

NUHEALTH BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

MEETING HELD ON

Monday, April 27, 2015

Board Room (NUMC)

Executive Committee Present: Michael B. Mirotznik, Esq., Chairman; Steve Cohn, Esq.; Michael M. DeLuca, MPA; Linda Reed; John Venditto, MD; Warren Zysman.

Board Members Present: Victor F. Politi, MD, President/CEO; Asif Rehman, MD; Jemma Marie-Hanson, RN.

Board Members Not Present: Victor A. Gallo, MD; David Sussman, MD; Andrew Zucaro; Greg-Patric Martello, Esq.; and John McCann, PhD.

Guests of the Committee: John Ciotti, EVP/General Counsel; Maureen Roarty, EVP Human Resources; Craig V. Rizzo, EVP, Special Assistant to NHCC; Joan A. Soffel, Assistant to the Board; Andrea Rivera, Executive Assistant to the President/CEO; Maureen Hutcheon, RN; Kevin Mannle, Raymond Pessa, MD; Thomas Delaney (NAPA), Bonnie Markowitz and Nyapati Rao.

1. Michael B. Mirotznik, Esq., Chair, Board of Directors of the Nassau Health Care Corporation, noted that a quorum was present for the Executive Committee. The meeting was opened at 5:25 p.m.
2. Executive Session. Upon a motion made, duly seconded and unanimously adopted, the meeting was adjourned to Executive Session at 5:25 p.m.
3. Report from Executive Session. Upon return to Public Session of the Executive Committee at 6:25 p.m., the Chairman reported that all resolutions will be voted on in the Public Session.
4. Adoption of Minutes. The minutes of April 16, 2015 were approved.

Resolution – Approval of Board Minutes by the Chairman of the Board. Mr. Ciotti reported that he would like to present a resolution allowing the Chairman of the Board the authority to sign off on minutes as soon as possible in order to process contracts that were previously vetted through the contracts committee and approved by the Board of Directors. The process has been taking 2-3 months and contracts are backing up. Mr. Ciotti cannot start the process of preparing contracts until the Board approves the minutes. If the Chairman can sign the minutes when done, the process would move much quicker. If there are any problems with the minutes, they can be corrected at the next Board meeting. Mr. DeLuca noted that he sits on other boards and the minutes are emailed the next day. Mr. Ciotti said we cannot do it that way at NHCC, unless the bylaws are changed. **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board of Directors accepted the**

Resolution Authorizing the Chairperson of the Board of Directors to Approve Minutes of the Board Meetings on Behalf of the Board as attached to these minutes. Resolution No. 097-2015.

5. Report of the Chairman. None.

6. Report of the President/CEO. Dr. Politi reported that DSRIP is progressing. The attributions were scheduled to be announced on April 21, 2015 but were postponed by the State. Dr. Politi is waiting to hear from the State regarding the number of lives and money NHCC is eligible to receive. He noted that the Nassau Queens PPS DSRIP Executive Committee was formed and there is a meeting tomorrow afternoon. Dr. Politi introduced Megan Ryan, an attorney, with an excellent background in law and compliance who will be working with DSRIP as the Compliance Officer.

7. Report of the Medical and Professional Affairs Committee and Medical Director. Ms. Reed reported that the Committee met and she asked for approval of the credentialing recommendations and appointments. **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board of Directors accepted the Medical and Professional Affairs Committee minutes of February 24, 2015; Medical Board Minutes of March 3, 2015 and Recommendations for Appointments March 31, 2015. Resolution No. 098-2015.**

8. Report of the Finance Committee. Dr. Venditto reported that the Committee met on March 31, 2015. The Executive Committee accepted the minutes as provided.

Mr. Maher reported that he is requesting approval of two letters of credit. An RFP was sent out in March. PFM recommended and management concurred that NHCC accept Wells Fargo and TD Bank to renew their existing LOCs for a period of three years. **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board of Directors approved the Letters of Credit as attached to these minutes. Resolution No. 099-2015.**

Dr. Politi said it has been one year since he started. He asked finance to review net operating revenue since 2013 to present and was proud to announce there is an increase in net operating revenue of \$11.4 million. This is in a facility with 50% Medicaid and 25% uninsured. In addition salaries are down by \$4.5 million for a total savings of \$16 million with no DSRIP, IAAF or DSH payment included.

9. Report of the Contract Committee. Mr. Zysman, chair of the committee, reported that the committee met on March 24, 2015 and reviewed various contracts. The Executive Committee approved the contracts at their meeting on April 16, 2015.

