

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING
HELD ON JUNE 28, 2010

Directors Present

* Craig Vincent Rizzo, Esq., Chair
Stephen H. Ashinoff, OD
Leonard A. Benedict, MD, MPH
Joseph Capobianco, Esq.
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
*Frank J. Saracino, EdD

Non-Voting Directors Present

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

Hospital Administration

Arthur A. Gianelli, President/CEO
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

Not Present

Stephen A. Antaki, CPA
Louisa Mae Fennell
*Bradley L. Gerstman, Esq.

*Executive Committee Members

1. Craig Vincent Rizzo, Chair, Board of Directors of the Nassau Health Care Corporation, noted the presence of a quorum. The meeting was opened at 9:00 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the March 22, 2010 and May 18, 2010 (with corrections) minutes of the Board of Directors meetings were unanimously approved.

Upon a motion made and duly seconded, the Board also approved actions taken and approved at the Executive Committee of the board on February 22, 2010. **Upon a motion made, duly seconded and unanimously approved, and upon approval of the Executive Committee of the Board the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, with no exceptions, dated February 18, 2010 as set forth in the attached Master Resolution M-044-2010.**

3. **Report of the Chairman.** Mr. Rizzo said that he was honored to have been appointed as Chairman of the Board a few weeks ago by County Executive Edward Mangano. Since that appointment, he has been trying to get up to speed with hospital business as quickly as possible. Although he has been working with the hospital for over ten years, he realizes how much he did not know about the hospital. There are a lot of challenges here and he hopes to work them through together with his fellow board members and administration of the hospital. He looks forward to the Board being as involved as possible with the decisions ahead of them. Mr. Rizzo said that the members had a very good Finance Committee meeting chaired by Mr. Elovich, with a lot of questions and comments on decisions that will dictate the future of this institution and the severe challenges that it has. He also noted that there were a few incidents last week, including the loss of one of NuHealth's employees. Some good news was the press conference announcing a surplus for 2009, approval for Federally Qualified Health Center (FQHC) status that will help with reimbursement over the next few years, and revenue anticipated note approval in the amount of \$50 million.
4. **Report of the President/CEO.**

Mr. Gianelli noted that SouthOcean Care was added to the list of Health Centers and thanked Dr. Benedict for his support in completing the transaction. NuHealth has secured FQHC status for the diagnostic treatment centers, which is extremely important strategically. As a look-alike the centers will receive enhanced Medicare/Medicaid reimbursement including wrap around for managed care. It also provides for low cost pharmaceuticals (340B) to our outpatients at the health centers. The FQHC is the golden child; it puts NuHealth in a position to secure further grant funds and potentially hiring good physicians who work in disadvantaged areas of care. NuHealth is in a very good position to obtain guarantee status which is competitive. The status grants funds for uninsured and federal torque protection for your physicians which would reduce malpractice costs.

Mr. Gianelli, who is on the Board of NAPH, attended a National Association of Public Hospitals (NAPH) board meeting last week. Public hospitals have been in conflict with FQHC and don't get along that well with very few exceptions. NuHealth will be the model. Mr. Gianelli has received calls from Suffolk County staff who are interested in how we did what we did. Our Board and the Board of the FQHC co-manages the diagnostic treatment centers.

From an operating basis, non cash items, the general surplus for 2009 was \$804 thousand on \$500 million in revenue last year. This was a good job in light of losing \$24 million in rate cuts since 2007. Grants received from Tobacco or NYS State HEAL funds totaled \$42.8 million or \$135.5 million over three years (the funds are being used for the capital modernization program). In 2010 year-to-date, our volumes are down (volumes are down industry-wide). May and June looked a little better. Regarding the State budget, Mr. Gianelli heard over the weekend that the Assembly and Senate will pass a bill as opposed to the Governor's bill—the State and Assembly bill does not include gross receipts tax on hospitals. Regional pricing remains to have a significant impact on the company—between \$7-8 million annual reimbursement loss. Mr. Gianelli has e-mailed Senators Johnson, Schimmel, Hannon and Lavine and the associations asking them to make this priority. The State defers DSH payments to the hospital that creates a cash flow problem. The good news is that Gary Bie was very creative in issuing a revenue anticipated note in anticipation of future IGT reimbursement at competitive rates. This action was able to be done without the County's assistance. The FQHC financial benefit is approximately \$1-1/2-2 million annually. There is also an effort on the part of the DOH to take back over-reimbursement that occurred at the nursing home since 1996 that could total \$13-15 million—we are contesting it. The amount is reflected in the 2009 audit as a prior period adjustment. We believe there are other appeals that could off set that take back. The 2011 budget preparation includes a sizeable increase in pension contribution rates. The \$11 million in pension in 2010 is expected to double for 2011. NuHealth must identify \$20 million in initiatives to offset that gap with \$15 million or 15% across the board reductions in operations and, \$4 million in overtime. Mr. Gianelli is releasing a memo regarding the early retirement incentive for special positions and layoffs.

