

WESTCHESTER COUNTY HEALTH CARE CORPORATION

BOARD OF DIRECTORS MEETING

April 6, 2016

6:30 P.M.

EXECUTIVE BOARD ROOM

EXECUTIVE OFFICES

VOTING MEMBERS PRESENT: Orlando Adamson, M.D., Claudia Edwards, PhD, William Frishman, M.D., Renee Garrick, M.D., Herman Geist, Susan Gevertz, John Heimerdinger, Mitchell Hochberg, Patrick McCoy, Dennis Mehiel, Alfredo Quintero, Zubeen Shroff, Michael Staib, Mark Tulis

NON-VOTING MEMBERS PRESENT: Michael Israel, James Vodola, Richard Wishnie, Simon Vukelj – via phone

STAFF PRESENT: Julie Switzer, EVP, General Counsel, and Counsel to the Board
Gary F. Brudnicki, CFO, COO
Patricia Ariel, SVP, Corporate Compliance and Internal Audit
Kara Bennorth, SVP, Corporate Communications and Fund Development
Anthony Costello, SVP, Professional and Support Services
Beth Davis, SVP, Deputy General Counsel
Mark Fersko, EVP, Financial Planning and Managed Care
June Keenan, SVP, Delivery System Transformation
James Lee, SVP, Operations
Anthony Mahler, SVP, Strategic Planning
John Morgan, SVP, Financial Planning
Jordy Rabinowitz, VP, Human Resources Operations, Senior Associate General Counsel

PHYSICIANS PRESENT: Dr. Gewitz, Dr. Savino

CALL TO ORDER

The April 6, 2016, meeting of the Westchester County Health Care Corporation Board of Directors was called to order at 6:30 p.m. A quorum was present consisting of the following Board members:

VOTING MEMBERS PRESENT

Orlando Adamson, M.D.	Mitchell Hochberg
Claudia Edwards, PhD	Patrick McCoy
William Frishman, M.D.	Dennis Mehiel
Renee Garrick, M.D.	Alfredo Quintero
Herman Geist	Zubeen Shroff
Susan Gevertz	Michael Staib
John Heimerdinger	Mark Tulis

NON-VOTING MEMBERS PRESENT

Michael Israel
James Vodola
Richard Wishnie
Simon Vukelj – via phone

REPORT OF THE CHAIR/ADDITIONS TO THE AGENDA

MR. HOCHBERG ASKED FOR A MOTION TO APPROVE THE MINUTES FROM THE MARCH 2, 2016, AND MARCH 15, 2016, MEETINGS OF THE BOARD. A MOTION WAS MADE BY MR. SHROFF, SECONDED BY MR. TULIS, TO APPROVE THE MARCH 2, 2016, AND MARCH 15, 2016, WESTCHESTER COUNTY HEALTH CARE CORPORATION BOARD OF DIRECTORS MEETING MINUTES. THE MOTION WAS APPROVED UNANIMOUSLY.

REPORT OF THE PRESIDENT OF THE MEDICAL STAFF

Dr. Frishman provided the report of the President of the Medical Staff on behalf of Dr. Lebovics, President of the Medical Staff. He presented a credentialing packet (dated April 4, 2016 and attached to these minutes) containing information on Credentialing Appointments, Additional Privileges, Reappointments, FPPE's, Category of Staff Change and Updated and Revised DOP's to the Board for its approval.

Motion to Approve Recommendations for Appointments, Reappointments, Additional Privileges, FPPE's, Category of Staff Change, and Updated and Revised DOP's.

MR. HOCHBERG ASKED FOR A MOTION TO APPROVE THE RECOMMENDATIONS FOR APPOINTMENTS, REAPPOINTMENTS, ADDITIONAL PRIVILEGES, FPPE'S, CATEGORY OF STAFF CHANGE, AND UPDATED AND REVISED DOP'S. MR. SHROFF MOTIONED, SECONDED BY MS. GEVERTZ. THE MOTION CARRIED UNANIMOUSLY.

