



SANDHILLS CENTER

Board of Directors Meeting Minutes

September 14, 2021

1120 Seven Lakes Drive, West End, NC

Members Present:

- | | |
|---|---|
| <input type="checkbox"/> Ross Streater | <input type="checkbox"/> Priscilla Little, Secretary |
| <input type="checkbox"/> Alan Perdue | <input checked="" type="checkbox"/> Gart Evans |
| <input type="checkbox"/> Dr. Walter Salinger | <input checked="" type="checkbox"/> Dr. Alvin Keyes |
| <input checked="" type="checkbox"/> Matt Nicol | <input type="checkbox"/> Tonya Gray |
| <input checked="" type="checkbox"/> Harry Southerland, Vice-Chairperson | <input type="checkbox"/> Walter Ferguson |
| <input checked="" type="checkbox"/> Kirk Smith | <input checked="" type="checkbox"/> Carol Whitaker |
| <input checked="" type="checkbox"/> Mike Criscoe | <input type="checkbox"/> Matthew Rothbeind |
| <input checked="" type="checkbox"/> Catherine Graham | <input checked="" type="checkbox"/> Mazie Fleetwood |
| <input checked="" type="checkbox"/> David Allen | <input checked="" type="checkbox"/> Dr. Tommy Jarrell |
| <input checked="" type="checkbox"/> Thad Ussery, Chairperson | |
| <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"/> Bonita Porter |
| <input checked="" type="checkbox"/> Patrick Sloan | |

Guest: Lisa Jackson, DMH, LME Technical Assistance Liaison

The Sandhills Center Board of Directors convened for a regular meeting on Tuesday, September 14, 2021, at the Administrative Office at 1120 Seven Lakes Drive, West End, NC.

Call to Order and Invocation

Chairperson Thad Ussery called the meeting to order at 6:55 p.m. Dr. Tommy Jarrell gave the invocation.

Chairperson Ussery took the opportunity to recognized Mazie Fleetwood who is rotating off the Board. He thanked her for her commitment to the Sandhills Center Board of Directors and the members. He presented her with a gift of appreciation. Mrs. Fleetwood took the opportunity to express her appreciation to the Board, staff, and the general public.

Chairperson Ussery read a resignation letter from Stephany Bonds, who is resigning because of medical reasons. Commissioner Harry Southerland stated that Hoke County is in the process of finding someone to fill her slot.

Oath of Office of New Board Member

Harnett County representative, Commissioner Matthew Nicol, was welcomed and administered the Oath of Office.

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

Sherry Bynum, Clerk to the Board, certified a quorum.

Approval of Agenda

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

Absent Board Members Justifications

Justifications for Board member absences:

- Ross Streater – attending a meeting
- Priscilla Little – on vacation
- Commissioner Alan Perdue – out of state working
- Dr. Walter Salinger – on vacation
- Tonya Gray – not feeling well
- Walter Ferguson – family medical issue
- Matthew Rothbeind – family medical issue

A motion was made by Commissioner Kirk Smith and seconded by Commissioner Harry Southerland to “excuse the Justifications for Absences as presented”. The motion was approved unanimously.

Public Comments

None

Approval of Consent Agenda

A motion was made by Commissioner David Allen and seconded by Carol Whitaker to “approve the Consent Agenda”. The motion was approved unanimously. The following was approved:

- August 10, 2021 Board of Directors Meeting Minutes

New Business

➤ **Board of Directors Compliance Training – Bonita Porter, Chief Compliance Officer**

Ms. Porter presented a PowerPoint presentation on *Compliance Expectations for Health Plan Board of Directors: Part Two – Compliance Program Description and Annual Compliance Work Plan*, highlighting the following:

- Compliance Orientation will be broken into four (4) parts:
 1. Part One: Compliance Update – presented at the August meeting
 2. Part Two: Compliance Program and Annual Work Plan
 3. Part Three: Regulatory Drivers – to be presented at the October Board meeting
 4. Part Four: Driven by Data: Compliance Risk Assessment – to be presented at the November Board meeting
- Ms. Porter explained that the Tailored Plan Board of Directors have the responsibility for reviewing and approving the Compliance Program description, the Annual Work Plan, and compliance related policies.
- The Compliance Plan is organized according to OIG/CMS guidelines and have eight (8) required elements. Ms. Porter reviewed each element:
 1. Implementing written policies, procedures and standards of conduct
 2. Designating a compliance officer and committee
 3. Conducting effective training and education
 4. Developing effective lines of communication
 5. Enforcing standards through well-publicized disciplinary guidelines
 6. Conducting internal monitoring and auditing
 7. Responding promptly to detected offenses and developing corrective action
 8. The organization must periodically undertake reassessment of its compliance program to identify changes necessary to reflect changes within the organization and its facilities.
- Ms. Porter discussed the Annual Work Plan. The focus for the FY 2021-2022 plan is on readiness to implement the Tailored Plan and compliance toward meeting readiness deliverables. In April – June 2022, a formal compliance risk assessment will be initiated, from which the Annual Work Plan for FY 2022-2023 will be developed.

Ms. Porter took the opportunity to answer questions from Board members.

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

Mrs. Whitt welcomed everyone and provided the following:

A. Sandhills Center Compliance Plan FY 2021-2022

Mrs. Whitt presented a recommendation to the Board of Directors regarding the Compliance Plan for FY 2021-2022. She reported that since the Compliance Plan is a required deliverable for the Tailored Plan, it must be vetted and approved by DHHS. Once approved by DHHS, the Compliance Plan for FY 2021-

2022 will then be brought to the Board of Directors' Compliance Sub-Committee and the full Board for review and approval.

Mrs. Whitt reported that the Sandhills Center Corporate Compliance and Internal Audit Plan for FY 2020-2021 was approved by the Board of Directors' Compliance Sub-Committee on August 11, 2020. The Compliance Sub-Committee met quarterly throughout the year, with the final meeting on April 1, 2021. Annual goals were reviewed, with a report to the full Board on April 13, 2021.

Mrs. Whitt stated that a proposed Compliance Plan FY 2021-2022 was prepared, for review and approval by the Board of Directors' Compliance Sub-Committee and the full Board tonight, but recommends that such approval be delayed until after it has been fully vetted and approved by NC DHHS. She is recommending that the Compliance Sub-Committee and full Board of Directors approve an addendum to the FY 2020-2021 Compliance Plan, extending that Plan until such time the new Tailored Plan Compliance Plan is ready for review and approval.

The addendum for Corporate Compliance and Internal Audit Committee FY 2021-2022 includes the following. Mrs. Whitt noted that goal #5 is a new goal.

1. Identify and respond to potential areas of risk within Sandhills Center's operations.
2. Provide ongoing corporate compliance communications and training for the Sandhills Center's Board of Directors and staff and others under the purview of Sandhills Center, including subcontractors and providers.
3. Increase use of data and outcome measures in compliance and risk management oversight.
4. Respond to federal, state and local requirements specific to accreditation, audits, surveys and reviews.
5. Receive updates from Sandhills Center's staff regarding the readiness and implementation activities for taking on the management of the Behavioral Health/IDD Tailored Health Plan and provide review and approval, as necessary, for identified NC DHHS "deliverables".

A motion was made by Commissioner Harry Southerland and seconded by Commissioner David Allen to "accept the recommendation to approve an addendum to the FY 2020-2021 Compliance Plan, extending that Plan until the new Tailored Plan Compliance Plan is ready for review and approved by DHHS". The motion was approved unanimously.

B. County Disengagements/Dissolution Updates

Mrs. Whitt gave an update on the county disengagements/dissolution from Cardinal Innovations, noting that all 20 counties have declared their intentions. Secretary Cohen has approved the Cardinal Innovations/Vaya merger effective April 1, 2022. However, due to concerns with Cardinal's current stability, this merger may be moved to February 2022.

- 9 counties (Alamance, Caswell, Franklin, Granville, Person, Rowan, Stokes Chatham and Vance) plan to remain with Cardinal/Vaya.
- 11 counties have declared their intention to realign:
 - Cabarrus, Stanly, Union, Forsyth, Davie, to Partners LME/MCO
 - Rockingham and Davidson to Sandhills Center LME/MCO
 - Mecklenburg and Orange to Alliance LME/MCO
 - Warren to Eastpointe LME/MCO
 - Halifax to Trillium LME/MCO

Mrs. Whitt stated that Secretary Cohen has also approved all realignment request, including Davidson and Rockingham Counties' requests to realign with Sandhills, with a projected date of December 1, 2021.