Quality Care/Academic Affairs. PM&R inpatient unit was one of two Long Island inpatient units included in the prestigious top 133 listing of inpatient rehabilitation hospitals in the US News and World Report, Best Hospitals 2010 Edition. A. Holly Patterson received five out of five stars for the second year in a row. The Stroke Center received the Silver Plus Performance Achievement Award for the treatment of stroke patients from the American Heart/Stroke Association thanks to the good work of Dr. Cruz. Intense focus has been on AMI and mortality data that was not good and had a lot to do with coding and patients held up in inpatient and outpatient settings and insuring that primary care was given upon discharge and that medication was made available in a manner in which the patient could afford. NuHealth does not presently have a low cost drug program. Our new pharmacist is putting together a program for the indigent (free medications) who are receiving dialysis and chemotherapy. NuHealth is the first hospital in New York to participate in the "Sample MD Program" whereby physicians can print out a coupon for patients to use at a pharmacy in

order to receive free medication. Also NuHealth is working on a 340B pharmaceutical program to receive wholesale prices on pharmaceuticals for patients.

The Hospitalist program is advancing quite nicely under the leadership of Drs. Multz and Mejia. The program provides 24/7 days/week service. In the last 30 days the census has not been above 400. The level of admissions and discharges are pretty high, and that says that they are actually doing a good job in seeing people in a timely manner and discharging in a timely manner. In addition to coding and billing, the case mix index (CMI) increases billing opportunities that were left on the table for the first eight hours of admission.

A significant amount of work has been done on the ED. In November Phase I will decrease door to doctor time and door to EKG time reducing the number of people who leave without being seen. Bedside registration is reducing wait time. The hospital has also maintained no acquired infections in the ICU for over 20 days. Although patient satisfaction continues to be a challenge, Mr. Gianelli received notification from Press Ganey that satisfaction has increased by a significant amount in Behavioral health.

Mr. Gianelli was the keynote speaker and addressed faculty at the American University of the Caribbean in St. Maarten. He thanked Kay Lane, Robert Yost, Dr. Miner and Dr. Walerstein for the extraordinary accomplishments in Academic Affairs. Some of the programs were facing institutional probation (Anesthesiology could not be saved). The length of accreditation on other programs has rivaled North Shore. AUC has stated that NuHealth is the best site they have to train their students. The bariatric surgery program lost Medicaid/Medicare reimbursement; they will not longer pay for surgery at non-accredited centers of excellence. This has hindered our business and left thirty patients in the lurch. NuHealth is working on getting our surgeons credentialed at Syosset Hospital. NuHealth will not benefit financially.

There are a number of resolutions relative to Riders to the North Shore Affiliation agreement that includes pathology, neurology and pediatrics. The major modernization project completed upgrades to GI. Thanks to the dedication of Dr. Ashinoff, the ICUs will receive an upgrade. Mr. Gianelli had originally thought that in order to correct the ICUs the cost would have been \$30 million. Dr. Ashinoff toured the floor with Larry Slatky, Dr. Miner and Dr. Multz and analyzed what needed to be done for a reasonable price tag. An ICU rehabilitation task force will coordinate this upgrade with funds out of capital money.

A Draft Environmental Impact Statement and Ambulatory Surgery Center resolution were included in the Board packet. NuHealth has done its due diligence regarding the assisted living and resident housing proposals. Bishop Harris has asked for affordable housing in Uniondale. This process has been ongoing and was submitted to the zoning board a few years ago. Since then all parties have been involved. NuHealth is working with the Town regarding affordable housing because affordable housing has changed over the years.

Other issues. The Early Retirement incentives are being offered by the State and a lot of employees are interested. On the other hand, NuHealth would have to contribute 60% of salary to the NYS Pension Fund in order to participate. NuHealth is initiating a Minority Administrative Fellows Program. At a recent gathering of executive administrative, Mr. Gianelli noted that there was very little diversity. The program solicits Masters-prepared individuals who are interested in pursuing a career in hospital administration. The Golf outing was very successful thanks to Paul Tonna—net was doubled over last year from \$45 thousand to \$90 thousand. Mr. Gianelli is in the final stages of hiring an Executive Director of the LI Medical Foundation to take on the responsibility for development. There were a couple of bad incidents over the last month; the most distressing was the murder of an employee on campus by a Nassau County Corrections Officer on a personal matter that went awry. We used that opportunity and other instances to review our security protocol making sure every floor is locked over night when visiting hours are over. Administration is

also making sure that there is a presence in the ICU that must provide access to appropriate family members and make sure that staff and patients are secure. Messrs. Slatky and Suspenski have purchased and are beginning to install card access and limit entry to the building. They will also be looking at the labs in the basement to ensure that they are secure. Lighting will be enhanced for overnight staff and hedges trimmed to provide a better line of sight to entrances. A communication vehicle to notify staff of an emergent situation is also being explored (such as text messaging done on college campuses).

