

MINUTES OF THE PUBLIC SESSION OF THE NUHEALTH BOARD OF DIRECTORS' MEETING
HELD ON JULY 26, 2010

Directors Present

* Craig Vincent Rizzo, Esq., Chair
Stephen A. Antaki, CPA
Stephen H. Ashinoff, OD
Leonard A. Benedict, MD, MPH
Joseph Capobianco, Esq.
*Lawrence E. Elovich, Esq.
*Rosemarie Guercia, MD
*George W. Miner, MD, MBA
Asif M. Rehman, MD

Not Present

Steven Cohn, Esq.
*Bradley L. Gerstman, Esq.
Jemma Marie-Hanson, RN
Greg-Patric Martello, Esq.
*Frank J. Saracino, EdD

Non-Voting Directors Present

Arthur A. Gianelli, President/CEO
Louisa Mae Fennell
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
Kathy Skarka, EVP for Patient Care Services
Joan A. Soffel, Assistant to the Board/CEO

*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 9:05 a.m.
2. **Adoption of Minutes.** Upon a motion made and duly seconded, the June 28, 2010 minutes of the Board of Directors meetings were unanimously approved.
3. **Report of the Chairman.** Mr. Rizzo congratulated Mr. Larry Slatky on his marriage this weekend.

The clinical affiliation resolution will be discussed in Executive Session.

4. **Report of the President/CEO.**

Mr. Gianelli said that in the interest of time, he will not make a presentation today and discuss clinical integration in Executive Session.

Report of the Medical Professional Affairs Committee and Medical Director. Dr. Miner reported that the Medical and Professional Affairs Committee met on July 19, 2010 and that committee has authority to approve the appointments and reappointments. The committee also discussed quality measures, pharmacy updates and the hospitalist program.

5. **Report of the Finance Committee.** Mr. Elovich, Chair of the committee, reported that the committee met on July 21, 2010 and 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 unanimously adopted the Resolution Approving Finance Committee Recommendations, dated July 21, 2010, as set forth in the attached. Master Resolution M-211-2010.**

Mr. Bie reported that the Corporation is mid-way through its financial year. As of June, on \$45 million in revenue, the Corporation on a consolidated basis lost \$379 thousand. Year-to-date, on \$270 million in revenue, the Corporation lost \$6 million for the six months of

2010. Mr. Elovich had asked at the Finance Committee what the projection is for this year. If we have a repeat performance in the second half of the year, we would lose \$12 million. However, there are a number of initiatives in place (reimbursement appeals, revenue cycle (\$3-4 million), hospitalist program, under the direction of Drs. Walerstein and Multz (\$1-2 million), we converted to NAPA an anesthesiology group on May 1st who have improved efficiency in staffing and charge capture (roughly \$1 million). The loss is projected between \$6-10 million, if patient volumes remain the same. If all of the revenue cycle initiatives bear fruit, the hospital will lose \$4-6 million by year end. The Nursing Home will generate a few million in surplus. The FQHCs that were approved on June 15th should pick up \$1 million in the second half of the year.

Mr. Gianelli asked in addition to all of that have the budget cuts been included and if so to what degree? Have we accounted for FQHC revenue, if not when do you expect to do that? Mr. Bie said that the budget cuts are immaterial, a few million. The FQHC reimbursement should be around \$1-2 million annually. Mr. Bie is working with outside experts regarding CMS and in the meantime we are continuing to bill at DTC rates (\$132/visit). We will be able to pick this money up retroactively when we get approval for FQHC status in 3-6 months. There were no changes in June. Dr. Miner asked about the budget cuts, immaterial? Mr. Bie said that they are approximately \$2-3 million, the Corporation's operational expenses are \$550 million.

6. **Report of the Ambulatory Care, Managed Care and Community Physician Committee.** Dr. Guercia, Chair of the committee. No report this month.
7. **Report of the Extended Care and Assisted Living Facility Committee.** Mr. Saracino, Chair of the committee. No report this month.
8. **Report of the Facilities and Real Estate Development Committee.** Mr. Gerstman, Chair of the committee. No report this month.
9. **Report of the Legal, Audit and Governance Committee.** Stephen Antaki, CPA, Chair of the committee, reported that the Committee met on July 13, 2010 and reviewed the Ernst & Young audit. There was a clean opinion, with no significant audit adjustments presented. No Management Letter was produced, and no deficiencies cited. The next meeting will be held in December/January. From an audit standpoint, this was an audit that went as well as they go. The control systems are functioning and all critical items in the past are satisfactory.
10. **Other Business.** None.
11. **Public session.** Mr. Rizzo opened the meeting for public comment. There were no comments from the public.
12. **Adjournment**