Cardinal Innovations has contracted with Cansler Collaborative Resources to represent them in dissolution and realignment activities. Representatives from DHHS, Cardinal Innovations, and Sandhills Center met on August 17, 2021, to begin transition processes. These meetings will occur weekly until realignment is completed. The State has also established bi-weekly Transition Meetings with Sandhills Center and Cardinal beginning September 20, 2021.

DHHS has released information on a streamlined realignment process. The usual process requires about nine (9) months. However, since Cardinal Innovations is actually dissolving as an entity, the expectation

is that the disengaging counties' Commissioners will need to enact a resolution requesting realignment and be approved by the NC DHHS Secretary. All of this has occurred for Rockingham and Davidson Counties. The final step involves approval from the receiving LME/MCO Board of Directors by a majority vote. Sandhills Center will need to take this action.

Legislation has been enacted and DHHS has implemented a formula to transfer Cardinal Innovations' Fund Balance and Medicaid Risk Reserve to LME/MCOs receiving Cardinal counties. DHHS is also working on formulas for the transfer of State Single Stream, Federal Block Grant, and other funds. They are working with the LME/MCOs in this process.

C. Structure of Area Board (122C-118.1)

Mrs. Whitt stated that NC State Statutes limit the number of voting members of an LME/MCO Board of Directors to 21 members. Sandhills Center is currently at that maximum membership. NC State Statutes do allow for a statutory exception to the maximum number for LME/MCOs whose population exceed 1,250,000. With the addition of Davidson and Rockingham Counties, Sandhills Center will exceed the population required to qualify for an exception.

Mrs. Whitt stated that she has had conversations with DHHS Deputy Secretary Dave Richard and DHHS General Counsel, Lisa Corbett, and have been told that the Secretary would be receptive to a request for an exception. Prior to granting the exception, the NC DHHS Secretary requires that each constituent county pass a resolution approving an exception request.

A request for an exception, as well as a resolution for our constituent counties to review and adopt, has been prepared. Mrs. Whitt is recommending that in keeping with our Board Bylaws, which are guided by the desire to assure at least two (2) Board seats for each county and additional seats based on total county population, that two (2) Board seats for Rockingham County and three (3) Board seats for Davidson County be designated.

Mrs. Whitt referred to the Request for the Secretary and the County Resolution, which is included in the Board packet asking permission to move forward with the addition of Board seats. She will send the information to the Board of County Commissioners, the County Managers, and the Clerk to the Board of County Commissioners, in the Sandhills Center area, with hopes of bringing back to the October Board meeting, the signed resolutions. Mrs. Whitt noted that she has talked with each County representative.

A motion was made by Commissioner Kirk Smith and seconded by Commissioner David Allen to "give Mrs. Whitt permission to move forward with the request of additional Board of Directors seats, two (2) Board seats for Rockingham County and three (3) Board seats for Davidson County". The motion was approved unanimously.

D. Notice of Potential Data Theft/Criminal Threats

Mrs. Whitt gave a report on the potential data theft of records relating to four (4) individuals whose records were maintained by Sandhills Center, as well as a number of other entities and the criminal threats regarding those records. The individuals claiming to be in possession of the data, are attempting to extort Sandhills Center for monetary payment. This matter was promptly reported to the FBI, the US DHHS, and the NC DHHS, and also launched an investigation into the nature and scope of the alleged data theft.

At the recommendation of the Sandhills Center attorney and insurance company, Sandhills Center entered into an agreement with a law firm with cybercrime experience, Mullen Coughlin. To date, in association with Mullen Coughlin, Sandhills Center has:

- Prepared and distributed a Press Release, through the press wire service;
- Placed necessary information on the Sandhills website;
- Notified the four (4) individuals who potentially may have been affected;
- Set up an 800# with calls directed to a Mullen Coughlin sponsored Call Center;
- Developed and distributed a Questions/Answer Sheet; and
- Notified all employees that they may be receiving request/threats from the anonymous criminal.