5. **Other Business.** None.

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

The committee had been involved a few months ago in behavioral health and radiology and both patient satisfaction programs are in place and successful. Dr. Miner asked Dr. Walerstein to report on a few issues.

Dr. Walerstein reported on quality and education. Medical staff is zoning in on central line associated blood stream infections. Central lines are intravenous lines put into large vessels of the body to monitor the status of the patient and are placed under emergent situations and the amount of time they are in place is associated with infection. One central line infection costs the hospital \$40 thousand. Reimbursement will no longer be available for central line infections. NuHealth has developed a national approach using the bundle series of physician and nursing interventions required to manage the central line, insertion, dressing and management of the central line. John Hopkins' procedure resulted in "O" infection over six months and they were hired by the State of Michigan to conduct a state-wide study. Staff undergo daily education, rounds, and have adopted best practices. On June 1st, Dr. Walerstein starting sending out daily e-mails regarding central line infections and NuHealth is almost 60 days infection free.

Dr. Walerstein attended the American University of the Caribbean conference in June and interacted with other faculty. AUC recruits and trains for the first two years in the Caribbean and then the students come to NuHealth for their 3rd and 4th year clinical training. The AUC is also paying for the modernization of the Amphitheatre, which starts on July 1st and completed by October. More than half of the classrooms have been updated with smart boards and elevates level of education and presentation. Orientation for the new house staff starts on July 1st.

Dr. Benedict asked who takes care of central line, residents? Dr. Walerstein said that doctors and nurses work together to decide if the central line is needed, what site, sterile procedures, etc. The daily care of the line is 95% nursing staff following protocol and procedure. It requires daily physician documentation and the need for the central line is re-accessed daily. Dr. Benedict asked if cultures are taken. Dr. Walerstein said that in the absence of signs of fever no, if fever is present, then cultures are more aggressive. Dr. Benedict asked if a culture is taken on the first day. Dr. Walerstein said that staff follows CDC procedures. If a line is placed under duress during a trauma, a new line is placed within the first 24 hours in the ICU. Staff also has a check list to ensure proper procedures are taken. Ms. Hanson applauded Dr. Walerstein for taking on this task and asked if other lines are included in the program. Dr. Walerstein noted that vents, urinary catheters, post op surgery are other significant areas of concern, but focus has been elevated for central lines at this time.

7. **Report of the Finance Committee.** Mr. Elovich, Chair of the committee, reported that the committee discussed a number of projects and contracts. At this time he asked for general approval of the Contract Exhibit and any questions or concerns will be discussed in Executive Session. **Upon a motion made, duly seconded and unanimously approved,**

the Board of Directors adopted the Resolution Approving Finance Committee Recommendations, with one exception regarding the contract with Germain and Co. by Dr. Miner, dated June 23, as set forth in the attached. Master Resolution M-193 - 2010.

Mr. Bie wanted the Board to understand where the Corporation was in order to understand where it is today. The Corporation was created in 1999. At that time the consultants projected that the Corporation would lose \$80-100 million on a \$450 million operation. There were \$250 million in bond issued to create this corporation. After it paid the County \$82 million, set up a debt service reserve fund, NHCC was left with approximately \$135 million of working capital and would burn through that in 18-24 months. Since that time (10 years), a number of initiatives were taken that the Corporation is still dealing with today. In 2009 the Corporation broke even with a \$804 thousand surplus, nothing short of extraordinary based upon where this organization was. It shows that the Corporation has significantly improved and matured both financially and from a quality perspective. If we did not have these types of operating results, we would not have been able to go to Wall Street to secure \$50 million in short term notes. In 2010, the Corporation is looking at a \$6-8 million deficit. Issues on the table include regional pricing and the nursing home reimbursement take back. Dr. Walerstein's hospitalist program is not in the run rate right now. Conservatively speaking, between the billing opportunities, length of stay, reduced case mix index, better coding, and medical records initiatives, there could be a savings of \$3-5 million. Additionally, NuHealth has partnered with NAPA (anesthesiologists), that went live on May 1st and will save roughly \$1-1.5 million in billing, coding and staff efficiencies. The Corporation's cash flow is stabilized with the execution of RAN. The biggest issues facing the Corporation going forward is the pension fund in 2011 for \$28 million (with 800 fewer employees)—the Corporation cannot withstand those types of figures. There could be some relief if the State's proposal to allow borrowing from the pension funds. Administration is also reaching out to the community for voluntary admissions over the last 2-3 years. Mr. Capobianco questioned the consolidated number regarding Nassau County billing and change derivative investments. Mr. Bie said that these are non-cash items reported below the line. The numbers represent swap arrangements put in place to hedge variable rates on its outstanding bonds. Mr. Capobianco asked when the day of reckoning is. Mr. Bie said that the County does not like variable rate debt, they like fixed rates. There may be some opportunity to convert to fixed. Mr. Capobianco asked what the actual County billing is. Mr. Bie said that over the last several years IGT payments have been made and the County used Tobacco funds to make the 50% County payment (other 50% paid by the State). The Tobacco funds ran out in 2009 and the historical mission payments were reclassified as the IGT payment. Mr. Gianelli said that this is purely a question of classification.