REPORT OF THE PRESIDENT

Mr. Israel updated the Board on the events of the past week. He advised the Board that last Tuesday, members of WMC's senior management team were in New York City for the closing on the bond issuance transaction; last Wednesday was the closing on the Health Alliance of the Hudson Valley transaction; and last Thursday some of WMC's senior management were in Boston meeting with Boston's Children's Health to discuss its relationship with Dr. Gewitz and a potential relationship with WMCHHealth. He also stated that on Monday members of WMC's senior management attended a Town Hall meeting in Port Jervis; and yesterday was the Bon Secours Charity Health System's ("BSCHSI") Board meeting.

Mr. Brudnicki updated the Board on the bond issuance. He stated that we proceeded with the sale of \$284 million dollars of bonds, closing on March 30, 2016. He informed the Board that the bonds were sold at a premium, with the cash proceeds totaling \$308 million, with a \$24 million dollar premium. Mr. Brudnicki informed the Board that the bonds traded at a very good interest rate; i.e., 9 basis points below an A3 rated hospital. He noted that our trading level was substantially higher than our credit rating by the rating agencies would have predicted.

Mr. Israel asked the Board members to advise him if they were interested in serving on the HAHV Board. He stated that WMC is working on its video conferencing capabilities in order to have the option of attending the HAHV Board meetings from WMC. He advised the Board that Samuel Simon, M.D., former Chair of the St. Francis Hospital Board, and Jerome Simonetty, former IBM executive and a member of the MHRH Board of Visitors, will both serve on the Board of HAHV.

Mr. Israel requested the following reports be provided to the Board by senior management:

Ms. Bennorth informed the Board that articles on the media coverage regarding the recent bond and HAHA transactions are available on Diligent. She stated that our ad campaigns are being revised to include HAHV.

Ms. Bennorth updated the Board on Shop Rite's Spring Campaign; they raised \$183,000 dollars, a twenty percent increase from last year.

Ms. Bennorth informed the Board that IHOP raised \$40,000 dollars on National Pancake Day, a forty percent increase from last year.

Ms. Bennorth stated that Rite Aid's campaign will continue through the end of April.

Ms. Bennorth advised the Board of a press conference tomorrow announcing WMC's collaboration with WCA of Westchester on fall prevention for senior citizens; several members of our trauma team will be speaking.

Ms. Bennorth informed the Board that Friday's event, Dinner at The Falls, was sold out.

Ms. Bennorth reminded the Board that on April 18, 2016, Mr. Israel will be accepting the Business Council of Westchester's Corporate Citizen of the Year award on behalf of WMC. She asked any Board members interested in attending to contact her.

Ms. Bennorth updated the Board on several upcoming events: April 30, 2016, is the Health Alliance Tulip Ball; May 1, 2016, is the Maria Fareri Children's Hospital ("MFCH") Walk; May 13, 2016, is the Good Samaritan Spring Gala; and June 4, 2016, is the WMC Gala.

Mr. Costello showed a presentation to the Board highlighting some of WMC's capital projects, including the MFCH's lobby renovation, the Behavioral Health Center's patient room renovations, the Maternity Suite 2 South renovation, and the main hospital lobby renovation.

Mr. Israel informed the Board that WMC is required to enter into a new food/dietary services agreement and wishes to conduct a Request for Proposals ("RFP") process, rather than a formal sealed bid process. He explained that this process would require a 2/3 vote by the Board. Mr. Israel asked Mr. Costello to explain the important aspects of the food/dietary services agreement.

Mr. Costello briefed the Board on the normal process of a sealed bid, stating that the lowest responsible bidder would be awarded the contract. Mr. Costello stated that there are many important factors associated with the food/dietary services agreement as follows: (i) the fact that there is a professional component to clinical nutrition and dietary services; (ii) the importance of high quality services in the hospital setting; (iii) patient safety concerns; (iv) the affect the quality of dietary services has on HCAHPS scores, which, in turn, can have a negative financial impact on the Corporation; and (v) the fact that dietary services are regulated by CMS, DOH and DNV, requiring that we ensure that our food/dietary service provider can responsibly comply with such regulations. Mr. Costello stated that for all of these reasons, the Corporation wishes to waive the sealed bid process and engage in an RFP process instead.

