  
Stephen H. Ashinoff, OD  
Steven Cohn, Esq.  
\*Lawrence E. Elovich, Esq.  
\*Rosemarie Guercia, MD  
Jemma Marie-Hanson, RN  
Greg-Patric Martello, Esq.  
\*George W. Miner, MD, MBA  
Asif M. Rehman, MD  
\*Craig Vincent Rizzo, Esq.

Not Present

Leonard A. Benedict, MD, MPH  
Joseph Capobianco, Esq.  
\*Bradley L. Gerstman, Esq.  
\*Frank J. Saracino, EdD

\*Executive Committee Members

Non-Voting Directors Present

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

Hospital Administration

Gary E. Bie, EVP/CFO  
Reginald Bullock, Esq., General Counsel  
James Senterfitt, EVP for Ambulatory Care and  
Business Development  
Larry Slatky, EVP Operations  
Steve Walerstein, MD, EVP/Medical Affairs  
Kathy Skarka, EVP for Patient Care Services  
Joan A. Soffel, Assistant to the Board/CEO

1. Martin D. Payson, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum. The meeting was opened at 9:05 a.m.
2. **Adoption of Minutes**. Upon a motion made and duly seconded, the minutes of the November 23, 2009 Board of Directors meeting were unanimously approved with one correction. Dr. Guercia noted that she had said that the "Saturday morning" clinics were well attended.
3. **Report of the Chairman**. Mr. Payson reported that via e-mail, the Board committee assignments were delivered to all Board members. (Dr. Ashinoff noted that he did not receive a copy and will receive one). For the first time in a few years, there is a full complement of the Board with 18 members, 15 voting and 3 non-voting. Mr. Payson tried to match the interests of Board members with the Committee assignments. If anyone has questions or would like to be a member of a particular committee, please let him know.
4. **Report of the President/CEO**. Mr. Gianelli summarized events during 2009 regarding quality, academics, modernization, real estate, finances, areas of focus for 2010 and beyond.

Of all of the accomplishments in 2009, the most significant improvements were made to academic programs and quality of care. In 2009, NHCC had a very successful Joint Commission survey with a very positive story in Newsday. In 2006, the Corporation had many problems that needed to be rectified. Over the last few years, with the new Chairs of Departments and with Dr. Miner's and Dr. Lane's support many of the academic programs have significantly improved and years of accreditation have increased (from 1.3 to 4 year accreditations, better than Stony Brook and LIJ in some instances). Areas that increased were GI, nephrology, radiology, plastic surgery, pediatrics and pathology. Anesthesiology is one area that has some problems, but administration has a contract for approval by the Board to bring in NAPA to manage the residency program. NAPA is involved with the North Shore/LIJ system and is very well regarded by surgeons on Long Island. NAPA is scheduled to begin work here on April 1, 2010 to improve quality of care in surgery and attract community physicians. Some of the residency programs at NUMC have received

national recognition such as inpatient rehab in the top 100 of all such units in the United States, positioned in the top 2% nationwide for excellence in care. HealthGrades recognized 88 hospitals as Bariatric Surgery Five-Star recipients, placing them within the top 5% of all hospitals nationwide for bariatric surgery. Mr. Gianelli has charged Dr. Walerstein and Ms. Shannon to identify those programs that are only rated one star and to work with HealthGrades to identify their methodology and focus on the problems. Mr. Gianelli noted that in bariatrics, NUMC is high in quality but low in volume. Some of these programs can be centers of excellence of Medicare based on volume. The bariatric surgeons are wonderful and NUMC must grow the volume. The success has been in Medicaid managed care, there is not much competition in that area. January 1<sup>st</sup> NYS diverted bariatric surgery volume only to Medicare centers of excellence, leaving NUMC in a Catch 22. The only way NUMC can grow is to operate in the Medicaid managed care space and the State is taking that away from us, directing it to Medicare managed care.

AHP for the second straight year ranked five out of five stars by Centers for Medicaid/Medicare both overall ranking and quality of care. This is a significant change from a few years ago when AHP was under consent by the Department of Justice for quality of care issues.

In 2009, NUMC was awarded top honors by Healthfirst for its QARR/HEDIS (Quality Assurance Reporting Requirements and Health Plan Employer Data Information Set, beating out North Shore, Long Island Jewish, Maimonides, Stony Brook and Mt. Sinai.

Infection control in the ICU's is not at the level that we would want due to the proximity of patients and risk of acquired infections. Dr. Ashinoff noted the lack of space and environment of the units previously. Maureen Shannon has requested that Patricia Zinkiewicz to look at that data and it is improving in some units between September and November. Mr. Martello asked if there were plans of correction. Ms. Shannon reported that there is a Critical Care Committee under the guidance of Dr. Multz (the new Chair of Medicine) and they are look at VAP central line blood stream infections. Dr. Faust, Chair of Surgery, has a variety of initiatives in place and has identified two groups of blood infection: line placement and wound care. Dr. Walerstein reported that the plan also includes a reeducation of physicians; orient all new physicians who must, under direct supervision, place five lines successfully before attempting on their own. Ms. Skarka reported that a new director of nursing with experience in acquired infections will identify issues with drawing of blood through the central line and develop competencies. Some devices used and methodology were changed. Dr. Miner noted that a lot of attention is given to this with meetings and Medical Board participation. It is a work in progress.

