



SANDHILLS CENTER

Board of Directors Meeting Minutes

January 14, 2020

Members Present:

- | | |
|-------------------------------------------------------------------|------------------------------------------------------------------|
| <input checked="" 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"/> Dr. Walter Salinger | <input checked="" type="checkbox"/> Dr. Alvin Keyes |
| <input type="checkbox"/> Howard Penny | <input checked="" type="checkbox"/> Tonya Gray |
| <input checked="" type="checkbox"/> Harry Southerland | <input checked="" type="checkbox"/> Shirley Hart |
| <input checked="" type="checkbox"/> Kirk Smith | <input type="checkbox"/> Walter Ferguson |
| <input checked="" type="checkbox"/> Dottie Robinson | <input 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 checked="" type="checkbox"/> Evelyn Quick |
| <input checked="" type="checkbox"/> Leonard Covington | <input checked="" type="checkbox"/> Patrick Sloan |
| <input 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, January 14, 2020 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. Chairperson Ussery gave the invocation.

Oath of Office for New Board Member

Harnett County representative, Tonya Gray, was welcomed and administered the Oath of Office.

Certification of Quorum

Michele Weatherly, Secretary, certified a quorum.

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.

Approval of Agenda

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

Approval of Consent Agenda

A motion was made by Commissioner Kay Cashion and seconded by Michele Weatherly to "approve the consent agenda". The motion passed unanimously.

The following were approved:

- November 12, 2019 Board of Directors Meeting Minutes

Approval of Amendment to Sandhills Center By-Laws

Mrs. Whitt reported that it is time to review the Sandhills Center By-Laws. They are reviewed every few years, and especially when there are changes to State laws. In preparing for the review, there is a clause that needs to be changed in order to move forward with the oath of office for the officers tonight. The clause states "the installation of the Board members has to occur 30 days after the election of the officers". Basically, this would mean that installation of the officer could not occur until March. After a review of the General Statutes and in

talking with the other LME/MCOs, no one knows why there is a 30 day wait period. The current language of the By-Laws conflicts with the actual custom and practice of voting on the election of officers and the immediate installation of officers at the regular Board meeting held in January of each calendar year. She recommends to amend Article V, Officers, Section 2, Election and Term, Paragraph 1, by striking from the last sentence "and shall be held not less than thirty (30) days prior to installation".

A motion was made by Michele Weatherly and seconded by Commissioner Kirk Smith to "amended Article V, Officers, Section 2, Election and Term, Paragraph 1, of the Sandhills Center By-Laws to read as follows:

- *Each officer of the Board shall be elected by the Board for one (1) year and shall hold office until his or her death, resignation, retirement, removal, disqualification, or until his or her successor has been elected and qualified. Newly elected officers shall be installed at the regular Board meeting held in January of each calendar year. Election shall be made by a simple majority of the quorum". The motion passed unanimously.*

Board of Directors Term Limits

Mrs. Whitt referred to the Board of Directors Term Limits chart, included in the packet, and reported that this year is the first year since the Board was established in 2013, that some of the original Board members will be rotating off. In 2013, the NC General Assembly ratified legislation modifying LME/MCO Board of Directors composition and terms.

- Reduced membership requirement from 30 voting members to no more than 21 voting members.
- Legislation was more directive in membership qualifications.
- Changed term limits from two – three year terms to three – three year terms, except that upon the initial formation the Board, one-third was appointed for one year, one-third for two years, and all remaining members for three years.
- Changes related to County Commissioners tenure to same terms as others as opposed to serving concurrently with tenure as Commissioner.

The rotating off schedule of the original 10 Board members:

- 2020 – Commissioner Kay Cashion, Shirley Hart, Commissioner Otis Ritter, and Michele Weatherly
- 2021 – Commissioner Ross Streater, Mazie Fleetwood, and Leann Henkel
- 2022 – Gart Evans, Carol Whitaker, and Thad Ussery

Mrs. Whitt stated that as the By-Laws are revised, to consider a time limit when a person may rotate back onto the Board. There is no state law, nor do the By-Laws specify a time limit. Most non-profits allow 1 – 3 years before someone may be appointed to the Board after rotating off.

Mrs. Whitt stated that Commissioners should start thinking about appointments for the ones rotating off.

Elections of 2020 Board of Directors Officers

Chairperson Ussery recognized Mazie Fleetwood for recommendations from the Nominating Committee.