Ms. Switzer advised the Board that in the Corporation's Procurement Policy this type of services agreement should go through a formal and sealed bid process whereby contracts must be awarded to the lowest responsive and responsible bidder. She stated this Policy also includes a provision relating to the circumstances under which the Board of Directors of the Corporation may, by resolution and a 2/3 vote of the Directors present at a meeting at which the resolution is presented, waive the competitive bidding process on a case by case basis when it is otherwise required but is in the best interest of the Corporation to do so.

A discussion ensued.

MR. TULIS MADE A MOTION TO APROVE THE RESOLUTION WAIVING THE SEALED BID PROCESS AND AUTHORIZING MANAGEMENT TO ENGAGE IN AN RFP PROCESS FOR THE SELECTION OF A FOOD/DIETARY SERVICE PROVIDER, SECONDED BY MR. HEIMERDINGER. THE MOTION WAS APPROVED UNANIMOUSLY.

Ms. Keenan informed the Board that we have completed DSRIP year one; year two began on April 1, 2016. She stated that year one has been a very busy and successful one for our PPS. Ms. Keenan stated that she is working with Ms. Bennorth on producing a DSRIP year one report. Ms. Keenan updated the Board on the provider network implementation process across the region. She stated that we have created a number of medical neighborhoods which are anchored by WMCHHealth Network hospitals. Ms. Keenan stated that the first region includes Rockland, Orange, Sullivan and Delaware; the second region includes Ulster, Dutchess and Putnam, and the third region is Westchester. She stated that each region has had an extensive kick off meeting, including its partners, on site of a WMCHHealth Network hospital. Ms. Keenan informed the Board that we are continuing to focus on new potential strategic partners.

Dr. Garrick informed the Board that e-prescribing has now gone live.

Dr. Garrick also updated the Board on WMC's use of e-health to try to congruent the sepsis alert system wide.

Dr. Garrick informed the Board that WMC is working on a methodology for creating a common application for credentialing medical staff across the WMCHHealth Network.

Dr. Garrick advised the Board that WMC is preparing for a visit from DNV within the next six to eight weeks.

Dr. Gewitz informed the Board that HAHV has notified NYS that they will be transferring their neonatal relationship from Albany to WMC. He stated this integration will enable HAHV to expand their capabilities and maintain more babies there who do not need the increased level of care provided at MFCH.

Dr. Gewitz updated the Board on the Partnership for Safety program. He stated that safety reminders will be posted in all patient rooms to encourage families to participate in the safety of their children while they are hospitalized.

Dr. Gewitz informed the Board that April 17, 2016, is the annual MFCH's Celebrate and Remember event. He explained that this event remembers the children who did not survive and celebrates their memory with their families.

Dr. Gewitz advised the Board that we received a twenty thousand dollar grant for continued support with the Breast Milk Donor Bank project from the Countess Moira Charitable Foundation.

Mr. Israel advised the Board that we have not had Board Education the past several months as we have been quite busy. He stated that there will be a Board Education session next month on Diversity & Inclusion, presented by Mecca Santana, VP, Diversity and Community Relations.

REPORT OF COMMITTEES

FINANCE COMMITTEE

Mr. Shroff, Chair, WCHCC Finance Committee, noted that the Committee met just prior to the Board meeting. He stated that the February, 2016, performance was reviewed and cash on hand for the end of February was \$103 million dollars.