Ms. Hanson asked if there is additional space for the ICU. Mr. Gianelli said that there is not enough space in the area that the ICUs are in now; nor space between patients. The cost would be over \$30 million and the Corporation does not have the funds, but at some point will have to deal with this.

Surgical Care/Heart Failure project is sponsored by IPRO. NHCC's overall rank went from 11<sup>th</sup> out of 30 hospitals in 2007 to 2<sup>nd</sup> in 2009. Some areas slipped, but the overall is quite impressive and slightly up in patient satisfaction.

In 2009 various sources of funds were available to modernize and develop real estate, tobacco, HUD 232 for the nursing home, HEAL NY, reimbursements, Build American Bonds, Recovery Zone Bonds, New Tax Market Credits, sale/leaseback/other financing through Health Care REIT, joint ventures and Federal appropriations. Under the direction of Robert Benrubi, NHCC is seeking distinction by joining the LI Regional Planning Counsel to provide help with Federal transportation and for the infrastructures. Completed projects included the Burn Center, Hypertension/Diabetes, Breast Health Center, Chemical Dependency Unit, 8<sup>th</sup>

Floor upgrade/classrooms, interim dialysis center, Hempstead Family Health Center and Freeport/Roosevelt Family Health Center

Schedule projects include ER, Ambulatory pavilion, A. Holly Patterson, EMR, Amphitheatre/Auditorium, Veterans Clinic, EMS Academy, Eye Center, PM&R upgrade, 9<sup>th</sup> and 11<sup>th</sup> floor upgrades, 14<sup>th</sup> floor suicide, abatement and ASU upgrade. Items that are uncertain due to lack of funding are ICU, Labor and delivery, lobby upgrade, cafeteria, cath lab upgrade, linear accelerator upgrade. Newborn volume is down and went to the competition (Winthrop).

NHCC would like to invest or partner with outside providers to develop two major campuses. The Senior Village at A. Holly Patterson in Uniondale has 50 acres. The property will include replacement of AHP, assisted living, senior housing, commercial development, athletic field/community center, geriatric health center and dialysis facility. The Village for Healthy Living on the East Meadow campus (35 acres) would include a wellness center, ambulatory pavilion, cancer center, ambulatory surgery center, medical office space, parking garage, resident housing, and commercial development. A request for authorization to issue the RFP for all of those areas will be presented to the Board in order to see what joint venture opportunities are out there. The Ambulatory pavilion will be built by NHCC with funding from Build America, Rezoning, New Market Tax Credits, and HEAL grants. The building will be located in front of Building A to the North of Building B. The rest of the property would require third-party interest for joint ventures and partnerships. Mr. Payson asked about the parking garage. Mr. Gianelli noted that the present parking structure is being kept alive. The cost is huge, \$80 thousand a space. NHCC will explore alternative parking. Mr. Gianelli will discuss this with the Union as well because users of the parking garage will have to pay whether they are visitors or employees.

NuHealth is projected to have its strongest year yet financially, tentatively showing a very slight surplus for 2009. However volumes, managed care and payer mix remain key concerns. In 2008, NHCC lost \$10.9 million from operations, representing 2.2% of operations. This is consistent with NHCC's performance for the prior two years. In 2007 and 2008 the Corporation recognized \$91.6 million as grants for capital asset acquisition and retirement of long-term debt. These grants did not contribute to operations but did permit NHCC to retire \$34 million in debt and initiate its Modernization Program.

In 2009, NuHealth is projected to recognize an additional \$47.3 million in grants for capital. The County exhausted the Tobacco funds, so that number will not grow going forward. The retirement and health benefits are a challenge and they need to get under control to benefit a structure that is manageable.

The 2009 performance shows a modest surplus of \$0.7 million (due to HEAL funds, operational changes, and adjustments to NUMC's disproportionate share payments (DSH). New York State adjusted the model for DSH payments. The old model used 1996 as a base year and there was a two-year lag for reconciliation of payments. The new model uses a 2007 base year with accelerated reconciliation of payments.

The volume and market share continue to be a weakness in the operation of the facility. Last year the Corporation added psychiatric units and received appeals. This year there are no appeals and discharges continue to be flat. (Discharges through Nassau County are flat). PM&R lost 1191 patients due to the physical plan and managed care penetration. OB and newborn/neonatal discharges are down. Winthrop is in our primary care area in Hempstead and the Corporation cannot control that. OB/GYN has a wonderful Chair who reduced the amount of neonatal high-risk patients and that volume loss must be replaced. There is a decline in the CCU's because EMS bypasses NUMC because no one in the past made a decision to make NUMC an interventional center. NuHealth needs to work with North Shore to accomplish this. The case mix is down with significantly lower reimbursement.

Family health Centers primary care visit volumes are flat year after year. Improvements should be made with the move to Federally Qualified Health Centers. The centers did reduce their operating deficit from \$5.4 million in 2008 to \$3.3 million in 2009 due primarily to the change in skill mix of their employees. Podiatry has an excellent affiliation with the New York College of Podiatric Medicine. Dentistry has not fully occurred in the health centers. Mr. Gianelli knows that the dentistry numbers are particularly disappointing to Dr. Guercia and he is focusing on that. The FQHC status will help.