Ms. Hanson questioned the early retirement incentive. Mr. Gianelli reported that the Corporation is considering the ERI offered by the State (Part A or Part B). Part A requires a 60% salary contribution to the pension fund, and Part B requires a 110% contribution. Mr. Gianelli has sent a letter to employees to find out who would be interested in taking the Part A incentive. Their intent to participate is non-binding, retirement counseling sessions will be made available and administration will figure out whether or not it can handle departures with backfilling in nursing. There is a lot of interest by employees; there has not been an incentive in 10 years.

Mr. Gianelli noted that the swap to a variable rate made in 2004 has conservatively saved the Corporation \$4 million since 2004. There is a \$42 million non-cash depreciation every single year. In speaking with Dan Sisto and Dennis Whalen, the regional price issue has been postponed until July 1, 2011 (six month relief). The current proposal on the table regarding pension fund relief would permit local governments to amortize payment increases above a certain percent over a certain number of years at 5% in pension rate still have to contribute to pension reserve fund raise the floor 4% 9-11%. No one is charging 5% interest. The saner way to do this is a community public taxable bonds interest 2-3%. The

employees enjoy a very rich health insurance plan and the way to deal with this is to change the plan. Roughly 35% of the health insurance premium is pharmaceutical driven.

Upon a motion made, seconded and unanimously approved, the Board of Directors approved the Resolution Authorizing the Issuance of Revenue Anticipation Notes in an Amount not to Exceed \$50,000,000.00. Resolution No 079-2010.

8. **Report of the Ambulatory Care Committee.** Dr. Guercia, Chair of the committee, reported that the committee met on June 1, 2010. The committee focused on FQHC and was extremely enthusiastic. The practice management and electronic medical records systems will be in place by the end of this year, solving billing and scheduling problems. They are also developing physician per diem coverage with physicians at the hospital. At Freeport/Roosevelt, dentists are being interviewed for preparation of this service. Visits are up at Freeport/Roosevelt due to the beautiful new building and publicity that it received in newspapers. The response from new patients has been positive. Dr. Guercia would like to see some of the same initiatives taken at the other centers. There is ongoing discussion with community physicians interested in coming into the fold and joining staff at various health centers, bringing patients with them. Mr. Rizzo noted that if any board members are interested, they should tour the new facility at Freeport/Roosevelt.
9. **Report of the Extended Care Committee.** Mr. Saracino, Chair of the committee, reported that the committee met on June 14, 2010. Topics of discussion included upcoming audits, preparation for a State survey, possibly in July/August/September. The census continues to be strong with positive cash surplus. The building is close to immaculate and the residents seem very happy. The overall ambiance is excellent.
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. **Other Business.**

Elections of Officers. **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the Resolution for the Elections of Officers of the Nassau Health Care Corporation as attached to these minutes. Resolution No. 194-2010.**

Draft Generic Environmental Impact Statement. Mr. Benrubi reported that two years ago, the Corporation had decided the best use of real estate assets in East Meadow. The Corporation went through the RFP process and hired Saccardi and Schiff to develop a conceptual land use plan. That plan, developed over one year ago, called for variety of things including enhancement of certain property, demolition and construction as well as a variety of infrastructure improvements necessary to support new development. It specifically called for development of new medical office space through joint ventures. NHCC and a third party would partner to construct a new ambulatory surgery center, new oncology center, and bring in Long Island adult veterans day care in the activities building. It also included demolition of property, building a wellness center, parking garages and additional resident housing for medical residents. There would be upgrades to the circulation of vehicles and pedestrians. The plan dealt with use of energy, water, and sewage. As a PBC, the Corporation is required to go through this review process. Over one year ago this Board declared itself lead agency for the purpose of adopting the land use plan. It has been declared that there would be impact on the environment, but that does not mean that it cannot be mitigated. The Corporation met with the community and they voiced their concerns regarding traffic along Carmen Avenue and Hempstead Turnpike and parking on campus. An Executive summary was included in the Board packet and the full report is

available upon request. All of the issues will be addressed such as the need for additional parking, sewage, water and electricity. **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the Resolution of the Nassau County Health Care Corporation to Accept as Completed a Draft Generic Environmental Impact Statement for SEQR Purposes in the Adoption of a Campus Land Use Plan and the Redevelopment of Approximately 35 Acres of the 50 Acre Nassau University Medical Center Campus Consistent with the Campus Land Use Plan. Resolution No. 195-2010.**

