



SANDHILLS CENTER

Board of Directors Meeting Minutes June 11, 2019

Members Present:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Ross Streater | <input type="checkbox"/> Priscilla Little |
| <input type="checkbox"/> Kay Cashion, Vice-Chairperson | <input checked="" type="checkbox"/> Gart Evans |
| <input checked="" type="checkbox"/> Carlos Townsend | <input checked="" type="checkbox"/> Dr. Walter Salinger |
| <input type="checkbox"/> Joe Miller | |
| <input checked="" type="checkbox"/> Harry Southerland | <input type="checkbox"/> Shirley Hart |
| <input checked="" type="checkbox"/> Kirk Smith | <input checked="" type="checkbox"/> Walter Ferguson |
| <input checked="" type="checkbox"/> Dottie Robinson | <input checked="" type="checkbox"/> Carol Whitaker |
| <input checked="" type="checkbox"/> Otis Ritter | <input checked="" type="checkbox"/> Matthew Rothbeind |
| <input checked="" type="checkbox"/> David Allen | <input checked="" type="checkbox"/> Mazie Fleetwood |
| <input checked="" type="checkbox"/> Leann Henkel | |
| <input checked="" type="checkbox"/> Thad Ussery, Chairperson | <input checked="" type="checkbox"/> Michele Weatherly, Secretary |
| <input checked="" type="checkbox"/> Jerry Earnhardt | |

Staff Present:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Victoria Whitt | <input checked="" type="checkbox"/> Sherry Bynum |
| <input checked="" type="checkbox"/> Anthony Ward | <input checked="" type="checkbox"/> Evelyn Quick |
| <input checked="" type="checkbox"/> Leonard Covington | <input checked="" type="checkbox"/> Patrick Sloan |
| <input checked="" type="checkbox"/> Kelly Patterson | |

Guest: Lisa Jackson, DMH, LME Technical Assistance Liaison

Call to Order and Invocation

The Sandhills Center Board of Directors met on Tuesday, June 11, 2019, at the Administrative Office at 1120 Seven Lakes Drive, West End, NC. Chairperson Thad Ussery called the meeting to order at 7:00 p.m. Carlos Townsend gave the invocation.

Oath of Office

Guilford County representative, Dr. Walter Salinger, was welcomed and administered the Oath of Office.

Chairperson Ussery announced that Harnett representative, Bill Larrison, has submitted his resignation. Chairperson Ussery expressed his appreciation for Mr. Larrison's service to the Sandhills Center Board of Directors.

Conflict of Interest

Chairperson Ussery read the Conflict of Interest statement and asked if any Board member had a conflict of interest concerning agenda items the Board would address in the meeting that would require recusal. No conflicts were stated.

Certification of Quorum

Michele Weatherly, Secretary, certified a quorum.

Approval of Agenda

A motion was made by Gart Evans and seconded by Commissioner David Allen to "approve the agenda as presented." The motion passed unanimously.

Absent Board Members Justifications

Priscilla Little – Conference – excused. *A motion was made by Commissioner Harry Southerland and seconded by Carol Whitaker to "excuse the absence." The motion passed unanimously.*

Commissioner Kay Cashion – Death in family – excused. *A motion was made by Commissioner Harry Southerland and seconded by Carol Whitaker to "excuse the absence." The motion passed unanimously.*

Shirley Hart – Workshop – excused. *A motion was made by Commissioner Harry Southerland and seconded by Carol Whitaker to “excuse the absence.” The motion passed unanimously.*

Commissioner Joe Miller – Not in attendance – unexcused.

Public Comments

None

Consent Agenda

A motion was made by Mazie Fleetwood and seconded by Walter Ferguson to “approve the consent agenda.” The motion passed unanimously. The following were approved:

- May 14, 2019 Board of Directors Meeting Minutes
- 2020 Holiday Schedule
- Quality Management Plan FY 19 – 20

New Business

➤ **Chief Executive Officer’s Report – Victoria Whitt, Chief Executive Officer**

Mrs. Whitt welcomed everyone and provided the following:

A. FY 19 – 20 Continuation Budget – Public Hearing

At 7:05 p.m., Chairperson Ussery declared that tonight’s Board of Directors meeting will serve as an open public hearing for discussion of the FY 19 – 20 Continuation Budget.