Mr. Gianelli explained to the new Board members that NuHealth operates four community centers in Elmont, New Cassel, Hempstead and Freeport/Roosevelt and a school-based clinic in Roosevelt. They operate as diagnostic treatment centers under Article 28. A designation as an FQHC is better. There are two types. The look-alike is non-competitive (which is the designation NuHealth is seeking). It provides enhanced reimbursement per visit and wrap around managed care (85% of the market is managed care). The look-alike also provides low cost drugs to patients in health centers. The Guanteed FQHC model would provide Federal tort immunity for practitioners. There are no FQHC's on Long Island. The designated chair is Jim Harnett and the majority of board members are users of the facility. There is a co-applicant agreement between LIFQHC and NHCC. Dr. Guercia pointed out that dentistry has been part time at the most at the centers with no sliding fee scale and is too costly for the patients. Once the FQHC status is in place, Dr. Guercia said that the centers should be deluged with patients in need of dental care. A small survey was taken at the Roosevelt School last Fall for first graders, 60% of the group needed dental treatment at that point. Mr. Gianelli reported that visit volume in Freeport went up by 6000 and visits in Hempstead went down 4000. Winthrop penetrated our service area in Hempstead; there are no other equivalent services in Freeport/Roosevelt. Mr. Senterfitt is talking to community physicians to line up at least one to sell their practice and go to Hempstead.

Ms. Hanson asked how the quality of care was in the centers. Mr. Gianelli asked for one more meeting before he reports at which time he will have a comprehensive report put together by Krasnoff. Dr. Miner asked Mr. Gianelli to define case mix. Mr. Gianelli said that some patients paid on a fee-for-service, some are not insured and either pay the full amount or a sliding scale, some patients are in managed care programs and NUMC is taking a risk on those patients. NUMC receives a per-member/per-month payment to take care of the patients. The risk is if the care exceeds the payments. NUMC can increase per member payment by documenting well and getting patients to get physical bring the rate from \$4 per patient to \$50 per patient. Typically 20-30% of patients are non-compliant.

2010 projected performance is up and down. NuHealth had to budget for the pension increase of \$10 million. If there was a COLA, that would be another \$20 million. The \$7 million projected deficit includes regional pricing. The Governor's proposed budget pushes regional pricing, which is a change in reimbursement for nursing homes. The Governor's budget would get rid of benefits that large nursing homes and public nursing homes have received historically. If that passes, the nursing home would not be profitable. The good news is that this proposal was put off for one year. Mr. Payson said that the regional pricing before the good news, would have been an \$8 million loss.

In the years ahead it is fair to say that the \$10 million pension increase will grow to \$17-28 million in 2011. There is uncertainty regarding National Health Reform that puts planning in jeopardy. There are opportunities to draw down Health IT funds, restructure health insurance, modernize and develop real estate. Administration will also pursue and revisit affiliations with North Shore/LIJ in Anesthesiology, Pathology, Neurosurgery and Pediatrics. Joint ventures will be pursued in Oncology and Ambulatory Surgery.

Mr. Gianelli noted that the Catholic hospital systems are connecting with New Island.

Mr. Payson said that this was a very detailed report and asked Mr. Gianelli to forward the slide presentation to all Board members. If there are any questions, please feel free to call Mr. Gianelli.

Ms Hanson asked if it was possible to bring down the commercial rates or have an alliance with one of the other systems. Mr. Gianelli said that everything is possible, but insurance companies are nervous when it comes to legislative changes and we may not get anyone to sponsor a change. There may be more of an opportunity with clinical integration with North Shore/LIJ and jointing the Long Island Health Network might be a quicker option because they are already an existing network and the cost to join is not that bad. The connection with Hofstra is more of a prestigious alliance and will enable NUMC to attract clinicians. The Hofstra medical school should open in 2011 and then NUMC will affiliate with Hofstra and North Shore. Eventually our staff will be appointed to the faculty at Hofstra and NUMC will move away from Stony Brook.

5. **Other Business.**

Mr. Payson read a letter from new Board member, Craig Vincent Rizzo. Mr. Rizzo's law firm has been defending medical malpractice cases for NUMC for almost ten years. Mr. Rizzo will not personally be working on the hospital account, and will not be sharing in any of the profits gained from that account. (See attached letter).

Mr. Payson introduced new Board members, Tierre Jeanne-Porter, formerly worked for NHCC in Human Resources, presently employed by IPRO, a quality improvement organization that provides regulatory oversight services for Medicare/Medicaid on behalf of CMS as well as NYSDOH. Steven Cohn is a practicing attorney in Nassau County. Louisa Mae Fennel is a nurse practitioner working in a private office, also involved in community services helping the indigent in Nassau County.

Mr. Payson noted that Mr. Gianelli e-mailed the Committee assignments to the Board members. If there are any issues, he asked that members contact him. The Board now is complete with 15 voting members and 3 non-voting members. The Committees are structured to meet and report back to the full Board which now meets every other month (with the Committees working in between those meetings).

**Corporate Bylaws.** Mr. Bullock reported that the Amended and Restated Bylaws including a summary of changes was distributed at the last meeting. The process for amending Board bylaws requires a resolution after two meetings. At the last meeting, the Board voted to approve and table the bylaws for a vote this month. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution approving the revised NHCC Board of Directors Bylaws with one abstention by Steve Cohn.**  
**Resolution No. 165-2009.**

**Establish of Not-for-Profit Subsidiary.** Mr. Bullock reported that a resolution was included in the Board packet requesting authorization to establish a not-for-profit subsidiary to co-operate the hospital and its facilities with the PBC. The subsidiary would hire future NuHealth employees and reduce the cost of employment and pension costs. Mr. Gianelli requested that this be discussed in Executive Session.