Parking Systems Plus. [Multi-year contract, amount exceeds \$250,000, Revenue generating – LD200 #2414]. Mr. Zysman stepped out of the meeting and did not participate in discussion. Mr. Mannle reported that the contract is for the paid visitors' parking lot. An RFP was sent out and they were the most responsible bidder. The contract is for three years. Parking

Systems Plus will pay NHCC \$40,500 per month and 28% share distribution. **Upon a motion made, duly seconded and approved (Warren Zysman was not present and did not vote), the Executive Committee of the Board of Directors approved a contract with Parking Systems Plus, a full service parking company that has held contracts with NUMC for over 10 years for Visitor Parking. Vendor will operating parking field #1 at NUMC as a paid Visitor Parking field with valet service, utilizing contractor personnel via a revenue sharing plan between NHCC and Parking Systems Plus Inc. NUMC will receive \$40,500 per month with 28% share distribution. Value includes base payment plus estimated 28% distribution share. In addition, Parking Systems will provide payment kiosks in the lobby for the convenience (\$40,500/month = \$486,000/year = \$1,458,000/3 years). For an approximate amount of \$1,700,000 for the three year term with an anticipated start date of 04/01/15. Resolution No. 100– 2015.**

North American Partners in Anesthesiology, LLC. [Multi-year contract, amount exceeds \$250,000 – LD200 #2422]. Maureen Hutcheon reported that the contract was brought to the Board last month and was tabled because the Board asked for more information. The contract expires April 30, 2015 and Ms. Hutcheon is asking for an extension from May 1 through the end of the year. Dr. Raymond Pessa and Mr. Tom Delaney from NAPA were also in attendance. Ms. Hutcheon said the Board had asked for outcome data and measurement as to how the contract is performing. NAPA participates in PIPs. NAPA responds within 30 minutes or 60 minutes for non-trauma related cases and Ms. Hutcheon monitors that. Mr. Zysman asked if the PIPs metric is in the current contract. Ms. Hutcheon said no, but it will be going forward. She was not sure because the contract was already several years old and was signed during the former administration. Mr. Zysman asked Ms. Hutcheon since the last contract meeting until today have you looked into clinical metrics to measure the success of this contract and speak to it tonight. The contract is a significant value--\$ 3 million contract and you should have the answer. Ms. Hutcheon said she would add that into the extension. Mr. Zysman asked what metrics are you using to measure if this contract is successful. Dr. Pessa said the contract was signed on May 1, 2010 and has been running for five years now. He did not believe there is specific language with regard to quality metrics; but he could speak his quality metrics. Mr. Tepper did not know the language of the contract and was asked to get it. Mr. Zysman said there are hundreds of contracts and the committee asks everyone for clinical metrics used to determine if the contract is successful or not. What measures are used to make sure the contract is successful. You are here for a renewal and are putting the committee in an awkward position to approve a \$3 million contract with no feedback and must come prepared. Ms. Hanson asked how much is generated by this contract from patients. Mr. Delaney, SVP/ NAPA said reimbursement collected on behalf of services for anesthesia loses money because there is a high percentage of Medicaid (52%) and they actually lose whatever they expend to provide the service. In 2013 they collected about \$3.75 million. Their expenses and labor costs to the hospital in 2014 were \$3.6 million. Dr. Pessa noted that revenue from 2010 increased by \$2.2 million. Mr. Zysman asked if there were changes in cost. Dr. Pessa said the prior administration decided to replace residents prior to NAPAs arrival. Mr. Mirotznik asked what we expended in the previous 9 months. Mr. Delaney said NUMC has an employee agreement fee that they pay to the hospital and a leasing fee that may or may not match up to the actual cost. Dr. Politi asked if it covers anesthesia 100% or is there a difference and Mr. Delaney said they do not know the salary benefits. The contract is a pass through giving NUMC money that you have chosen to allocate from us. If we