Joint Venture Award to United Surgical Partners. Mr. Benrubi reported that the campus at East Meadow would be transformed into a "Village for Healthy Living" and the development of an ambulatory surgery center. Over a year ago, the Corporation obtained a master development agreement with Health Care Reit on all aspects of the East Meadow Campus as well as Uniondale. Health Care Reit and NHCC issued an RFP for entities around the country that would like to partner with us in the plan to develop and manage an ambulatory surgery center. Towards that end, a couple of national companies were interviewed by panel including Messrs. Benrubi, Bie, Senterfitt and Doyle (HCR), who unanimously selected United Surgical Partners (USPI). Mr. Benrubi is asking the Board to declare USPI a partner in this joint venture and allow them to engage in due diligence and a feasibility study within 90 days. USPI will be working with Mr. Senterfitt and Dr. Walerstein, along with other physicians and come back with a report as to whether it is in the best interest of the Corporation to continue. **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the Resolution of the Nassau County Health Care Corporation to Accept United Surgical Partners International, Inc. as a Preferred Joint Venture Partner in the Planning, Construction and Management of an Ambulatory Surgery Center on the Nassau County Health Care Corporation's East Meadow Campus, Consistent with the Campus Land Use Plan. Resolution No. 196-2010.**

Acknowledgement of Fiduciary Duty. Mr. Bullock reported that the Board members are required to acknowledge responsibility under the Public Authorities Law, at the beginning of each new term. Some members signed and submitted the form at the meeting last month. Mr. Bullock asked all to sign and return the form to his office. **Upon a motion made, seconded and unanimously approved, the Board of Directors approved the acceptance of Acknowledgement of Fiduciary Duty. Resolution No. 197-2010.**

Mr. Elovich noted that a new Chairman was present at today's Board meeting and felt that he should explain the process of choosing a Chairman to the new Board members. Since the Corporation was formed years ago, both County Executive Gullotta and subsequently County Executive Suozzi had the right to choose the Chairman of the Board of the NHCC. County Executive Suozzi had appointed first Larry Gottlieb, who did an excellent job and Martin D. Payson as Chairman several years ago and he has done an excellent job in steering the Board. Mr. Elovich would like the Board to present Mr. Payson a citation or plaque for his service to this Corporation. When Mr. Mangano was elected County Executive, he met with Martin Payson and asked Mr. Payson to stay on as a Board member, and chose Craig Rizzo as the Chairman of the Board. Mr. Payson decided not to remain on the Board as a member. Mr. Elovich welcomed Mr. Rizzo and gave his full support to him as the new Chairman. Mr. Rizzo thanked Mr. Elovich and agreed that acknowledgement should be made to Mr. Payson for his years of dedicated services to the Corporation.

13. Public session. Mr. Rizzo opened the meeting for public comment. Dr. Darryl Pone who trained as a physician here in the 80's is a personal friend of Dr. Arthur Risbrook, who recently published a book entitled "Yes I can If I can, so can you" Dr. Pone had copies available for sale.

14. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 10:45 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.

15. **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 approved the creation of an ad hoc committee related to labor issues to provide oversight and support for management's ongoing labor negotiations. Resolution No. 198-2010.

Upon a motion made, seconded and unanimously approved, the Board of Directors approved an extension of the master affiliation with North Shore. NSLIJ will affiliate with NuHealth to assist in meeting its mission of operating a community teaching hospital primarily in the areas of medicine, surgery, pediatrics, obstetrics, psychiatry, emergency care and ambulatory services. Also NSLIJ will work with NuHealth to recruit clinical leadership for NuHealth department and divisional programs. The costs are determined per program and are allocated in separate riders to this agreement for the term 06/29/10-06/28/11. Resolution No. 199-2010.

16. **Close of Regular Meeting.** Craig Vincent Rizzo, Chair, closed the meeting and opened the floor for public comment.

17. The next regularly scheduled meeting is July 26, 2010 in the Auditorium.

Approved:



Craig Vincent Rizzo, Chair
Board of Directors
NuHealth

NUHEALTH
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-044-2010

February 22, 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 February 18, 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 no exception.

NUHEALTH
FINANCE COMMITTEE
February 18, 2010
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

***Dan Barlev, MD.** [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with Dan Barlev, MD to provide and be available for educational consultations and teaching of pediatric radiology to hospital's resident physicians and radiologists in an amount not to exceed \$12,000 per year (three year total would be \$36,000). The contract expires on 02/24/10 and will renew for the period 02/25/10-02/24/13. **Resolution No. 032-2010.**

***McKeeson.** [Grant from Nassau County]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with McKeeson to provide Telehealth equipment for 50 patients of Zaki Hussain Center (the patients will be monitored at home) in an amount not to exceed \$123,000 per year (funded by grant dollars from Nassau County) for the period 02/01/10-01/31/11. **Resolution No. 033-2010.**