**Issuance of Requests for Proposals, Jointly with Health Care Reit.** Mr. Benrubi reported that over the last few years administration has been working on both campuses in East Meadow and Uniondale for the creation of two villages: the Health Village and the Senior Village. NHCC partnered with Health Care Reit in August, went through the State review process, and approached the Town of Hempstead and Uniondale to explore vehicles for financing

these projects. The resolution before the Board would authorize the Corporation to issue a series of RFPs for future partners on the building of each of the elements of the campus as Mr. Gianelli pointed out earlier. Mr. Payson said that the results of the RFPs would come back to the Board with recommendations and at that point in time the Board would act upon the recommendation. **Upon a motion made, duly seconded and unanimously approved, the Board of Directors adopted the Resolution Authorizing the Issuances of Requests for Proposals, Jointly with Health Care Reit, In Order to Select a Preferred Developer or Developers for Certain Land Use Projects. Resolution No. 026-2010.**

Public Authorities Law. Mr. Bullock distributed a hand out on the recent changes to the Public Authorities Law, which is the governing law for the PBC and Board. Mr. Bullock explained that the PAL had previously been amended in 2005 and also explained the changes made in 2005 that affected the role of the Board members. The hand out today includes additional changes made in November 2009 after the creation of a new Authorities Office to oversee and mandate enhanced reporting by the PBC. Mr. Bullock reviewed items that affect NHCC and its Board of Directors. (See attached).

Mr. Payson noted that the changes are workable. The Board has responsibilities and must also participate in a State approved training course.

Public Authorities Training Program. Mr. Bullock also distributed information on the roles and responsibilities of the Board members. He noted that CUNY offers training programs and as soon as the dates of those courses are made available, Mr. Bullock will inform the Board.

6. **Report of the Medical Professional Affairs Committee and Medical Director.** Dr. Miner will report in Executive Session.

Adult ICU Data Reports. Dr. Miner noted that the report was included in the Board packets. The slides are a statistical analysis looking at specific indicators between June 2009 and November 2009, when the nursing shifts were changed. The findings show no significant difference.

Dr. Walerstein said that there are 260 residents and a smattering of residents who rotate from other hospitals. There are 120 medical students with a main affiliation with NYCOM, AUC and Stony Brook.

Mr. Gianelli said that Ms. Hanson had requested the quality data specifically regarding the change in shifts and thus far there are no problems. The Board should be aware that administration received a letter from CSEA sent by the Department of Labor relative to this issue. The Department of Labor had done a site survey relative to the legislation dealing with mandatory overtime. There were five out of 73 citations that the Department of Labor identified where administration did not follow the process that they should have. The bottom line is that administration is committed to complying with the law. It is important to know that 20-30 nursing FTEs are currently being trained or have finished training and should be on the floors and reducing the amount of mandatory overtime very shortly. The 12 hour 40 minutes shift was the least effective schedule and was changed to an 8 hour shift which is more efficient. Administration remains open to discussion with the Union for solutions provided that there is a savings and not a backward move.

Dr. Guercia noted that the reduction in nursing staff at the Health Centers took an entirely different approach, and asked if anyone has looked at quality of care at the Health Centers. Mr. Gianelli said that no one has looked at quality of care in a systematic way at the centers. He will have information on the health centers for the next Board meeting.

7. **Report of the Finance Committee.** Mr. Elovich, Chair of the committee, reported that the committee met on January 20, 2010 and reviewed a number of contracts and a list of the contracts recommended for approval are included in the Board packet. Any questions regarding the contracts can be discussed in Executive Session. Mr. Payson noted for the new Board members, that the Committee reviews contracts in detail and then recommends approval of the full Board. **Upon a motion made, duly seconded and approved (with one abstention by Steve Cohn), the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, with no exceptions, dated January 20, 2010 (with one abstention regarding Triad by Greg-Patric Martello). Exhibit includes contracts presented on November 19, 2009, as set forth in the attached Master Resolution M-027-2010.**
8. **Report of the Ambulatory Care Committee.** Dr. Guercia, Chair of the committee. No report this month.
9. **Report of the Extended Care Committee.** Mr. Saracino, Chair of the committee. No report this month.
10. **Report of the Facilities Committee.** Mr. Gerstman, Chair of the committee. No report this month.
11. **Report of the Legal and Audit Committee.** Stephen Antaki, CPA, Chair of the committee. No report this month.
12. **Public session.** Mr. Payson opened the meeting for public comment.

Jerry Laricchiuta said that he had some serious concerns that have been going on for quite some time. He noted that he was not here to negotiate the Union contract, because he has a team working on that. He is here to notify the Board and remind them of their duties as appointed Board members. He reminded them that they must make sure that Administration follows the rules. The Department of Labor looked into how many registered nurses were mandated to work overtime and that a new law went into effect on 7/1/2009. The nurses cannot be mandated for overtime, they need to get home to see their families. On June 9, 2009, Administration changed nursing shifts from 12 hours to 8 hours despite what all other hospitals do. There is not another hospital that provides a standard of care with 5 days and 8 hours in the CCUs. Administration created a matrix with shifts that increased from 2 to 3 shifts. Mr. Laricchiuta distributed a letter from Governor Patterson's office regarding 29 instances of violation of the State law.