For Board review and approval, Mrs. Whitt reviewed in detail the FY 19 – 20 Continuation Budget which provides Sandhills Center with an interim operating budget for the 1st quarter of FY 19 – 20.

The proposed Continuation Budget totaled \$342,378,506. This represents a decrease of 1.7% from the Operating Budget that was approved at the April meeting.

The proposed budget allocates County General Funding, \$11,472,836, to the support of the County Outpatient Units Contracts and other County Service Contracts. Mrs. Whitt noted that this may change as the Counties prepare their budgets and make decisions regarding funding.

Mrs. Whitt also noted that during the 1st quarter of FY 19 – 20, Sandhills will review all needs for capital expenditures, conduct a detailed review and analysis of actual expenditures and revenues, and receive the allocated State and Federal funds. Once the actual State fund allocations are received, the Operating Budget will be revised to reflect any changes and then presented for Board approval.

The budget does include an allocation is \$30,419,433 from Fund Balance to cover any continuing cuts to State Single Stream Funding, Reinvestment Funding, and a slight increase in Care Coordination treatment planning.

It was noted, that the Project Ordinances for the Facility Based Crisis Centers is outside of the Continuation Budget.

George Reynolds stated that as a public representative he supports the proposed continuation budget.

As there were no other comments from the public, Chairperson Ussery declared the public hearing closed at 7:15 p.m.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Commissioner David Allen to “accept the FY 19 – 20 Continuation Budget as presented.” The motion passed unanimously.

B. FY 18 – 19 Final Operating Budget Amendments

For Board review and approval, Mrs. Whitt reviewed in detail the FY 18 – 19 Final Budget Amendments; a set of final budget amendments to the FY 18 – 19 Operating Budget.

The amendments increased the Center’s Current Operating Budget by a total of \$5,747,015 from \$348.1 million to \$353.9 million.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Commissioner David Allen to "approve the FY 18 – 19 Final Budget Amendments as presented." The motion passed unanimously.

C. FY 18 – 19 Fund Balance Designation Resolution

Mrs. Whitt presented and reviewed, for Board consideration, a *Fund Balance Designation Resolution* to reserve \$40,100,000 in Fund Balance. This will allow Sandhills to address future growth and expansion and maintain operations in the areas of: FY 19-20 Community Reinvestment Plan; FY 20 State Single Stream Budget Reductions; and FY 20 Intergovernmental Transfer. Mrs. Whitt noted if approved, she will forward the resolution to the State.

After discussion, on behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Michele Weatherly to "approve a Fund Balance Designation Resolution to designate \$40,100,000 for future growth and expansion and maintain operations as outlined." The motion passed unanimously.

D. NC Association of County Commissioners Tailored Plan Regions Committee

Mrs. Whitt gave an update on the NC Association of County Commissioners (NCACC) Tailored Plan Regions Committee. At a recent meeting with Secretary Cohen, she feels that the Committee will be making a recommendation to her that the regions stay as they currently are. Secretary Cohen does not feel that it is clear to the Counties that once the seven regions are decided, and moving forward for the next four years that counties cannot move back and forth.

Commissioner David Allen reported that a letter of recommendation has been sent to the Secretary along with other recommendations. At a recent NCACC Board meeting, Secretary Cohen requested that the sub-committee remain intact.

E. Comprehensive/Facility Based Crisis (FBC) Centers Update

☛ **Randolph County Update (Comprehensive Care Center)** – Mrs. Whitt reported that the project is approximately eight (8) months behind schedule. A letter has been sent to the General Contract (GC) notifying them of a meeting with the Owner, Architect, Bonding Company and the GC to determine appropriate steps to complete the project prior to further decisions/actions by the Owner.

