



# SANDHILLS CENTER

## Board of Directors Meeting Minutes

January 10, 2023

### Members Present:

- |  |  |
|--|--|
| <input type="checkbox"/> Robert Mims                               | <input checked="" type="checkbox"/> Priscilla Little, Vice-Chairperson |
| <input checked="" type="checkbox"/> Karen Watford, Secretary       | <input type="checkbox"/> Billy Louya                                   |
| <input checked="" type="checkbox"/> Trish Baker                    |  |
| <input checked="" type="checkbox"/> Alan Perdue                    | <input checked="" type="checkbox"/> Dr. Walter Salinger                |
| <input checked="" type="checkbox"/> Dr. Alvin Keyes                | <input checked="" type="checkbox"/> Dr. James Summey                   |
| <input checked="" type="checkbox"/> Matt Nicol                     |  |
| <input checked="" type="checkbox"/> Harry Southerland, Chairperson | <input type="checkbox"/> Jackie McLean                                 |
| <input type="checkbox"/> Kirk Smith                                | <input type="checkbox"/> Walter Ferguson                               |
| <input checked="" type="checkbox"/> Mary Hassell                   |  |
| <input checked="" type="checkbox"/> Nick Picerno                   | <input checked="" type="checkbox"/> Matthew Rothbeind                  |
| <input checked="" type="checkbox"/> David Allen                    | <input checked="" type="checkbox"/> Ann Shaw                           |
| <input checked="" type="checkbox"/> Mike Ayers                     |  |
| <input type="checkbox"/> Dr. Rick Watkins                          | <input checked="" type="checkbox"/> Dr. Tommy Jarrell                  |
| <input checked="" type="checkbox"/> Mark Richardson                | <input checked="" type="checkbox"/> Keith Duncan                       |
| <input checked="" type="checkbox"/> Jan Herring                    | <input checked="" type="checkbox"/> Mark Morris                        |

### 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 type="checkbox"/> Bonita Porter             | <input checked="" type="checkbox"/> Leonard Covington |
| <input checked="" type="checkbox"/> Patrick Sloan  | <input checked="" type="checkbox"/> Richard Owen      |

### **Guest:**

The Sandhills Center Board of Directors convened for a regular meeting on Tuesday, January 10, 2023. The meeting was held at the Randolph County Government Center, 725 McDowell Road, Asheboro, NC

### **Call to Order and Invocation**

Chairperson Commissioner Harry Southerland called the meeting to order at 7:00 p.m. Commissioner Mark Richardson gave the invocation.

### **Oath of Office for New Board Members**

New Board members were welcomed and administered the Oath of Office – Guilford County representative, Dr. James Summey; Moore County representative, Commissioner Nick Picerno; and Hospital Administrator representative, Mark Morris. Each new Board member provided comments.

### **Election of 2023 Board of Directors Officers**

**Nominating Committee Recommendation** – Nominating Committee Chairperson, Commissioner Priscilla Little, gave the recommendations. She reported that the Nominating Committee met and agreed to the following slate of officers for 2023:

- Chairperson – Commissioner Harry Southerland
- Vice-Chairperson – Commissioner Priscilla Little
- Secretary – Commissioner Karen Watford

**Nominations for the Floor for each Officer** – Chairperson Southerland asked if there were any other nominations from the floor. There were no other nominations from the floor.

**Election** – As there were no other nominations, Chairperson Southerland asked if there was a motion to elect the slate of officers for 2023 as recommended by the Nominating Committee and a vote to close out the nominations. *A motion was made by Matthew Rothbeind and seconded by Mike Ayers to “accept the recommendations made of the slate of officers for 2023 as presented by the Nominating Committee and to*

close out the nominations.” The motion carried unanimously. Each expressed their appreciation for the opportunity to serve.

**Oath of Office of Elected Officers**

Elected Officers for 2023 were administered the Oath of Office: Commissioner Harry Southerland, Chairperson; Commissioner Priscilla Little, Vice-Chairperson; and Commissioner Karen Watford, Secretary.

**Certification of Quorum**

Commissioner Karen Watford, Secretary, certified a quorum.

**Conflict of Interest**

Chairperson Southerland 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. None noted.

**Approval of Agenda**

A motion was made by Commissioner Mary Hassell and seconded by Commissioner Matthew Nicol to “approve the Agenda.” The motion carried unanimously.

