



SANDHILLS CENTER

Board of Directors Meeting Minutes

August 13, 2019

Members Present:

- | | |
|---|--|
| <input type="checkbox"/> Ross Streater | <input checked="" type="checkbox"/> Priscilla Little |
| <input checked="" 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 type="checkbox"/> Harry Southerland | <input checked="" type="checkbox"/> Shirley Hart |
| <input checked="" type="checkbox"/> Kirk Smith | <input checked="" type="checkbox"/> Walter Ferguson |
| <input type="checkbox"/> Dottie Robinson | <input checked="" type="checkbox"/> Carol Whitaker |
| <input 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 type="checkbox"/> Evelyn Quick |
| <input checked="" type="checkbox"/> Leonard Covington | <input checked="" type="checkbox"/> Patrick Sloan |
| <input checked="" type="checkbox"/> Kelly Patterson | <input checked="" type="checkbox"/> Comellia Saunders |

Guest: Lisa Jackson, DMH, LME Technical Assistance Liaison

Call to Order and Invocation

The Sandhills Center Board of Directors met on Tuesday, August 13, 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. and gave the invocation.

Chairperson Ussery expressed his condolence in the passing of Commissioner Dottie Robinson's husband and Michele Weatherly's mother.

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

Chairperson Ussery noted that the agenda has been amended to add a closed session. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Kirk Smith to "approve the agenda as presented." The motion passed unanimously.*

Absent Board Members Justifications

Commissioner Joe Miller – Out of town working – excused. *A motion was made by Commissioner Kirk Smith and seconded by Gart Evans to "excuse the absence." The motion passed unanimously.*

Commissioner Harry Southerland – Attending a commissioner's banquet – excused. *A motion was made by Commissioner Kirk Smith and seconded by Gart Evans to "excuse the absence." The motion passed unanimously.*

Commissioner Dottie Robinson – Death in family – excused. *A motion was made by Commissioner Kirk Smith and seconded by Gart Evans to "excuse the absence." The motion passed unanimously.*

Commissioner Otis Ritter – Sick – excused. *A motion was made by Commissioner Kirk Smith and seconded by Gart Evans to “excuse the absence.” The motion passed unanimously.*

Commissioner Ross Streater – Not in attendance – unexcused.

Public Comments

George Reynolds gave an update on the CIT happenings in the surrounding counties and an update on mental health crisis intervention in the schools.

Consent Agenda

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

- June 11, 2019 Board of Directors Meeting Minutes
- Policy Revisions
- Quality Management Program Evaluation FY 18 – 19

New Business

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

Mrs. Whitt welcomed everyone and provided the following:

A. NC Association of County Commissioners Tailored Plan Regions Committee Update

Mrs. Whitt gave an update on the NC Association of County Commissioners (NCACC) Tailored Plan Regions Committee. The NCACC received a letter from DHHS Secretary Mandy Cohen thanking them for their thoughtful and comprehensive report on regions for Tailored Plans. She acknowledged that she was accepting the core recommendations of the committee: The seven current LME-MCO regions remain the same leading up to 2021 and through 2025 with two conditions: 1) If the LME-MCO is deemed not viable as it relates to finances or any other condition, then each county may appeal to the NCDHHS Secretary to move to another LME-MCO; 2) Current LME-MCOs should not be prohibited from voluntarily merging with other LME-MCO between 2019-2025. However, a merger should not be mandated.

Secretary Cohen acknowledged that DHHS intends to engage the committee in the future.

Mrs. Whitt noted that the full report is included in the Board packet. The next steps, based on the current plan, is to release the RFA to be a Tailored Plan in the spring.

B. Sandhills Center Employee Performance-Based Evaluation and Compensation System Update

Mrs. Whitt reported that all staff have been evaluated under the new Performance-Based Evaluation and Compensation System. The average organization overall rating score was 3.3. Employees received an individualized letter showing their current salary, the overall rating score received, the awarded merit increase percent used to determine their new salary, and their new salary amount. The effective date of the merit salary increase was July 1st, with employee’s new monthly compensation being reflected in the July 31st payroll.