E. Behavioral Health Urgent Care (BHUC)/Facility Based Crisis Centers (FBC) Update

- **Guilford County Update – Child Facility Based Crisis Center** – Mrs. Whitt reported that Alexander Youth Network has received its licensure from NC DHSR. An opening date had been set for mid-September, but due to staff issues, the opening date has been postponed until October.

DHSR will return to issue Phase II and final approval of the facility at the completion of three (3) items:

- Missing Window – has been installed.
- Emergency Responder Radio Receptor – currently waiting on delivery.
- Courtyard/Playground – is currently being installed.

Mrs. Whitt stated that Sandhills continues to work with Alexander Youth Network, as well as with Daymark, requesting staffing waivers from the State that could expedite the opening of these facilities.

- **Richmond County Facility Based Crisis Center Update** – Mrs. Whitt reported that Daymark continues to have difficulties in hiring of nursing staff. Daymark and Sandhills Center are in discussions regarding seeking a DHHS waiver that would allow for the substitution of other professionals and paraprofessionals.

Jerry Earnhardt gave an update on the number of individuals served during July, stating that they are receiving individuals from all counties across the Sandhills Center area.

F. Sandhills Center Response to COVID-19 Pandemic

- **Employee Work Status** – Mrs. Whitt took the opportunity to update the Board members on the current work status for all employees, stating that while the plan was to return more in-person work at the office locations on September 12th, with the significant increase in COVID-19 transmission, it was decided that would not be best at this time. Staff were given the opportunity to continue with the current Blue/Green Team schedule, or return to the earlier work status allowing staff to decide whether a remote work location or an in-person work locations, which works best for them to complete assigned work.

- **Employee COVID-19 Testing** – Mrs. Whitt shared the current statistics of employees COVID-19 testing and the process that Sandhills has in place.

G. Sandhills Center Area Office Corporate Building

Mrs. Whitt gave an update regarding the property at 1100 Seven Lakes Drive, the proposed site of the Area Office Corporate Building, commenting that Sandhills continues to work with TFF Architects.

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

Mr. Ward took the opportunity to review the following:

- **Medicaid Waiver Operations Report – August 2021**, noting that all benchmarks continue to be met. Mr. Ward noted the changes since the launch of the Standard Plans.
- **Medicaid Waiver Financial Operations Report – August 2021**, noting the financial measures that Sandhills is required to meet.

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, for review and approval, the Finance Agenda with the Board of Directors. The following was reviewed:
 - The State/IPRS Contracts
 - Medicaid Contracts and B3 Services Medicaid Contracts List
 - A summary of the Consolidated Balance Sheet and Income Statement, which reflects services through July 31, 2021

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 was approved unanimously.

- **Human Resources Committee Report** – Did not meet.

- Client Rights Committee Report – Did not meet.
- Compliance/Regulatory Committee – Did not meet.

Closed Session

A motion was made by Dr. Tommy Jarrell and seconded by Commissioner Harry Southerland to “go into Closed Session, pursuant to N.C. Gen. Stat. § 143-318.11(a)(5) to discuss negotiation strategies for the potential purchase of real property”. The motion was approved unanimously. The Closed Session began at 8:14 p.m.

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

A motion was made by Commissioner David Allen and seconded by Gart Evans to “reconvene Open Session”. The motion was approved unanimously. Open Session reconvened at 8:35 p.m.

A motion was made by Commissioner David Allen and seconded by Commissioner Kirk Smith to “authorize Mrs. Whitt to continue to pursue and acquire property, in Randolph County, up to the asking prices presented”. The motion was approved unanimously.

Old Business

None

Comments

Chairperson Ussery noted the Richmond County stakeholders breakfast is this coming Friday at the Cole Auditorium.

Board Materials

- Community Stakeholders Breakfast Agenda
- DMA Monthly Financial Report – July 2021
- Human Resources Report
- Newspaper Articles

Adjournment

A motion was made by Gart Evans and seconded by Commissioner David Allen to “Adjourn”. The motion was approved unanimously. The meeting adjourned at 8:40 p.m.


Thad Ussery
Chairperson, Board of Directors

10-12-2021
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