Mrs. Fleetwood reported that the Nominating Committee met and all agree with the following slate of officers for 2020:

- For Chairperson – Thad Ussery
- For Vice-Chairperson – Commissioner Kay Cashion until her term expires in September, which at that time Commissioner Harry Southerland is nominated to serve as Vice-Chairperson to complete the year.
- For Secretary – Priscilla Little

Chairperson Ussery asked if there were any other nominations from the floor. As there were no other nominations, Chairperson asked if there was a motion to elect the slate of officers as recommended by the Nominating Committee, and to vote to close out the nominations. *A motion was made by Michele Weatherly and seconded by Commissioner Kirk Smith to "accept the recommendations made to accept the slate of officers as presented by the Nominating Committee and to close out the nominations". By a show of hands, the motion passed unanimously.*

Chairperson Ussery thanked the Nominating Committee for their work, thanked the Board members for their service, and thanked the Board members for their service on the committees.

Oath of Office for Elected Officers

Elected Officers for 2020 were administered the Oath of Office: Thad Ussery, Chairperson, Commissioner Kay Cashion, Vice-chairperson, Commissioner Harry Southerland, Vice-Chairperson (at the end of Commissioner Cashion's term) and Pricilla Little, Secretary.

Absent Board Members Justifications

Commissioner Howard Penny – Meeting – excused. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Harry Southerland to "excuse the absence". The motion passed unanimously.*

Walter Ferguson – Out of state at a meeting – excused. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Harry Southerland to "excuse the absence". The motion passed unanimously.*

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

Commissioner Otis Ritter – Sick – excused. *A motion was made by Commissioner Kay Cashion and seconded by Commissioner Harry Southerland to "excuse the absence". The motion passed unanimously.*

Public Comments

On behalf of NAMI, George Reynolds thanked Mrs. Whitt for her recent Medicaid Transformation presentation.

Sandhills Center By-Laws Amendment Process

Mrs. Whitt explained that the last revision to the Sandhills Center By-Laws was August 2018. She explained that she took the opportunity to talk with the Corporate Compliance & Internal Audit Committee to see if they would be willing to have her recommend to the Board that they serve as the Committee to begin the process of reviewing the By-Laws and then bringing the recommendations to the Board. The Corporate Compliance & Internal Audit Committee members agreed to serve. Corporate Compliance & Internal Audit Committee members includes Commissioner Dottie Robinson, Shirley Hart, Priscilla Little, Matthew Rothbeind, and Michele Weatherly.

The Committee will work with Chief Legal Officer/Corporate Compliance Officer Evelyn Quick and Mrs. Whitt. Mrs. Whitt explained the process would be to review changes based on any State changes, put together a draft, either discuss via telephone and/or face-to-face, with expectations to present to the Board at the March meeting for review/comments and approval at the April meeting.

Mrs. Whitt stated that in addition to the recommendation of appointing the Corporate Compliance & Internal Audit Committee to review the By-Laws, also asked if any others would like to volunteer. Leann Henkel and Commissioner Ross Streater volunteered.

A motion was made by Commissioner Harry Southerland and seconded by Gart Evans that "the Corporate Compliance & Internal Audit Committee, along with Leann Henkel and Commissioner Ross Streater, work with Mrs. Whitt and Mrs. Quick to review and amend the Sandhills Center By-Laws". The motion passed unanimously.

New Business

- **Chief Executive Officer's Report – Victoria Whitt, Chief Executive Officer**
Mrs. Whitt welcomed everyone and provided the following:

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

- **Randolph County Update** – Mrs. Whitt reported that all the inspections are complete except the DHSR inspection, which issues the license to operate the FBC Center. The January 7th DHSR inspection was scheduled; however, on January 6th an email was received cancelling the inspection due to the DHSR inspectors stating that they did not have "the sealed drawings with the electric diagram for the locking devices". There has been discussion between the Architect, Engineer, and DHSR. The Engineer feels they understand what DHSR is requiring and will be submitting the information tomorrow.

The Architect and Sandhills Center staff/consultant conducted a walk-thru this morning to identify any issues. There were a few minor issues identified: sprinkler not labeled, ceiling tiles that were pushed up, rubber baseboard coming loose, and the electrical box not marked clearly. A picture was taken of the electrical box and sent to DHSR for approval. DHSR responded that they were fine with the electrical box.

The DHSR inspection has been rescheduled for January 22nd.