Mr. Gianelli said that the Board by statute is not a legislative branch of the government; they oversee policy and strategic planning responsibilities for the NuHealth System. It is not a separate legislative body as is Nassau County. Mr. Payson said that the Board and Administration does have an obligation to follow the law. Mr. Gianelli said that the law does not say that nursing cannot be mandated for overtime, it has to be mandated with very specific policy that administration has to follow. The law went into effect on 7/1/09 and administration wanted to have the Nursing Staff Plan in effect by mid October which we did. The Department of Labor looked at 70 cases of alleged mandated overtime and there were only 5 instances in which we did not follow the proper process to authorize proper overtime. We did not document properly on those five, otherwise we would have had zero violations. There are no penalties for these violations. Administration needs to document to comply with the law. NUMC had 12 hour and 40 minute shifts, three days a week, no other hospital has that. It was an inefficient matrix and cost millions. The institution hired less nurses than it should have and they are now being hired. A series of proposals were presented to the Union to compromise on the 12 hour 40 minutes and they did not respond. The 8 hour shifts went into effect on June 6<sup>th</sup>. The Union can negotiate this, but under no circumstances will the institution go back to an inefficient scheduling matrix. Unless quality of care is

compromised, Mr. Gianelli strongly would argue that this is a matter of collective bargaining. Mr. Payson noted that the change in shift was discussed at great length with the Board at prior meetings and was adopted by the Board. Mr. Gianelli said that he understands that Board members are concerned about quality issues and reports will be given to the Board on a regular basis, particularly involving the ICUs. Ms. Hanson said that the issue of nursing shift change was discussed last year, and the Board was assured at that time that processes would be followed, she was dismayed that it has come to a point where the processes were not followed. She would not want to find that these violations set up a nurse to make mistakes and that they are so exhausted that they cannot function as they should. Mr. Gianelli said that the process is being followed and noted that every single hospital must at some time mandate overtime. Dr. Rehman asked why the Union would choose this issue. Mr. Gianelli said that the Union is getting pushback from the nurses and the Union as representatives are responding to their membership. Ms. Skarka noted that every single mandation is reported in a daily report, and will be checked for proper paperwork.

13. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 10:30 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, duly seconded and unanimously adopted, the Board of Directors approved the employment agreement between NHCC and Arthur A. Gianelli. Resolution No. 028-2010.**


**Upon a motion made, duly seconded and the Board of Directors of Nassau Health Care Foundation adopted the Nassau Health Care Foundation, Inc. Bylaws (as attached). Resolution No. 029-2010.**

**Upon a motion made and duly seconded, the Board of Directors unanimously adopted the Resolution to Establish a Not-For-Profit Subsidiary with one vote of no by Jemma Marie-Hanson (Dr. Guercia and Mr. Elovich were not available to vote). Resolution No. 030-2010.**

**Upon a motion made, duly seconded and unanimously approved with one abstention by Craig Rizzo, the Board of Directors approved the recommendations made by the Credentials Committee for appointments to the Medical and Dental Staff to the Executive Committee of the Medical Staff at their meeting held on January 1, 2010 with the exception of Michael Francis, PA who was reappointed for one year. (Mr. Elovich and Dr. Guercia were not available for a vote). Resolution No. 031-2010.**

15. **Close of Regular Meeting.** Martin D. Payson Chair closed the meeting and opened the floor for public comment.

16. The next regularly scheduled meeting is March 22, 2010 in the Auditorium.

Approved:  
  
Martin D. Payson, Chair  
Board of Directors  
NuHealth



NUHEALTH  
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-027-2010

January 25, 2010

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, January 20, 2010** (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 exceptions. Noted: Steve Cohn abstained. Greg-Patric Martello abstained on the vote for Triad.

NUHEALTH  
FINANCE COMMITTEE  
January 20, 2010  
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

\*Healthplex. [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 Healthplex to provide the NHCC Employee Dental Plan in an amount not to exceed \$1,680,000 per year for the period 01/01/10-12/31/12 with an option to renew for an additional two years (total for two years \$3,360,000). Resolution No. 161-2009.

\*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)" module for required warehousing data. Regarding stroke certification, GWTC is an American Stroke Association Program; goal is to reduce incidence of stroke and death by enhancing the quality of hospital care. Provides data tool and data base; generates reports, assists in complying with Joint Commission requirements in an amount not to exceed \$1,196,000 per year. The current contract automatically renews for one year periods, effective date 9/1/06 this is for renewal of 09-10. Resolution No. 001-2010.

\*Crown Advertising. [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 Crown Advertising to provide marketing and advertising services for NHCC. Crown will be responsible for recommending strategies to initiate re-branding of NHCC and following-up with an extensive advertising and website upgrade. Extension of contract will allow for continuation of campaign to maximize the NuHealth rebranding with ads in Newsday, local newspapers, radio ads, web development that will include web interactive features, promotional brochures in order to enhance image and promote strategic services in an amount not to exceed \$155.00 per hour, not to exceed \$300,000 total for year 2010 contract extended to 12/31/10. Current contract (2009) was \$100,000 (current contract expires 12/31/09). Resolution No. 002-2010.