Accounts Receivable for February was \$155 million

Statement of Operations for the Period Ended February 29, 2016

Total Operating Revenues of \$203.9 million

Total Expenses of \$202 million

Operating income \$1.9 million

Net Interest expense \$4.2 million

Loss before excess fringe benefits \$2 million

Excess fringe benefits associated with pensions \$3.7 million

Excess fringe benefits associated with post-retirement health \$2.5 million

Bottom line loss \$8.3 million

Key Statistics January 31, 2016

Utilization – Valhalla Campus

Total acute discharges, observation and outpatient cases of 3,849

Total acute patient days of 24,971

Average length of stay 7.9 days

Total ED visits 7,655

Mid-Hudson Regional Hospital

Total acute discharges, observation and outpatient cases of 732

Total acute patient days of 4,181

Total ED visits 4,608

AUDIT AND CORPORATE COMPLIANCE COMMITTEE

Mr. Heimerdinger, Chair, WCHCC Audit and Corporate Compliance Committee, noted that the Committee met just prior to the Board meeting. He stated that Grant Thornton presented the 2015 WCHCC Audit results to the Committee.

Mr. Heimerdinger advised the Board that the 2015 audit results include the MHRH campus. He stated that the results for Bon Secours Charity Health System ("Charity") were included as a separate line item, as we are sixty percent owners. Mr. Heimerdinger informed the Board that Grant Thornton reviewed its audit process and how they identify areas of risk with the Committee. He stated that Grant Thornton reported that the audit went well and there were no outstanding issues between management and the auditors.

Mr. Hochberg complimented Mr. Brudnicki and his staff for a job well done in cooperating with the auditors and completing a successful, on time audit.

MR. HOCHBERG ASKED FOR A MOTION TO ACCEPT THE 2015 WCHCC AUDIT RESULTS. MR SHROFF MOTIONED, SECONDED BY MR. TULIS. THE MOTION WAS APPROVED UNANIMOUSLY.

QUALITY COMMITTEE

Ms. Gevertz, Chair, WCHCC Quality Committee, stated the Committee met on March 15, 2016.

Ms. Gevertz stated that Ms. Wrobbel reported on the Nursing Quality Council. She noted a thirty percent reduction of hospital-acquired pressure ulcers and a thirty three percent reduction in falls. Ms. Wrobbel stated that there is a Patient Experience/HCAHPS scores 2016 focused action plan. She presented data on the time critical scheduled medications data protocols and discussed nursing/laboratory patient safety initiatives and data regarding WMC's nursing workforce.

Ms. Gevertz stated that Dr. Savino gave a presentation on the MHRH Trauma Performance Improvement Report which included the fact that an ACS verification site visit is scheduled for December 2016. He reported that trauma level activation is determined by patient condition, and shared with the Committee the 2015 trauma activation data by level. Dr. Savino discussed admission data, pointing out that some trauma patients are on observation status and some are transferred to WMC. He then discussed massive transfusion protocol; physician recruitment efforts and mortality data.

Ms. Gevertz stated that Dr. Garrick gave a report on the Quality and Safety Council meeting of February 19, 2016. She discussed with the Committee the Behavioral Health Center, Environment of Care, Graduate Medical Education, HIM, Oncology, Pharmacy and QA/PI reports.

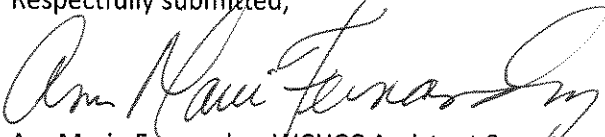
NEW BUSINESS

MR. HOCHBERG ASKED FOR A MOTION TO MOVE INTO EXECUTIVE SESSSION TO DISCUSS A QUALITY ISSUE. MS. GEVERTZ MOTIONED, SECONDED BY MR. SHROFF.

ADJOURNMENT

MR. HOCHBERG MOTIONED TO ADJOURN THE APRIL 6, 2016, MEETING OF THE WESTCHESTER COUNTY HEALTH CARE CORPORATION BOARD OF DIRECTORS. THE MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,



AnnMarie Fernandez, WCHCC Assistant Secretary