***Healthcare Reit.** [Multi-year contract, amendment, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of an amendment to a contract with Healthcare Reit , a master consultant and developer with respect to proposed developments on NHCC's East Meadow and Uniondale Campus. Amendment to include additional services to prepare Certificate of Need for DOH submission relative to the Ambulatory Care Pavilion in an amount not to exceed \$55,000 (current contract is \$275,000, with amendment will be \$330,000) for the period 08/10/09-08/09/19. **Resolution No. 034-2010.**

***Saccardi & Schiff.** [Multi-year contract, amendment, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of an amendment to a contract with Saccardi & Schiff who is the current vendor with respect to the East Meadow Land Use Planning. Additional services to include DGEIS (Draft Generic Environmental Impact Statement) which entails preparation of generic environmental impact statement, studying the full build out of the Village for Healthy Living and to ensure compliance with the NYS Environmental Quality Review Act in an amount not to exceed \$160,000 (current contract amount is \$235,000 with addition will be \$395,000) for the period 11/30/09 extended to 12/31/10. **Resolution No. 035-2010.**

***The Joint Commission Resource.** [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends

Executive Committee approval of a contract with The Joint Commission Resource to provide accreditation manager plus software to allow export of required annual periodic performance review (PPR) to the Joint Commission in an amount not to exceed \$4,000-1st year; \$4,200-2nd year; \$4,410-3rd year (5% increase each year) for the period 01/01/10-12/31/13. Resolution No. 036-2010.

*The Joint Commission Resource. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with The Joint Commission Resource to provide E-Dition Compliance Monitor, online web-based library of health care regulations-organized and linked to relevant chapters of Joint Commission Hospital Standards in an amount not to exceed \$4,495-1st year; \$4,720-2nd year; \$4,956-3rd year (5% increase each year) for the period 01/01/10-12/31/13. Resolution No. 037-2010.

*The Joint Commission Resource. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with The Joint Commission Resource to provide services with respect to accreditation of NHCC, organize and strengthen patient safety efforts, provides competitive edge in marketplace, education on good practices to improve business operations, provides professional advice and counsel, enhancing staff education, provides customized intensive review in an amount not to exceed \$16,925 for the period 01/01/10-12/31/10. Resolution No. 038-2010.

*Manatt Phelps & Phillips. [Multi-year contract, renewal}. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a renewal to a contract with Manatt Phelps & Phillips to provide legal services with respect to general matters, regulatory matters and capital projects that are already in progress in an amount not to exceed \$100,000 (rates 80% of standard), current contract was budgeted for \$600,000 for the period 01/01/10-12/31/10. Resolution No. 039-2010.

*BDO Seidman. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with BDO to provide an audit for the NHCC Deferred Compensation Plan assets for years 2005-2006, needs additional monies as unforeseen challenges faced by vendor when preparing audits in an amount not to exceed \$10,000 (original contract was \$44,000 with addition will be \$54,000). Resolution No. 040-2010.

*Astarita Associates. [Multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with Astarita Associates to provide comprehensive physics and dosimetry support with 3-D treatment planning and IMRT in the follow amount: 4 hour blocks of physics support, \$1,000 per block; 4 hour blocks for dosimetry support, \$600 per block (\$100,000 per year)—four-year

total \$400,000 (current contract amount \$49,500 with addition will be \$449,500 for the period 02/28/10-02/10/14. Resolution No. 041-2010.

*Viatronix, Inc. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of a contract with Viatronix, Inc. to provide 3-D software for Imaging/Radiology at no cost to NUMC (Chairman of Radiology will review software and render report of its useability) for the period 03/01/10-03/01/13. Resolution No. 042-2010.

*Germain & Company. [Multi-year contract, amendment, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Executive Committee approval of an amendment to a contract with Germain & Company, providing consulting services since January 2009 identifying opportunities for improvement. Future projects include ongoing support for hospitalist program, Jim Senterfitt in rollout of IRIS; performance management roll-out, business plan for emergency medicine residency and redesign, internal medicine redesign, ingenious med planning and implementation, and Crimson planning and redesign in an amount not to exceed \$337,000 (current contract and amendments total \$1,015,395 with addition would be \$1,352,395 for the period extended to 05/31/10. Resolution No. 043-2010.

Informational

Farrell Fritz PC. Provides legal services with respect to managed care contracting at Tier 1 Rates, contracts expires 02/28/10, renewal 03/01/10-02/28/11.

Clifton Budd DeMaria. Legal representation in labor and employment matters including day to day advice, immigration and pension/benefit matters, grievance and arbitration, collective bargaining, litigation in state and federal courts, administrative proceedings before federal, state and local agencies at Tier 1 Rates, contract expires 12/31/09, renewal 01/01/10-12/31/10.

Abrams, Fensterman, Fensterman, Eisman, Greenberg, Formato & Einiger. Provides legal services for medical malpractice matters at Tier Rates for the period 01/10/10-12/31/10.

Nassau County Department of Health. DOH employee physicals-OSHA testing in an amount up to \$10,000 paid to NHCC, contract expired 12/31/09, renewal 01/01/10-12/31/10.