\*Digiacom-Geffers and Associates. [Multi-year contract, additional funds]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Digiacom-Geffers and Associates to provide accreditation support program that includes onsite work for NUMC, CHC and AHP. Additional monies needed for the period of July 09-September 09 wherein vendor provided NUMC with Joint Commission clarification and evidence

of standard compliance, off site for 14 hours in the amount of \$4,200 in excess of original contract amount of \$179,500 for a total of \$183,700 – contract expired 09/03/09. Resolution No. 003-2010.

\*Diagiacom-Geffers and Associates. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Diagiacom-Geffers and Associates to provide a continued accreditation support program that includes onsite work for NUMC, CHC's and AHP. Services designed to keep the corporation ahead of the changes in standards and survey process, preventing issues from developing. Will include off-site assistance with 09 ESC/Clarification, 2010 MOS and PPR; on-site all day CMS education, four day mock survey utilizing 4 mock surveyors 2/09; consultation to assist with TJC compliance issues, revisit on-site summer 2010, details based on organizational needs and funding available in the amount of \$98,900 per year for the period 01/01/10-12/31/10. Resolution No. 004-2010.

\*New York College of Podiatric Medicine. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with New York College of Podiatric Medicine to provide two FTE podiatrists who will be assigned and responsible for provision of podiatric services to NuHealth patient population, including outpatient, inpatient consultations and podiatric surgeries in an amount not to exceed \$20,000 per month or \$240,000 per year for the extended period from 11/05/09-11/04/10 (contract expired 11/04/09). Resolution No. 005-2010.

\*Digitech. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Digitech to provide ambulance billing (Medicare, Commercial insurers and patient billing) for all transports by NUMC's Ambulance Division in an amount not to exceed 8% of dollar amount collected, approximately \$60,000 per year for three years for a total of approximately \$180,000 for the period 10/01/09-09/30/12. Resolution No. 006-2010.

\*North American Partners in Anesthesia, 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 North American Partners in Anesthesia, LLP to provide anesthesiology coverage and services required by NuHealth for the benefit of its patients. NAPA will also provide certain services with respect to the NUMC Anesthesia Residency Program and certain administrative services on behalf of NuHealth. In connection with the provision of these services, vendor will lease and supervise the existing NuHealth Anesthesiologists and certified registered nurse anesthetists. They will also provide a new Chair for the department of Anesthesia. NAPA will receive a Clinical Oversight fee of \$350,000 per year and will be made whole for the difference between collections from the Anesthesia Department and the actual cost of leasing the NHCC employees, providing a Chairperson and certain administrative and

insurance costs (currently estimated to be \$2,856,000 for the first year) for the period 01/01/10-12/31/13 with an automatic renewal for two more years. Resolution No. 007-2010.

\*Martin Diamond, MD. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Martin Diamond, MD to continue to serve as interim Director of Osteopathic Medical Education for a period beginning as of August 1, 2009, in an amount not to exceed \$2,000 per week, for a total of \$148,000 for the period 08/01/09-12/31/10. Resolution No. 008-2010.

\*Advanced Health Management Services. [Multi-year contract, extension). Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Advanced Health Management Services to provide credentialing software and administrative and technical support for Medical Staff Office. The agreement provides three full time equivalents knowledgeable in the operations of a medical staff office to complete physician credentialing, managed care credentialing and to maintain compliance within all aspects of Medical Staff office in an amount not to exceed \$301,000 (current contract is \$301,000 per year – renew at same terms) for the period extended to 12/31/10 (current contract expires 12/31/09). Resolution No. 009-2010.

\*MHC Software. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with MHC Software to provide payroll software-imports, prints and stores laser payroll checks and direct deposit advice. Also provides accounts payable software which imports, prints and stores accounts payable checks, W2 module-prints and aligns the W2 form and data blank laser form, 1099 Module-prints and aligns the 1099 data on preprinted laser form, includes formatting for 1099 miscellaneous, 1099 interest and 1099 dividend forms in an amount not to exceed \$1,908 per year for three years for a total of \$5,940 for the period 07/25/09-07/24/12 (contract has automatic renewal period after three years for successive three-year periods. Resolution No. 010-2010.

\*Proximare Health, Inc. [Multi-year, exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Proximare Health, Inc. to supply the IRIS application which will assist NuHealth and its stakeholders in managing the referral process from beginning to end using internet-based technology that can be readily accessed in order to improve efficiency, patient access and communication among involved parties. Governed by a set of established clinical rules that are accessible via simple internet connection and can pose a series of questions for referring provider in order to help collect necessary information in an amount not to exceed \$427,967 for a three-year term, including implementation and license fees, for the period 02/01/10-05/31/13. Resolution No. 011-2010.

**\*Eclipsys Corporation.** [Multi-year, exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Eclipsys Corporation to provide remote hosting services of Eclipsys Systems. Remote hosting provides hardware, software, facility and personnel savings, as well as providing disaster recovery services in an amount not to exceed \$4,622,708 for the period 02/10/10-01/31/16. Resolution No. 012-2010.

**\*Ernst & Young, LLP.** [Multiyear, exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Ernst & Young, LLP to provide mandatory auditing services including annual fiscal audit, OMB circular A-133 audit, and all mandatory DOH reporting certifications including the NUMC Institutional Cost Report, AHP RHCFC cost report, Health Center AHCF cost report and the DOH bad debt and charity care opinion in an amount not to exceed \$1,262,017 (comprised of five components: 2010 total - \$411,000; 2011 total - \$419,220; 2012 total - \$431,797 for a three-year total of \$1,262,017, this will include reduction of current year fees and limit on next two years increase to 2% for 2011 and 3% for 2012) for the period 01/01/10-12/31/12. Resolution No. 013-2010.