Mrs. Whitt commented that opportunities for possible improvement was identified and a committee will be convened to review the tool that was used. Its focus will be to recommend adjustments to both, the tool and the process, for the 2020 review period. Chief Human Resources Officer Leonard Covington is heading up the committee.

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

➤ **Randolph County Update (Comprehensive Care Center)** – Mrs. Whitt reported that the City of Asheboro Building Inspector and Fire Marshall have reviewed and approved the construction. A Certificate of Occupancy (CO) has been provided.

The NC DHHS Construction Section performed an initial site inspection and noted multiple safety issues that require work from the General Contractor prior to a return inspection.

Incomplete/incorrect safety/code items identified, included:

- Fire rated wall incomplete, needs additional caulking, dampers tested, smoke barrier, etc.
- Elevator door fire shutter must be connected to smoke/fire alarm. This may take six (6) weeks to receive.

- One wall/corridor relocated such that the hallway is 6' clear at any point along the wall. Corridor shall also accommodate a pair of opposite swinging doors.
- Courtyard is required to have 2 means of egress.
- Generator acceptance test must be performed.
- Provide updated locking system drawings for total building.

Mrs. Whitt noted that the change orders have been approved and there should be nothing preventing the work from moving forward.

NC DHSR approval is required for utilization of the building to serve consumers in the FBC section.

Numerous meetings have been held with Stogner Architecture, H. M. Kern (General Contractor), and the Owner to review these items and discuss responsibilities and time frames. The General Contractor's Bonding Company has been notified of the concerns and also the Sandhills Board Attorney. The main focus now is to complete the project and then determine what actions need to be taken.

Chairman Ussery provided an update and thanked Daymark Recovery for their patience on the project.

- **Richmond County Update (Comprehensive Care Center)** – Mrs. Whitt reported that the project is 40% +/- complete and appears to be 60 days behind schedule. It has been recommended that the General Contractor provide more staff in an attempt to make up time on the project schedule.

D. NC DHHS/General Assembly Updates

- **State Budget** – Mrs. Whitt reported that after a month and half into the new fiscal year, NC still does not have a budget. Sandhills continues to operate under the old budget.

E. Medicaid Transformation Updates

- **Medicaid Transformation – Standard Plans – Go/No Go Decisions** – In order for the state's Medicaid transformation to meet its launch date of November 1st, a state budget must be ratified by the General Assembly and signed by the Governor. Are being told that if there is no budget by the end of the August, first week of September, there will be a delay in implementation of the Standard Plan rollout.
- **NC DHHS Updated Information About Managed Care** – the Department is making information available to enrollees to learn more about managed care and to enroll in a health plan.
- **Temporary Stay Requests** – a NC administrative law judge has denied requests from the 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 – to hit the pause button on the state's ongoing transition of its Medicaid system to a managed care system. The judge ruled in favor of NC DHHS to deny their preliminary injunction requests. The groups are continuing their appeals and have joined together to form one case that will be heard at the end of August or the first of September.

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

Mr. Ward presented and reviewed the following:

- **Medicaid Waiver Operations Report** – July 2019, noting that all benchmarks continue to be met. Mr. Ward discussed the processes for reporting on provider sanctions and reporting fraud, waste and abuse.
- **Medicaid Waiver Financial Operations Report** – July 2019, noting the financial measures that Sandhills is required to meet.
- **July 2019 Quarterly Community Report** – hosting the CFAC statewide meeting and provider orientation, as well as the reaccreditation achievements, demonstrates Sandhills Center's commitment to the counties.

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 June 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.

- **Human Resources Committee Report** – Human Resources (HR) Committee Chairperson Mazie Fleetwood noted that the HR Committee met and reviewed the following:
 - ★ **FY 2019 – 2020 Sandhills Center Annual Salary Plan** – notification will be sent to the Office of State Human Resources regarding the FY 2019 – 2020 Pay Plan for Sandhills Center. Chairperson Fleetwood noted that the Board is required to approve the Pay Plan and each Board County Commissioner would need to sign the Plan tonight before leaving.

On behalf of the Human Resources Committee, a recommendation was made by Chairperson Fleetwood and seconded by Commissioner Kirk Smith to "approve the FY 2019 – 2020 Sandhills Center Annual Salary Plan". The motion passed unanimously.