**Absent Board Members Justifications**

Justifications for Board member absences:

- Commissioner Robert Mims – working
- Major Billy Louya – revival conference
- Jackie McLean – court
- Commissioner Kirk Smith – death in family
- Waler Ferguson – sick
- Commissioner Rick Watkins – commissioner meeting

A motion was made by Commissioner David Allen and seconded by Commissioner Alan Perdue to “excuse the absences.” The motion carried unanimously.

**Approval of Consent Agenda**

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

- 🌈 November 10, 2022, Board of Directors Meeting Minutes
- 🌈 Policy Revisions

**Public Comments**

None

**Tailored Plan Update**

Chairperson Southerland commented that because of new Board members and with it being over a year since the last Tailored Plan update, he suggested to Mrs. Whitt that the Board receive a refresher. Mrs. Whitt commented that Corporate Compliance Chief, Bonita Porter was to give the Tailored Plan update, however, she is unable to attend tonight and sends her regrets. Mrs. Whitt and Deputy Director/Chief Operating Officer, Anthony Ward reviewed a Behavioral Health I/DD Tailored Plan PowerPoint update.

Mrs. Whitt provided the history of the North Carolina Managed Care Roll Out of the Standard and Tailored Plans.

- Behavioral Health Managed Care pilot with Piedmont Behavioral Health (Cardinal Innovations) in 2005.
- Expansion to LME/MCOs in 2012 – 2013.
- In 2015 physical health was moved to Managed Care with integrated physical health/behavioral health – Standard Plans and Tailored Plans. This was a big change for physical health providers, moving physical health from a fee-for-service model to a capitated model.
- Standard Plans (SP) – designed to meet the physical and behavioral needs of those members with a mild to moderate behavioral health need.
- Tailored Plans (TP) – designed to meet the physical and behavioral needs of those members with a more significant behavioral health need, as well as managing State and local funding.

Mrs. Whitt stated that the State’s biggest concern is not having enough physical health providers in the network, may cause individuals to be displaced. The hospital systems are hesitant to sign a contract.

Mr. Ward reviewed the business side and the journey to becoming a Tailored Plan.

- Sandhills Center’s eligible population decreased by 66.5% at the Standard Plan launch.
- The average monthly Per Member Per Month payment increased.
- Mr. Ward explained that Sandhills Center is responsible for all the TP operations in its region.
  - Physical and Behavioral Health claim submission – working with SP partner, AmeriHealth Caritas North Carolina.
  - Grievances & Appeals – all behavior and physical health grievances and appeals will be managed by Sandhills Center.
  - Tailored Care Management – began December 1, 2022.
  - Member Eligibility
  - Service Authorizations
  - Provider Support – Sandhills Center will be providing provider support.
- Reviewed readiness accomplishments.
- Explained why the launch date was extended to April 1, 2023. Extending the launch date allows Tailored Plans more time to contract with additional providers to support member choice and to provide time to validate that data systems are working appropriately.
- A review of services that went into effect on December 1, 2022
  - Tailored Care Management – a specialized care management model targeted toward individuals with significant behavioral health conditions, substance use disorders, I/DD or TBI. Members will have one (1) Care Manager responsible for coordinating all their services and supports – Whole Person Care.
  - Tailored Care Management can be provided by AMH+ Primary Care Practice, Care Management Agency, or Tailored Plan – Based Care Manager.
- Reviewed the roles and responsibilities of the subcontractor’s:
  - AmeriHealth Caritas North Carolina – Standard Plan/Physical Health subcontractor
  - PerformRx – Pharmacy Benefit Management
  - Modivare – Non-emergent medical transportation
- Reviewed the key milestones and updates.

Mr. Ward reviewed the Tailored Plan Scorecard that the State releases each week. The Scorecard is a summary progress report based on five (5) critical areas identified by DHHS. The current scorecard puts Sandhills tied for the second highest of the LME/MCOs.

1. Inbound Deliverables – contractual deliverables that DHHS reviews and/or approves as part of Managed Care oversight activities.
2. Readiness Review – items identified during desktop and onsite reviews, which assess the TP’s ability and capacity to operationalize the TP design.
3. Provider Network Coverage – data illustrates the adequacy of the provider network in specialty areas.
4. Testing – specific to Auto Assignment and Managed Care Launch execution status by path start dates, % complete, and status.
5. Technology Operations/Help Center – includes count of late file submissions, high or critical Help Center cases, and any issues affecting operations and/or technology.