**\*HANYS QI Project.** [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with HANYS QI Project to provide core measures, Acute Care/4 core measures sets Psychiatric Care Indicators Add-on OPPS for CMC Users HANYS QI Project, the Joint Commission Transmission Qnet, Transmission Datasphere in an amount not exceed \$39,743 for the extended period 12/31/10 (current contract is \$32,112 expired on 12/31/09). Resolution No. 014-2010.

**\*North Shore University Hospital.** [Multi-year, exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with North Shore University Hospital to provide North Shore Department of Neurosurgery to provide clinicians who will provide clinical services to patients of NuHealth in division of Neurosurgery within the Department of Surgery; after hours on-call coverage, and administrative and teaching services. North Shore will provide on-site clinical neurosurgical services, including but not limited to neurosurgery clinic coverage, supervision and training of residents and/or fellow and on-site patient rounds in an amount not to exceed \$300,000 (\$33,333 per month), current contract amount is \$400,000 per year for three years equaling \$1,200,000 for a total with extension of \$1,500,000 for the period 08/01/09-07/31/10. Resolution No. 015-2010.

**\*Ali Safavi, MD.** [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Ali Safavi, MD, a thoracic/cardiothoracic surgeon who provides weekend and on-call coverage for Dr. Barrett and provides coverage for vacation and personal time. This includes six days a month for 12 months and Dr. Barrett's 32 vacation and personal time days in an amount not to exceed \$1,000 per day, total for year is

\$104,000 (current contract amount is \$104,000). Current contract expires on 02/16/10 and will be renewed for 02/17/10-02/16/11. Resolution No. 016-2010.

\*Press Ganey. [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Press Ganey to provide survey and benchmarking services. This is for Standard Employee Partnership customization; employee data file production, data collection for 3,600 employees and partnership roadmaps for 300 managers. There will be a results analysis on a system level and three site levels. All comments will be transcribed and a report for on-site consulting services. Will receive current benchmarking data in an amount not to exceed and additional \$50,000 (current contract amount is \$175,000) for a total with addition of \$225,000 for the period extended to 12/31/10 (current contract expires on 05/31/10). Resolution No. 017-2010.

\*Press Ganey. [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Press Ganey to provide survey and benchmarking services. This is for Patient Satisfaction survey which will include standard survey customization; 5 wave mail/internet data collection for 160 physicians, physician data file production/results analysis and standard report, comment transcription and report for three open ended questions, two days of on-site consulting for an additional \$22,000 (current contract amount is \$175,000 plus \$50,000 with addition above \$225,000 for a total with this addition of \$247,000 for the extended period to expire on 12/31/10 (current contract expires on 05/31/10). Resolution No. 018-2010.

\*Nassau County Department of Social Services. [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Nassau County Department of Social Services to provide two Welfare examiners to NUMC on-site to process Medicaid applications. Has been providing these workers for the past three years in order to expedite application processing and thereby increase cash flow in an amount not to exceed \$92,000. The cost is equal to 50% of actual cost incurred by Nassau County for the new term 01/01/10-12/31/10. Resolution No. 019-2010.

\*North Shore University Hospital. [Multi-year, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with North Shore University Hospital to provide physician to serve as Department Chair of Radiology (Dr. Victor Scarmato), responsibilities to include: participation with NHCC administration regarding establishment of operating and capital budgets for NUMC's Department of Radiology; increase patient access, establish operating metrics to monitor day to day internal departmental process performance, review and recommend operational and financial performance improvements, participate in NHCC Quality Improvement Program in an amount not to exceed \$578,077 for 1<sup>st</sup> year; \$579,851 for 2<sup>nd</sup> year (reflects 3% increase), total for two years \$1,157,928. Previous contract

amount was \$500,000 per year plus benefits plus \$150,000 for consulting clinicians. Fee total was \$740,000 per year. Previous contract was terminated as of 12/31/09 and will be replaced with new term 01/01/10-12/31/12. Resolution No. 020-2010.

\*Triad Group. [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee (with one abstention by Greg-Patric Martello) recommends Board approval of a contract with Triad Group to provide workers compensation third party administrator services in an amount not to exceed \$187,500 per year, (current contract is \$124,000 per year) with the stipulation that NHCC has the right to terminate the contract within 30 days if the company sells, the contract will be revisited in one year to assess performance by this vendor for the period 02/01/10-01/31/11. Resolution No. 021-2010.

\*Pitta Bishop. [Multi-year]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Pitta Bishop to provide NY State lobbyist services for NHCC which include sending monthly progress reports to President/CEO on NYS Legislation that may affect NHCC, establish meetings with State legislators and staff to advance legislation of interest/concern to NHCC, maintain close liaison with President and General Counsel to clarify existing legislation, explain proposed bills and impact they may have on NHCC's operation in an amount not to exceed \$3,000 per month (\$36,000 for one year). Current contract is \$18,000 for six months expiring on 12/31/09, the new term would be 01/01/10-12/31/10. Resolution No. 022-2010.