Upon a motion, duly made and unanimously approved, the meeting was adjourned at 9:15 a.m. to Executive Session to discuss governance, performance improvement, collective bargaining, personnel matters, contract negotiations and litigation.
13. **Report from Executive Session.** Upon return to Public Session, the Board reported that the following actions were taken:

Upon a motion made, seconded and unanimously approved, the Board of Directors approved a resolution upon the recommendation of the Affiliation Sub-Committee, and authorized the issuance of a request for proposals and the execution of an

agreement retaining a consultant for the purposes described in the attached Resolution. Resolution No. 212-2010.

14. **Close of Regular Meeting.** Craig Vincent Rizzo, Chair, closed the meeting at 11:38 a.m.
15. The next regularly scheduled meeting is September 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-211-2010

July 26, 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, July 21, 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 exceptions.

NUHEALTH
FINANCE AND CONTRACT COMMITTEE
July 21, 2010
CONTRACTS EXHIBIT

Motions and Resolutions Requiring Action by the Board of Directors

*Eclipsys Corp (Resolution No. 062-2010). [Amendment to a current contract]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an amendment to Resolution No. 062-2010 (Eclipsys Corp.) to change the start date to date of execution with end date six years thereof – new dates 06/29/10-06/28/16. Resolution No. 200-2010.**

*Nadasky & Kopelson. [Multi-year contract, 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 Nadasky & Kopelson (Resolution No. 077-2006) an architectural service with respect to the AHPECF 320 replacement facility. Revise architectural drawings due to HUD requirements, NYSDOH mandates, revisions in design to reduce project cost, environmental Phase I and II requirements unknown at the time of contract that included soil testing and remediation and value engineering. Vendor required to engage subcontractors for this project. All subcontractors were approved by NHCC. Additional monies are for subcontractor services (Nadasky & Kopelson will pay the subcontractors) in an additional amount of \$750,000 for mandated work for the term 10/23/06 until project completion. (Original contract amount \$1,900,000, for a total with addition of \$2,650,000.). Resolution No. 201-2010.**

*Gilbane Building Company. [This is an advance of amounts that would be paid to Gilbane under the general conditions portion of a to be executed cost-plus contract with Gilbane that will be for the Construction Manager in connection with the construction of the new AHP facility]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Gilbane Building Company to provide pre-construction services required of the construction manager, including the development and submission of a construction contractor's cost breakdown in association with requirements and commitments of US Dept. of Housing and Urban Development (HUD) Cost-Plus Construction Contract (Gilbane was awarded through an RFP, to be the Construction Manager for the new A. Holly Patterson Facility project) in an amount not to exceed \$201,380 including expenses for the term 07/05/10-10/31/10. Resolution No. 202-2010.**

*North Shore/LIJ. [Multi-year contract]. **Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with North Shore LIJ to provide specialty trained technologist in fetal echocardiology and specialty trained attending physician in fetal cardiology to interpret fetal echocardiograms and discuss results with parents. Coverage of**

NUMC pediatric cardiology staff as needed in an amount not to exceed \$100,000 per year and not to exceed \$300,000 for the three-year total for the term 08/01/10-07/31/13. Resolution No. 203-2010.

*Astarita Associates. [Amendment to current contract, multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval an amendment to a contract with Astarita Associates (Resolution No. 041-2010) to provide comprehensive physics, dosimetry and QA and testing. Current contract \$100,000 per year, increase to \$240,000 per year, daily rates have been reduced as follows: ½ day of dosimetry from \$600 per ½ day to \$480 per ½ day; physicist block from \$1,000 per ½ day to \$800 per ½ day for the term 03/01/10-02/10/14. Resolution No. 204-2010.

*Guardian Consulting Services. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Guardian Consulting Services to perform all required Drug Regimen Reviews, nursing unit inspections, medication administration audits, controlled substance destruction, review of emergency box meds and procedures, in-service education and medication pass observations for A. Holly Patterson Extended Care Facility. Individual supplied under the contract will attend and chair the Pharmacy Committee meetings as well as act as liaison with Department of Health during any on-site inspection/survey in an amount not to exceed \$5,300 per month for a total of \$63,600 for the term 08/01/10-07/31/11. Resolution No. 205-2010.