give you less or more it affects the bottom line subsidy. Mr. DeLuca asked if there is any way to mitigate cost through some type of time sharing with other institutions. Mr. Delaney said they are already doing that at a number of institutions. Within their organization they flex with 15 other institutions within 20 miles and he thinks that is working here now. Mr. Zysman asked if it would help if we got our residency program back and Dr. Pessa said if the institution wanted to pursue that. Mr. Zysman asked how much additional money have we lost. Dr. Pessa said over the years they still had some residents that went from 15 to 0; he does not have the exact figure but would say around \$1.5 million. Ms. Hutcheon asked for the extension until the end of the years so they can RFP, which is almost completed and they should have the scope by the end of the week. Mr. Zysman asked that they complete an RFP within three months and extend the contract 9 month with clinical metrics to measure success. Dr. Pessa noted that they are reviewed by the American College of Surgeons and maintain a Level I Trauma center. Mr. DeLuca asked what metrics would be good to use. Mr. Delaney said performance—any agreement that they have is 100% coverage of locations and there are clinical measures from CMS. There is 24/7 coverage, on time starts with nursing and surgeons within 5-10 minutes of start time. Dr. Pessa noted that they keep index cards on cases, noting nursing, anesthesia, housekeeping etc. There have been no issues. PICG looks at the total number of cases performed at the hospital compared to peer hospitals. Mr. Zysman asked next month, how we will know the success and asked what Mr. Delaney's company does. Mr. Delaney said NAPA is a private practice organization that started at North Shore Community Hospital 30 years ago and evolved to NSLIJ through the 90's and 2000's with 10 States, 70 hospitals and 100 offices. They provide anesthesiology services, pain management and billing. Dr. Scarmato said every department reports to PICG and Dr. Pessa provides thorough quality measures at the meetings. Mr. Zysman asked for a copy of that information. Ms. Hutcheon said they participate in performance improvement, meet with the medical board and credentialing. Mr. Zysman asked if Ms. Hutcheon could bench mark that information and report and Ms. Hutcheon said she would pull that information together. Mr. Zysman asked if Dr. Pessa was recommending NAPA and Dr. Pessa said he is employed by them. Mr. Zysman asked Dr. Scarmato if he is recommending NAPA and he said yes. Mr. Mirotznik asked Dr. Faust if he is satisfied with their services and recommending approval and Dr. Faust said yes. Mr. Zysman said the contract will be extended for 9 months and 90 days from 5/1/15 it will be RFP'd and completed. **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board approved a contract with North American Partners in Anesthesiology, LLC, who has been NUMC's vendor of choice for Anesthesiology since 2010. They provide anesthesiology coverage and services as well as facilitate an anesthesiology residency program. They are also responsible for providing these services for the benefit of NHCC's patients. NAPA facilitates certain services for NUMC's anesthesiology residency as well as certain administrative functions. In connection with the provision of these services, NAPA will lease and supervise the existing NHCC Anesthesiologists and certified nurse anesthetists. The request is for an extension of the existing contract until January 31, 2016 (9 months) to avoid disruption of services to NUMC's patient population as well as the residency program. The request is to extend the contract on the same terms and conditions as the current agreement for an additional 9 months, the cost is estimated to be \$3,293,000 (current five-year agreement has no contract cap) with an anticipated effective date of 05/01/15. The Service is to be RFPd and completed within 90 days from 5/1/15. Resolution No. 101-2015.**

Modern Medical Systems Co. [Multi-year contract, amount exceeds \$250,000 – LD200 #2444]. **Upon a motion made, duly seconded and unanimously adopted the Executive Committee of the Board Tabled the contract.**

Update on Compliance 360. Mr. Rizzo reported that he was asked to compile the contracts throughout the institution and produce a universal list of all contracts. IT has identified all of the contracts about 900 that are ready to be uploaded to Compliance 360 when it is installed at the end June.

Mr. Ajmal reported that there are 3720 policies and 879 of them need to be revised by the preparers and the parties that review those policies. Mr. Zysman asked to table this discussion until the next Board meeting. **Upon a motion made duly seconded and adopted the Executive Committee of the Board Tabled the discussion of Compliance 360-Policies.**

AUC Update re Distribution of Funds. **Upon a motion made, duly seconded and unanimously adopted the Board Tabled the discussion until the next meeting.** Mr. Zysman asked that Mr. Maher provide information regarding the physicians and departments that funds were distributed to.

Education Inc. Ms. Markowitz was asked to report at all meetings until an RFP and vendor is selected for the new school year. The contract was presented at the last Contract Committee meeting and was extended through July 31, 2015 while an RFP for this service is sent out and completed. Education Inc. provides educational programs from K-12 for patients in Psychiatry on Unit 02. At this time an RFP was placed in the media and on our website to obtain competitive bids. The contract is zero cost to the institution; the vendor bills the school system for these services. Mr. Zysman noted that at the last meeting Ms. Markowitz was not present to explain the contract that had expired and was not brought to the Board in a timely fashion. All departments must bring their contracts in a timely fashion. Ms. Markowitz was identified as the person responsible within the Department of Psychiatry to manage and submit contracts for approval. Mr. Zysman thanked Ms. Markowitz for her report. Mr. Mirotznik asked Ms. Markowitz to report back with the results of the RFP. Dr. Politi noted that the board members volunteer their time, and it is a waste of their time and effort when contracts are not prepared and brought back for the second time.