- ✦ **Richmond County Update** – Mrs. Whitt reviewed the progress to date, noting that the progress is coming along well. She noted that the contract completion date is January 30, 2020, with a projected finish date of mid-February. There was an issue with the spray foam insulation at the beginning, which seems to be worked out and coming along well now.

Chairperson Ussery commented that he feels the contractor is back on schedule and gave an update on the progress.

B. Board of Directors Annual Declaration – Conflict of Interest and Confidentiality

The State requires that Board members do not engage in any activities that could be construed as a conflict of interest to participate on the Sandhills Center Board of Directors and to ensure the protection of individually identifiable health information. Mrs. Whitt asked the Board members to review and complete the forms.

C. Employee Longevity Awards

Mrs. Whitt presented the employee longevity awards list. Staff will be recognized at the January staff meetings who have met longevity milestones.

D. NC General Assembly/NC DHHS Updates

- ✦ **State Budget** – Legislators reconvened today with all intent to override vetoes on the budget and Medicaid Transformation. At 2:00 p.m., they adjourned sine die with plans to reconvene the Short Session Tuesday, April 28th. Mrs. Whitt explained that with no budget, several projects have been affected: Samaritan Colony, Good Hope Hospital, and Guilford County.

- ✦ **Medicaid Transformation Implementation** – Mrs. Whitt reported that DHHS released a Press Release November 19, 2019, suspending the implementation of Managed Care.
 - The General Assembly adjourned in November without providing required new spending and program authority for the transition
 - No changes for Medicaid beneficiaries
 - Tailored Plans RFA is still on schedule for release at the end of winter 2020

DHHS is also facing legal challenges from Aetna Better Health, a commercial health care company; Optima, a health care group connected to Virginia's Sentara health care system; and My Health by Health Providers, a provider-led coalition of a dozen hospitals around the state. These groups are appealing the DHHS decision to not award them contracts.

- ✦ Mrs. Whitt reported that DHHS Deputy Secretaries Dave Richard and Kody Kinsley and former State Senator Tommy Tucker, current DHHS Senior Policy Consultant, are visiting each LME/MCO Board of Directors during the next few months. This is to provide an opportunity for Boards and DHHS Executive Leadership to:
 - Discuss key issues at the State level;
 - Discuss proposed DHHS changes to the LME/MCOs' State and Medicaid Funded Services, Cash Management and Reinvestment Plan processes; and
 - Provide former Senator Tucker the opportunity to understand the local Boards' perspectives and concerns in order for him to be an advocate with State legislative members.

Deputy Secretary Richard, and possible Mr. Tucker, plan to attend the February Sandhills Center Board of Directors Meeting.

Mrs. Whitt discussed an initiatives that the County Commissioners Association has recently sent out to all the Commissioners and County Managers regarding a white paper the State has on state funds. The white paper is an attempt to standardize how state dollars are used across the state. Harnett and Randolph Counties have contacted Mrs. Whitt asking her thoughts. She explained that the State would like to be more directive on how state funds are used, if limited dollars are going to fund state services, and have set a benchmark on what services should be provided to which consumers.

Mrs. Whitt will review the white paper, write up a position paper and then share with each County Commissions. Her concerns are: 1) if state dollars are standardized, then make sure there are state

dollars available to spend on the required services, and 2) there may be services that are currently being funded that will need to be on the list of what the State approves. She gave examples of services that Sandhills currently funds that other LME/MCOs do not fund. She hopes there will be flexibility on what services can be funded.

Mrs. Whitt feels that Deputy Secretary Richard and Mr. Tucker will want to discuss the initiatives. Are also getting more directive on the fund balance; making sure funds are being spent on services in the community, of which Sandhills is doing. Mrs. Whitt will find out more of what the expectation is and provide more information on the initiatives.

Sandhills has received their allocations. Mrs. Whitt explained that it appears the allocation returns around \$15 million back that was previously taken. The funds can be used for services. An amended budget will be presented at the February Board meeting.

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

Mr. Ward reviewed the following:

- Medicaid Waiver Operations Report – December 2019, noting that all benchmarks continue to be met.
- Medicaid Waiver Financial Operations Report – December 2019, noting the financial measures that Sandhills is required to meet.
- 2019 NC DHHS Provider Satisfaction Survey – Mr. Ward noted that the results of the most recent Provider Satisfaction Survey have been received and he reviewed a summary of the results. He commented that Sandhills Center scored extremely well, scoring the highest LME/MCO for the 4th year in a row. Sandhills scored the highest of the other LME/MCOs on 10 of the 23 questions and was the only LME/MCO to have more than five (5) questions scored as the highest. On the question that rates overall LME/MCO satisfaction, Sandhills scored a 91.9%, while the average score of the others was 88.9%. 😊 Commissioner Kay Cashion asked Mr. Ward to send the report out to the County Managers and County Commissioners and Chairperson Ussery asked Mr. Ward to send the report to the local newspapers.