*Mercy Medical Center. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with Mercy Medical Center to transfer an out-patient mental health program from Mercy Medical Center to NHCC. NHCC will take over the Outpatient Mental Health, partial hospitalization and family counseling services in an amount not to exceed \$55,000 being paid to Mercy Medical for the fair market value of furniture and equipment, no fee for license transfer – one time fee. Resolution No. 206-2010.

*Dawson Holding Company 2, LP. [Multi-year contract, amount exceeds \$250,000]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of an agreement with Dawson Holding Company 2, LP, to lease 385-395 Oak Street, Garden City, New York in connection with the acquisition of the outpatient mental health program from Mercy Medical Center. This is the location of the Outpatient mental health services that will be transferred to NHCC (lease is for five years) in an amount not to exceed 1st year \$241,502; 2nd year \$248,747.06; 3rd year \$256,209.47; 4th year \$263,895.76; 5th year \$271,812.63 for a total of \$1,282,167. Cost includes annual 3% increase, maintenance and utilities fees for the period 09/01/10-08/31/15. Resolution No. 207-2010.

*Optimizerx Corp. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval a contract with Optimizerx to provide software license (Sample MD) technology

platform to NHCC to enable prescribers to generate coupons for free sample medications for patients. Vendor agreed to waive all fees in exchange for publicity and demonstrating the products to other institutions. Free of Charge for the term 08/2010-08/2013. Resolution No. 208-2010.

*The Advisory Council. [Multi-year contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval of a contract with the Advisory Council to provide IT consulting and advisory services in connection with NHCC Information Technology matters, including project management, application development and strategies, networking, infrastructure, data management, etc. in an amount not to exceed \$3,562.50 every three months, yearly total of \$14,250 for additional year. Current contract same for a two-year total of \$28,500 for the extended term to 05/31/11 (current contract 06/01/09-05/31/10). Resolution No. 209-2010.

*New Innovations. [Multi-year contract, amendment to current contract]. Upon a motion made, seconded and unanimously approved, the Finance Committee recommends Board approval a contract with New Innovations to provide data management software for medical education department. Internet residency management software allows NUMC to keep track of evaluations, duty hours, procedure logger, evaluation module, conference tracker, demographic and IRIS report for Medicare reimbursement, required by ACGME, AOA and ADA in an amount not to exceed \$20,000 per year for a five-year total of \$100,000 for the term extended to 12/31/14. Resolution No. 210-2010.

Informational.

Nassau County Department of Probation. Occupational health services for the Department of Probation employees. Services will consist of physical examinations, screenings and diagnostic tests as required by OSHA. Income generating - \$12,600 paid to NHCC for the term 01/01/10-12/31/10.

Mohammad Aslam, MD. General practitioner providing community physician coverage at A. Holly Patterson for patients that require acute hospitalization needs. (billing third-party payors) for the term 07/01/10-06/30/11.

Prem L. Sagar, MD. General practitioner providing community physician coverage at A. Holly Patterson for patients that require acute hospitalization needs. (billing third-party payors for the term 07/01/10-06/30/11.

Stefan Dan Dinulescu, MD. General practitioner providing community physician coverage at A. Holly Patterson for patients that require acute hospitalization needs. (billing third-party payors) for the term 07/01/10-06/30/11.

Rama Raju, MD. General practitioner providing community physician coverage at A. Holly Patterson for patients that require acute hospitalization needs. (billing third-party payors) for the term 07/01/10-06/30/11.

For approval by the CEO.

Healthcare Compliance Group. Vendor will conduct a two-day training session for all RN supervisors, RN charge nurses, dieticians, social workers and other clinical staff on the completion of the new reimbursement tool, the MDS3.0. Training will be done on-site at AHP and will cover all aspects of the completion of the form, including the newly revised DOH guidelines in an amount not to exceed \$3,750 for the term 07/01/10-07/01/11.

Hofstra University. Hofstra University is part of the grant application to NYS Health Foundation having developed the evaluation design for NuCare Grant Award. Services of Evaluator Corinne Kyriacou to design an evaluation of Nucare pilot that includes an analysis of patient experiences through Nucare and an examination of participation outcomes. Will survey patients gathering and analyzing information on process measures, outcome measures, satisfaction measures and additional descriptive measures. Completion of evaluation component is requirement of grant in an amount not to exceed \$4,485 per month for a five month total of \$22,425 (funded by grant) for the term 08/02/10-12/31/10.

Extensions not Requiring Additional Funds

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

*Requires approval of the Board of Directors

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