Nassau Community College. NHCC to provide services for physical exams of college staff in an amount up to \$5,000 per year paid to NHCC, extend contract to expire 06/30/10.

For approval by the CEO.

Outcome Sciences, Inc. Provide software module “Get with the Guidelines” (GWTG) for warehousing data re: heart failure. Will aid hospital in adherence to evidence-based guidelines, consistency and ability to review data in real-time, provide the ability to follow-up patients and track all of the information in a centralized, web-based tool and provide access to resources shared from hospitals across the US and various education opportunities hosted by national HF leaders in an amount not to exceed \$1,048 (money to be provided by grant through American Heart Association, Board of Directors, LI Leadership Grant) for the period 01/01/10-12/31/10.

Extensions not Requiring Additional Funds

FT Solutions. Continuation of preparation and submission of application on behalf of NHCC to establish community health centers as FQHC. Current contract is \$35,000, no additional funds required for the period 02/28/10-02/28/11.

Feldesman, Tucker, Leifer, Fidell. Renewal of current contract to provide legal services and advice in connection with the application for NHCC for FQHC status for its community health centers. \$325.00 per hour, no additional funds required, current contract amount is \$49,500 for the period 02/28/10-02/28/11.

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

None.

*Requires approval of the Board of Directors

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

NUHEALTH
BOARD OF DIRECTORS

RESOLUTION APPROVING FINANCE COMMITTEE RECOMMENDATIONS

Resolution No. M-193-2010

June 28, 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, June 23, 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 one exception to contract Germain and Co., Dr. Miner abstained.

NUHEALTH
FINANCE AND CONTRACT COMMITTEE
June 23, 2010
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*Ropes and Gray. [Amendment to Board Resolution 077-2010, rates are above legal department authority to hire outside counsel]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment of a contract with Ropes and Gray (Resolution No. 077-2010).** The original resolution added services of Larry S. Gage, expert in the area of restructuring public hospital corporations and public health systems. The amendment is to adjust monies for these services and to extend the term of the contract. Board resolution approved for a total budget amount of \$100,000, the need is for approval for a total budgeted amount of \$200,000 and to extend the term to expire on 10/31/10 to 12/31/10. Resolution No. 181-2010 (077-2010).

*Press Ganey. [Amendment to current contract, multi-year contract, and amount exceeds \$250,000]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment of a contract with Press Ganey to provide patient satisfaction data. Amendment is for additional physician and employee partnership surveys to be done at the Correctional Facility for an additional \$4,000 to current contract amount of \$247,000 for a total of \$251,000 for the term to expire on 12/31/10. Resolution No. 182-2010.**

*North Shore University Hospital. [Rider to Affiliation Agreement to add services, multi-year contract]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a Rider to Affiliation Agreement for North Shore University Hospital to provide Pathology Blood Bank Services to NuHealth. Services shall include the provision by NS/LIJ of a physician to serve as Director of NuHealth's Blood Bank. It is anticipated that a mutually agreed upon physician shall be able to begin as the Director of the Blood Bank at NuHealth on or around September 1, 2010. Until such time as a permanent Director is hired. Andrew Heaton, MD will serve as the Acting Director of NuHealth's Blood Bank. Also additional two doctors to provide back up coverage for director and acting director for a three-year term with 180 days termination without cause in an amount not to exceed over three years approximately \$930,451 for the term 07/12/10-07/11/13 with option to renew for additional one year terms upon mutual agreement of both parties. Resolution No. 183-2010.**

*North Shore University Hospital. [Renewal of an affiliation contract, multi-year contract, and amount exceeds \$250,000]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a renewal of a contract with North Shore University Hospital to build up neurosurgical service at NuHealth. Staffing: Full-time dedicated junior**

neurosurgeon, neuro-intensivist and nurse educator will be based on an hourly rate and actual time spent at NUMC. Process to be developed to track actual hours spent. 12 weeks on-call will be provided by junior neurosurgeon and remaining 40 weeks will be covered by full-time neurosurgical faculty. Per-diem stipends will continue to be provided for call coverage. Neurosurgical ICU: Continue to use present ICU facility; use of North Shore neurosurgery critical care staffing on an hourly basis for support and education. Physician revenue goes to NUMC. NUMC Chairman of Surgery approves all transfers out of hospital. In an amount as follows: 2010=\$629,447 (July-December); 2011-\$1,381,947; 2012=\$1,386,705; 2013=\$1,390,486 (all high range expenses) for a total cost not to exceed \$4,788,585 for the term 07/01/10-12/31/13. Resolution No. 184-2010.

*Robert Gioia. [Renewal of a contract, multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Robert Gioia to provide comprehensive internal control audit reviews since September 2005. Renewal of current contract for additional year in an amount not to exceed \$80,000 per year, for a three-year total of \$240,000 for the term 09/21/10-09/20/13. Resolution No. 185-2010.