- ★ **Board Philosophy on CEO Compensation** – Chairperson Fleetwood presented the final CEO Compensation Philosophy for review and approval. The CEO Compensation Philosophy was established in order to provide a fair, predictable, and transparent process for the creation of the base salary for the CEO position. In order to ensure adherence to the principles and parameters of the CEO Compensation Philosophy, the Chief Human Resources Officer (CHRO) will be responsible for communicating any changes made by the NC Office of State Human Resources to the salary range for the CEO. During the second quarter (October – December) and the fourth quarter (April – June) of the fiscal year, the CHRO will summarize the base salaries of the peers in the CEO position throughout the state and report any changes to the HR Committee Chairperson. If changes have occurred to create a difference, the changes will be presented to the Board of Directors for review. The Chairperson of the Board of Directors, who is not compensated by the organization, will operate independently without undue influence from the Area Director/Chief Executive Officer.

On behalf of the Human Resources Committee, a motion was made by Chairperson Fleetwood and seconded by Commissioner Kirk Smith to "adopt the CEO Compensation Philosophy as presented". The motion passed unanimously.

NOTE: The CEO Compensation Philosophy was created by Ann Taylor, Consultant.

- **Client Rights Committee Report** – Client Rights Committee Chairperson Carol Whitaker gave the report.
- **Corporate Compliance & Internal Audit Committee – Corporate Compliance & Internal Audit Committee Report** – Corporate Compliance & Internal Audit Committee Chairperson Matthew Rothbeind reported that the Corporate Compliance & Internal Audit Committee met in July. The Committee adopted two (2) new projects for the current fiscal year: 1) review the sales tax account process/reimbursement processes; and 2) review all leases for Sandhills to prepare for new accounting standards. The FY 2019 – 2020 Corporate Compliance & Internal Audit Plan was approved at the meeting and Board approval is required. Internal Auditing Director Comellia Saunders provided highlights of the FY 2019 – 2020 Corporate Compliance & Internal Audit Plan.

A motion was made by Corporate Compliance & Internal Audit Committee Chairperson Matthew Rothbeind and seconded by Michele Weatherly to "approve the FY 2019 – 2020 Corporate Compliance & Internal Audit Plan." The motion passed unanimously.

- **Consumer and Family Advisory Committee Quarterly Report (CFAC)** – Consumer and Family Advisory Committee Chairperson Leann Henkel gave the report.

Chairperson Ussery thanked all the Committee members on their dedication, time and effort and hard work put into each committee.

Closed Session

A motion was made by Michele Weatherly and seconded by Commissioner Kay Cashion that "the Board of Directors go into closed session pursuant to N.C. General Statute § 143-318.11(a)(5)(i) for purpose of discussing the position to be taken in negotiating the price and other material terms of a proposed contract for the acquisition of real property." The motion passed unanimously. Closed Session began at 8:05 p.m.

Sandhills Center staff in attendance included Chief Executive Officer Victoria Whitt, Chief Operating Officer/Deputy Director Anthony Ward, and Clerk to the Board/Executive Assistant Sherry Bynum.

At the conclusion of the closed session, a motion was made by Michele Weatherly and seconded by Commissioner David Allen to "reconvene open session." The motion passed unanimously. Open session reconvened at 9:05 p.m.

A motion was made by Michele Weatherly and second by Commissioner Smith to "grant Mrs. Whitt permission to sign the Construction Manager At Risk contract related to the pre-construction phase with Samet." The motion passed unanimously.

A motion was made by Commissioner Kirk Smith and seconded by Walter Ferguson to "proceed with negotiations with Samet regarding the purchase of the Biscuitville property and report back to the Board at the September meeting." The motion passed unanimously.

Old Business

None

Comments

Commissioner Kirk Smith discussed the recent Veterans treatment Court proceedings he attended and the White House State Leadership Day for North Carolina, South Carolina, and Tennessee.


Board Materials

- Board Attendance Roster 2019
- Community Agencies Breakfast Meetings Agenda
- Board of Directors Standing Committees
- DMA Monthly Financial Report – May and June 2019
- Quality Management Committee Executive Summary (April – June 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 9:10 p.m.


Thad Ussery
Chairperson, Board of Directors


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