\*Financial Medical Systems, Inc. (FMS). [Multi-year, exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Financial Medical Systems, Inc. (FMS) to provide NHCC Faculty Practice Plan with billing, collection and client services. The vendor provides consultative and advisory services to our professional staff through FMS client account executives who regularly meet with each clinical department to review results and troubleshoot problems. FMS has the technology that permits it to drop claims on a HCFA 1500 form, which is required when billing a physician claim (NUMC does not have that capability) in an amount not to exceed \$151,333 per month; \$1,816,000 per year for the period 02/01/10-01/31/11. Resolution No. 023-2010.

\*Foley Lardner, LLP. [Multi-year, exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Foley Lardner, LLP to provide legal services with respect to healthcare, regulatory and corporate issues in an amount not to exceed \$300,000 per year for the period 01/01/10-12/31/10. Resolution No. 024-2010.

\*Assert, Inc. [Multi-year, contract exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Assert, Inc., consultant to provide resident curriculum, multidisciplinary meetings for NUMC Department of Academic Affairs and who is

**expert in medical education (ACGME, AOA, ADA) in an amount not to exceed \$540,000 per year, extending current contract to expire 12/31/10. Resolution No. 025-2010.**

**Informational**

New York State Department of Health to provide cancer screening grant to provide program management, development, reporting, community outreach, data collection and management, nursing follow up care and case management in an amount not to exceed \$293,863 (provided by grant for staffing) for the 3<sup>rd</sup> year renewal of a 5 year grant (04/01/10-03/31/11).

New York State Department of Health HEAL Phase 8 Grant – downsizing of AHP-transition of AHP to Berger Commission mandated smaller replacement facility; staffing facility until day of closure with maintenance and other core staff, retraining and associated back filling of employees who need to be reassigned from AHP to NHCC divisions or to healthcare facilities during the transition to new smaller replacement facility, including temporary staff as needed and to cover severance costs if need in an amount not to exceed \$5,000,000 funded by grant for the period 10/01/08-09/30/10.

Nassau County Dept. of Social Services – NUMC provides 30 FTE RNs to NC DSS in an amount of \$3,592,600 paid to NUMC for salaries and benefits for the period 01/10/10-12/31/10.

Nassau County Dept. of Social Services – NUMC provides health care services and psychiatric services to children at Juvenile Detention Center in an amount of \$155,000 paid to NUMC for the period 01/10/10-12/31/10.

**For approval by the CEO.**

Dr. Joseph Betancourt to be a panelist/speaker at upcoming IHD Conference in April 2010 in an amount not to exceed \$4,500 for the period 04/01/10-05/15/10.

Lancelot Deygoo. Dept. of Psychiatry proposed expansion of clinical services to include CPEP, outpatient services. The dept. needs expertise of individual with knowledge of regulatory and behavioral health financial issues. Vendor provided work product which resulted in 1) researching CPEP regulations, preparing preliminary budget and projected revenue for CPEP unit, 2) researching regulations, preparing preliminary budget and projected revenue for OPD, 3) researching regulations, preparing preliminary budget and projected revenue for a Child Psychiatry OPD in an amount not to exceed \$952.50, bill for services (approximately \$45 per hour) work began in October 2008.

Paulus, Sokolowski and Sartor (PS&S) surveying services for East Meadow Campus to include boundary survey and geographic information services web-based mapping and



overlay. Necessary to complete SEQRA process for campus redevelopment, proceed with site subdivision, secure financing for various campus construction projects and proper site planning to further the development of the Village for Healthy Living in an amount not to exceed an additional \$23,000 (current contract \$26,500 with addition total is \$49,500) for the period 09/15/09-09/14/10.

Lackman Culinary to provide food services for 2010 IHD conference at Hofstra University, will provide continental breakfast, two coffee breaks and lunch for 300 persons at 2010 IHD conference in an amount not to exceed \$25 per person total of \$7,500 for the period 03/10-05/10.

Dr. Dennis P. Andrulis, speaker at IHD Conference, expertise in health care disparity in an amount not to exceed \$4,000 speaker fee plus expenses for the period 03/10-05/10.

Dr. Marc Jacobson, speaker/panelist at IHD Conference in an amount not to exceed \$3,000 panelist fee for the period 04/01/10-05/15/10.

Hofstra University to provide scholarship for students originating in our servicer zip codes to attend March 11 & 12 Hofstra New Directions in American Health Care, we are sponsoring (10) ten students from our service area @ \$35 each to attend, IHD will be credited and have an exhibit booth at this event in an amount not to exceed \$350 for the period 02/10-03/10.

KUMC Research Institute, Inc. National Database of Nursing Quality Indicators provides quarterly information stream that includes national comparison data for facilities in an amount not to exceed \$6,000 per year for the period 01/10/10-12/31/10.

JT Service Contractor, Corp. consultant to work with hospital's environment of care team at NUMC to review and educate with regard to the environment of care, emergency management and life safety standards. Non-compliant issues will be identified and plans of correction implemented in an amount not to exceed \$8,200 plus 15% reimbursable expenses for the period 02/22/09-02/24/09.

Landow & Landow architectural design of new office area and classroom for the American University of the Caribbean. This will be conversion of space previously inhabited by the dialysis program in the S Building in an amount not to exceed \$18,800 for the period 01/15/10-01/14/11.

#### **Extensions not Requiring Additional Funds**

Gilbane & Co. to provide general construction oversight for emergency room and community health centers in an amount not to exceed \$700,000 current contract expires 01/31/10 extend to expire 01/31/11.

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

None.

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\*Requires approval of the Board of Directors

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