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

11. Behavioral Health Committee. Mr. Zysman reported that the committee met on March 31, 2015 but did not have a quorum. They will be scheduling a meeting in May.

12. Compensation Committee. Ms. Reed reported that the Committee met on April 1 and April 16, 2015. Resolutions were presented and approved at the Executive Committee held on April 16, 2015.

13. Extended Care and Assisted Living Facility Committee. Dr. Venditto reported that the committee met on April 8, 2015 but did not have quorum. The discussion included strategy and plans from administration regarding the next 5-10 years. There were some good ideas that came forward including starting an AHP Foundation, reviewing the value of the existing facility rather than tearing it down and creating a new facility on the grounds. The ideas were brought to administration and will be discussed at the next meeting.

14. Facilities and Real Estate Development Committee. Ms. Reed had no report at this time.

15. Legal, Audit and Governance Committee. No report.

16. DSRIP/PPS Committee. Mr. Zysman reported that the committee met on April 16, 2015 and resolutions were presented to the Executive Committee and approved on April 16, 2015. Recently the Executive Committee for PPS LLC was approved. The next Executive Committee for PPS LLC is tomorrow. A sequence of three meetings a month has been scheduled and Dr. Politi was very collaborative in getting those meetings scheduled. There is a process for Board involvement. The minutes were accepted by the Board as presented. Mr. Mirotznik thanked everyone for all of the work involved with DSRIP. Mr. DeLuca thanked Mr. Zysman for the incredible amount of personal time he has dedicated to this committee—it is above and beyond and the Board acknowledges that work.

17. Other Business.

*J. Cole Construction. [Amount exceeds \$271,515 – LD200 #2467]. Mr. Rizzo reported that the construction is for a conference room/classroom in the EMS space in the “B” Building at a cost of \$271,515. NuHealth will be reimbursed by EMS for the entire amount. Mr. Zysman asked if the EMS has committed to payment. Mr. Rizzo said yes, he just needs a letter from the PEO organization to provide that to us. Dr. Politi noted that the EMS pays NuHealth rent (\$116,000/year for that space). **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board of Directors approved a contract with J. Cole Construction, a general contracting company that performs primarily in the New York Metropolitan and Long Island area. J. Cole has been doing business for 30 years. Vendor will renovate 1,070 square feet of existing shell space into an EMS conference/classroom. The scope of work will include new gypsum wall furring, masonry, sprinkler, HVAC, installation of folding partitions, window replacement and painting in an amount not to exceed \$271,515 for a term of six months with an anticipated start date of 05/01/15. Resolution No. 102-2015.**

Deferred Compensation. Dr. Politi reported that Mr. Anthony Campanaro resigned as chair of the Deferred Compensation Committee. Dr. Politi would like to appoint Timothy Sullivan as a member and Chair of that committee as well as Craig Rizzo and Maureen Roarty as members. **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board of Directors approved the appointment of Timothy Sullivan as a member and chair of the Deferred Compensation Committee as well as Craig Rizzo and Maureen Roarty as members of the committee. Resolution No. 103-2015.**

Administrator on Call. Mr. DeLuca asked what the procedure is for Administrator on Call. He noted that Administrators on Call should have a back up administrators. Mr. Gatto reported that he introduced a concept and program for on call duty with the supervising nurses and rounding with the administrators. Mr. DeLuca noted that administrator on call is extremely vital in the hospital after hours during 11:00 a.m. to 2:00 a.m. A back-up administrator on call would help make better decisions if needed. Also a written report should be given to the CEO regarding whatever is happening in the various departments and how problems were solved. Mr. Mirotznik asked that administration provide the names of the administrators on call and their backups.

PSEG. Mr. Mannle reported at the last meeting that there was an urgent need for repair of high voltage switch yard. The cost was not to exceed \$50,000 paid by NUMC and reimbursed by PSEG when the work was completed. The electrical contract came in under budget at \$40,000 and he is currently awaiting reimbursement from PSEG.

Procurement Policy. **Upon a motion made, duly seconded and unanimously approved the Executive Committee of the Board of Directors Tabled discussion of the Procurement Policy.**

18. Public Session. Mr. Mirotznik opened the meeting for public comment. There were no comments from the public.

19. Close of Regular Meeting. Mr. Mirotznik closed the meeting at 7:30 p.m.

20. The next meeting will be announced.

Approved:

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