It is reported that the elevator is working, with final inspections scheduled for Tuesday. Once the Certificate of Occupancy is issued, Daymark Recovery will seek licensure approval from DHSR. Jerry Earnhardt anticipates it will take at least six weeks for the licensure process.

Chairperson Ussery thanked Daymark Recovery for their patience on the project.

☛ **Richmond County Update (Comprehensive Care Center)** – Mrs. Whitt reported that the project is 20% complete, with a completion date of December 31, 2019. Chairperson Ussery provided an update.

☛ **Guilford County Update (Child Facility Based Crisis Center)** – Mrs. Whitt reported that discussions are still being held with Guilford County to purchase a parcel of land for the location of the Child Facility Based Crisis Center, if the property is deemed suitable. The land is an old Cone Mill site and it will need to be determined what is needed to make the land suitable to build before having a discussion to purchase. Discussions continue with the architects. Mrs. Whitt stated that by August, she hopes to have some of the issues resolved and a project plan to share.

F. NC DHHS/General Assembly Updates

☛ **State Budget** – Mrs. Whitt reported that the House and Senate have passed their versions of the 2019-2021 budget. The budgets do not include Medicaid expansion, a top priority for the Governor. It is expected that the Governor will veto any budget that he is presented, if Medicaid expansion is not included.

G. Medicaid Transformation Updates

☛ **Temporary Stay Requests** – Lawyers for three (3) pre-paid health care plans – Aetna Better Health, a commercial managed care company; Optima, a health care group connected to Virginia's Sentara Health Care System; and My Health by Health Providers, a provider-led group formed by a dozen of the state's hospital systems – appeared in an administrative law courtroom in Raleigh this month asking for an injunction to stop the process. The managed care groups feel that the process to

select contractors was flawed and unfair. The court date for the actions is scheduled in August. It is expected that a ruling on the temporary stay request will be made this week.

Stopping the process could throw DHHS off its current schedule of launching the transition of Medicaid to managed care in two (2) regions of the state in November.

- **Member Timelines (Phase 1 and 2)** – Mrs. Whitt called attention to the Member Timeline, Phase 1 and Phase 2 document included in the Board packet, which provides the dates of the rollout of the managed care regions. Mrs. Whitt followed up on a question that was discussed at the May Board meeting during the public comment time concerning letters being sent out to individuals regarding Standard and Tailored Plans. After talking with the DSSs, Mrs. Whitt stated that the only letters that are going out now are for address verification. The DSSs are following the timeline where the actual enrollment period does not begin until June/July for Phase 1.
- **County Partnerships/Information**
 - **DHHS Secretary Cohen – What’s Ahead for DHHS and Counties Webinar** – discussed the webinar opportunities that DHHS Secretary Cohen will be conducting with County officials regarding Medicaid transformation.
 - **County Playbook Website** – resources to help Medicaid beneficiaries smoothly transition to managed care.
 - **CFAC and Client Rights Committee** – Mrs. Whitt reported that she has had discussions with Kody Kinsley, Deputy Secretary for Behavioral Health & Intellectual and Developmental Disabilities at DHHS, and said that there are no plans for rule changes for CFAC and Client Rights. When asked if the Standard Plans will have a CFAC and Client Rights Committee, he responded that is still in the works. The only changes would be to add physical health representatives.

H. Harnett Veterans Treatment Court Update

Mrs. Whitt reported that a meeting was held with several representatives from Harnett and Lee counties on May 31st regarding funding for the Harnett Veterans Treatment Court. The three (3) year federal grant is expiring at the end of September and they are reaching out to others to secure funding. They are working with Congressman Tillis on obtaining federal funding and are working with Representative Lewis and Senator Burgin on obtaining state funding. Lee and Harnett counties have pledged support. Mrs. Whitt feels the cause is worthy for Sandhills Center to assist with funding and has gone on record to pledge a one-time community reinvestment funding.

Even though the name is Harnett Veterans Treatment Court, it is in the works to change the name to Regional Veterans Treatment Court, since they also serve individuals from Lee, Moore and Guilford counties and are open to serve all the Sandhills counties.