*Plaza Construction. [Sealed Bid, 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 Plaza Construction the designated construction manager under the PLA for the ED project. Needs to include various change orders and increase in funding for these changes. Changes for the ED project are based on field conditions, regulatory requirements and owner directed changes. Includes work on canopy, entrances, life safety items, medical control, prisoner area, fireproofing, plumbing walls and electrical issues. All changes are accounted for within the approved budget for the project. The current request is \$1,758,088. History: Original contract amount is \$14,900,000; prior approved change orders total is \$3,416,912; Total project budget is \$20,075,000 for the term 01/01/09-12/31/11. Resolution No. 186-2010.

*Plaza Construction. [Competitive Bid, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Plaza Construction to renovate the 1st floor of the Q Building to establish a new Veterans Clinic at NUMC. This will replace the Veterans Clinic currently located in Plainview in an amount not to exceed \$1,299,000 for the term 07/01/10-06/30/11. Resolution No. 187-2010.

*Trirail Construction. [Lowest Bid, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Trirail Construction to provide general contractor services for renovation of the Amphitheater to make it "State of the Art" teaching facility. Updating all audio visual equipment, replacement of ceiling, replacement of seating and general upgrade of interior finishes in an amount not to exceed \$427,000

(funding for this project is from American University of Caribbean (AUC) funds for the term 07/01/10-06/30/11. Resolution No. 188-2010.

***Clickview. [Amendment to current contract, multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment of a contract with Clickview to provide maintenance of software system for viewing of sonogram films. Terms: 5% discount for 3-year renewal term. Net price \$28,500 per year; total for three years is \$85,500. The original contract for software and first year maintenance was \$117,500 for a total for four years of \$203,000 for the term 05/03/10-05/02/13. Resolution No. 189-2010.**

***Germain & Co. [Extension of a current contract, multi-year contract, and amount exceeds \$250,000]. Upon a motion made, seconded and approved with one abstention (George W. Miner), the Finance Committee recommends Board approval of an extension to a contract with Germain & Co. to provide consulting services to assist NuHealth in areas of ambulatory care restructuring, support in rollout of departmental administrator redesign, regionalization of ancillary GME programs and additional assistance to the CFO in an amount not to exceed \$430,000 plus 15% expenses for a total additional amount of \$494,000. Current contract totals \$1,392,395; with additional cost total of contract will be \$1,886,395 for the term 07/02/10-12/31/10. Resolution No. 190-2010.**

***Nassau Protestant Chaplain Services. [Amendment to current contract, multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment of a contract with Nassau Protestant Chaplain Services to provide pastoral care and spiritual support to residents, their families at NHCC, adding two part-time protestant chaplains to provide these services at A. Holly Patterson. *In January 2010, the Board approved a contract for the Nassau Council of Black Clergy to perform these services at AHP. The Nassau Council is not able to perform these services and contract was never signed. Nassau Protestant is now taking over to provide these services for an additional \$27,718 for two part-time chaplains. The Current contract amount is \$79,927 for a total amount with addition of \$107,645 for the term 01/01/10-12/31/10. Resolution No. 191-2010.**

***Eclipsys Corporation. [Amendment to current contract, multi-year contract, and amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment of a contract with Eclipsys Corporation. Vendor shall assist client with design and creation of an interface between SCM and Allscripts with the following components—outbound orders to SCM and bidirectional results between the two systems for an additional amount of \$22,500. This contract has multiple amendments with different amounts for each amendment and different effective and expiration dates. The last amendment's total is \$4,622,708 over a six year period. Effective date is upon signature and expiration date is upon completion for this amendment. Each**

amendment to this contract has a separate expiration date. The last amendment's expiration date is 1/31/16. Resolution No. 192-2010.

Informational.

NYS DOH – renewal amendment of integrated Cancer Services Program with NHCC, Mobile Mammography Initiative-Cancer screening, community outreach, data collection, nursing care follow up in an amount of \$268,791 for renewal term-funded by grant (continuation of 5-year grant program) for the term 04/01/10-03/31/11.

North Shore LIJ master affiliation agreement to be renewed – NSLIJ will affiliate with NuHealth to assist in meeting its mission of operating a community teaching hospital primarily in the areas of medicine, surgery, pediatrics, obstetrics, psychiatry, emergency care and ambulatory services. Also NSLIJ will work with NuHealth to recruit clinical leadership for NuHealth department and divisional programs. The costs are determined per program and are allocated in separate riders to this agreement for the term 06/29/10-06/28/11.

For approval by the CEO.

None.

Extensions not Requiring Additional Funds.

Saccardi & Schiff to provide land use and environmental planning and associated rezoning and SEQRA process at AHP (Uniondale property). Current contract amount is \$454,175 (no additional funds required for extension). Extended term to expire 12/31/10.

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

None.

*Requires approval of the Board of Directors

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