Committee Reports

- **Finance Committee Report** – 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 November 30, 2019.

Chairperson Evans noted that the 990 Tax Form was also included in the packet. He reported that Sandhills Center will receive a refund on the taxes that was paid on an employee benefit (parking) as specified in the *Tax Cuts & Job Acts 2017*. The Act has since been rescinded.

On behalf of the Finance Committee, a motion was made by 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** – Did not meet.
- **Corporate Compliance & Internal Audit Committee** – Committee Chairperson Matthew Rothbeind gave the report.
- **Client Rights Committee Report** – Client Rights Member George Reynolds gave the report.

Closed Session

A motion was made by Commissioner Kay Cashion and seconded by Gart Evans that "the Sandhills Center Board of Directors go into closed session to discuss the position to be taken in negotiating the price and other material terms of a proposed contract for the acquisition of real property. The action is in accordance with N.C. General Statute § 143-318.11(a)(5)(i)". The motion passed unanimously. Closed Session began at 8:08 p.m.

Sandhills Center Staff staff in attendance: Chief Executive Officer Victoria Whitt, Chief Operating Officer/Deputy Director Anthony Ward, Chief Legal Officer/Corporate Compliance Officer Evelyn Quick, and Clerk to the Board/Executive Assistant Sherry Bynum.

At the conclusion of the closed session, a motion was made by Commissioner David Allen and seconded by Commissioner Kay Cashion to "reconvene open session". The motion passed unanimously. Open session reconvened at 8:52 p.m.

A motion was made by Commissioner Kirk Smith and seconded by Matthew Rothbeind to approve the following:

- That Sandhills Center enter into an Agreement with Owner, Davidson Industrial Properties LLC, for purchase of the 3802 Robert Porcher Way property, with the following conditions:
 - Purchase price of \$3,750,000.
 - \$100,000 of Earnest Money to be deposited in escrow with Sandhills Center Board Attorney, Tom Van Camp.
 - Sandhills Center must be able to obtain a Site Plan Permit from the City of Greensboro, NC, pursuant to the Site Plan Study to add additional parking spaces to the current parking lot and upon approval of the engineering drawings. If not, Sandhills Center will be entitled to a full refund of the Earnest Money.
 - Examination Period will extend through 5 p.m., 60 days after Contract Date, with a 30 day extension if the Site Plan Permit has not been issued by the City of Greensboro.
 - Closing will occur the 45th day after the end of the Examination Period.
 - Note: Once Sandhills Center has closed on this property, Sandhills Center would move forward with the proposed agreement with Guilford County to release Guilford County from the provision in October 4, 2012, Merger Agreement to provide County property for our staff, in exchange for the conveyance of the property site identified for the Sandhills Center Child Facility Based Crisis Center in "building pad ready" condition. The motion passed unanimously.

A motion was made by Commissioner David Allen and seconded by Commissioner Kay Cashion to "approve that Sandhills Center enter into an Agreement with Samet Corporation, current Construction Manager at Risk, for a Guaranteed Maximum Price in an amount not to exceed \$7,024,258 for the Child Facility Based Crisis (FBC) Center in Greensboro". The motion passed unanimously.

Old Business

None

Comments

Chairperson Ussery read a thank you note from Carlos Townsend expressing his gratitude to the Board for the opportunity to serve on the Board and to serve the community, and the gift he received.

Commissioner Cashion thanked the Board for their actions tonight, stating that these projects will help the community.

Chairperson Ussery stated that if any other county has a project they would like help with, let Mrs. Whitt know.

Board Materials

- Board of Directors Attendance Roster
- Board of Directors Standing Committees
- Community Agencies Breakfast Meetings Agenda
- DMA Monthly Financial Report – November 2019
- Personnel Report
- Newspaper Articles

Adjournment

A motion was made by Michele Weatherly and seconded by Commissioner David Allen to "adjourn the meeting". The motion passed unanimously. The meeting adjourned at 9:00 p.m.



Thad Ussery
Chairperson, Board of Directors

2-11-2020
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