The court meets every Wednesday at 2:30 p.m. at the Harnett County Courthouse for anyone that would be interesting in attending.

It will not be known until August what funding has been obtained. Once the funding is known, this will be brought back to the Board for consideration.

- **Clinical Services & Operations Report – Anthony Ward, Chief Operating Officer/Deputy Director**

Mr. Ward presented and reviewed the following:

 - Medicaid Waiver Operations Report – May 2019, noting that all benchmarks continue to be met.
 - Medicaid Waiver Financial Operations Report – May 2019, noting the financial measures that Sandhills is required to meet.
- **July Board of Directors Meeting** – A motion was made by Mazie Fleetwood and seconded by Walter Ferguson to “not have a Board of Directors meeting in July.” The motion pass unanimously.

Committee Reports

- **Finance Committee Report** – Finance Committee Chairperson Gart Evans reported the Finance Committee met prior to tonight’s Board of Directors Meeting and reviewed the Finance Report in detail. Chairperson Evans presented and reviewed the Finance Agenda with the Board of Directors. A summary of the Consolidated Balance Sheet and Income Statement was reviewed and reflects services through April 30, 2019.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Commissioner David Allen to "approve the Finance Agenda as presented." The motion passed unanimously.

- **Client Rights Committee Report** – Did not meet.
- **Human Resources Committee Report** – Human Resources (HR) Committee Chairperson Mazie Fleetwood noted that the HR Committee met and reviewed the following:
 - **Employee Fringe Benefit Package** – NC Local Government Retirement System (LGERS) Notice of Employer Contribution Rates Effective July 1, 2019 – the current total employer contribution to retirement benefits is 9.12%, with employer contributions to LGERS (7.75%) and to the Prudential 401k Plan (1.37%). Effective July 1, 2019, the contribution rate to LGERS will increase to 8.95%, leaving a 0.17% contribution to the 401k Plan. Chairperson Fleetwood explained that there have been discussions with Prudential regarding potential 401k options. She also explained that the medical/dental insurance costs will be up for review later in the calendar year and asked to defer any changes to the employee fringe benefit packet until the medical/dental insurance information is available.
 - **Approved Area Authority Director Salary Range** – notification was received that the salary range for the LME/MCO CEOs has been revised, effective April 24, 2019: Minimum – \$208,400; Midpoint – \$291,700; and Maximum – \$375,100. Chairperson Fleetwood reported that the HR Committee is looking at a process and philosophy to ensure that the CEO is compensated fairly and the salary is competitive with other LME/MCO CEOs.
 - **Board Philosophy on CEO Compensation** – for input and discussion, a draft Board philosophy on LME/MCO CEO compensation was presented. Chairperson Fleetwood reviewed the draft document, and asked Board members to contact Chief Human Resources Officer Leonard Covington with any issues/questions they may have. Plans are to have Chief Legal Officer Evelyn Quick review and in August make any revisions and obtain approval. Once the document is approved, it will be made official.
 - **OSHR Annual Salary Plan Notification** – Mr. Covington received notification that the annual salary plan documents for 2019 – 2020, are due on or before July 12, 2019. Chairperson Fleetwood explained that since the Sandhills Center Board will not meet in July, an extension was requested and granted. The new due date to submit the documents has been extended through August 14, 2019.
- **Corporate Compliance & Internal Audit Committee** – Did not meet.

Old Business

None

Comments

None

Board Materials

- CIT – Year in Review 2018
- Community Agencies Breakfast Meetings Agenda
- DMA Monthly Financial Report – April 2019
- Personnel Report
- Newspaper Articles

Adjournment

A motion was made by Michele Weatherly and seconded by Carlos Townsend to "adjourn the meeting." The motion passed unanimously. The meeting adjourned at 8:15p.m.



Chad Ussery
Chairperson, Board of Directors

8-13-19

Date

Documents referred to in these minutes may be obtained by contacting Sherry Bynum at sherryb@sandhillscenter.org or 910-673-9111.

Submitted by: Sherry Bynum, Clerk to the Board of Directors/Executive Assistant to CEO