The Board members took the opportunity to discuss and ask questions.

### **New Business**

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

Mrs. Whitt provided the following:

**A. Construction/Building Projects Updates**

Mrs. Whitt gave an update on the construction/building projects:

- 📍 **Future Seven Lakes/West End Corporate Office Building – 1100 Seven Lakes Drive, West End, NC** – Mrs. Whitt gave an update on the Corporate Office Building in West End, noting the progress that has occurred. Central Builders, the General Contractor (GC), projects a substantial completion date of approximately four (4) months out due to supply shortages and delays. Mrs. Whitt stated the project certificate of occupancy date is now March 2, 2023. The Storefront system, one current issue

affecting the schedule, has been ordered, and is in production. Understaffed by all trades on the job site is an ongoing issue that is impacting the schedule for job completion.

Mrs. Whitt stated that the Architect has informed the GC that the Owner (Sandhills Center) has approved the Substantial Completion date for the project to be extended from the Contract Date of November 1, 2022, to the new date of **February 1, 2023**. This 92-calendar day extension to the contract has been approved as requested, for delays in the critical path of construction due to minor weather issues at the start of the work and construction material supply chain issues as noted in the construction schedule submittals.

Per Section 4.5 of the AIA Document A1 Agreement between Central Builders and Sandhills Center, Liquidated Damages of \$400 per day after February 1, 2023, will be applied until Substantial Completion is achieved on the Work of this Contract. Mrs. Whitt stated that a letter has been sent to the GC regarding liquidated damages.

🌈 **Asheboro Office Building** – Mrs. Whitt gave an update on the Office Building in Asheboro, noting the progress that has occurred. Lomax Construction, Inc., the General Contractor, projects a substantial completion date within two (2) weeks of their contract end date of March 1, 2023. Monthly construction meetings continue. Mrs. Whitt commented that this will be the building where the monthly Board meetings will be held.

🌈 **Progress Information On Both Contracts** – Mrs. Whitt shared the comparison of the progress information of both contracts:

- Lomax Construction, contract start date May 12, 2022

Contract Amount	Work Completed/Stored	Contract % Complete
\$4,142,900	\$2,472,506	59.7%
  
- Central Builders, contract start date February 8, 2022

Contract Amount	Work Completed/Stored	Contract % Complete
\$2,339,000	\$1,344,636	57.5%
  
- Note:
  - Lomax started 93 days after Central's start date, with a bigger building.
  - Central Builders is 60 days past the contract due date.

Board members took the opportunity to discuss and ask questions. Keith Duncan asked how much the retainage amount was and if there was anything in the contract to protect the general contractor against supply shortage. Mrs. Whitt stated that she would check and provide him with the information.

**B. Richmond County Child Facility Based Crisis Center (FBC)**

Mrs. Whitt provided an update on the Richmond County Child Facility Based Crisis Center (FBC)

- The Richmond Child FBC began admitting members on August 15, 2022.
- During the first months of operation, it became evident that the existing outdoor courtyard was not secure for the members served, resulting in several elopements.
- On October 10, 2022, the Board of Directors approved a proposal by LS3P Architecture for architectural services and recommendations associated with improving, upgrading, and securing the existing courtyard area.
- During the past few months, Sandhills Center has worked with the Architect to review redesign options. Have also reviewed and relied upon the courtyard/playground design that is being successfully used at the Guilford Child FBC. This courtyard was also designed by LS3P.
- The new design seeks to address the following areas:
  - Courtyard fence – height and materials,
  - Expansion of courtyard area and provision of more recreational activity options,
  - Security/safety of courtyard facing windows, and
  - Security/safety of courtyard access doors.
- The Architect is currently preparing the necessary design documents.
- It should also be noted that the provider operator, Daymark Recovery, has used the previously five (5) months start up time to make the following changes, in consultation with Sandhills Center:

- Increased staffing, including expanding the role of the clinicians in assisting the crisis workers,
- Recruited a new Director, whose sole responsibility is the supervision/oversight of the facility operations and staff,
- Implemented a daily schedule including recreational therapy, behavior modification management, and an academic curriculum,
- Strengthened the employee training program, directed at the population served,
- Implemented use of walkie-talkies for communication, additional security cameras, replacement of certain furniture items, and expanded role of security officer,
- Reviewed admission criteria with admitting psychiatrists, including limiting admissions to the Sandhills Center region,
- Receiving on going consultation from AYN, the provider operator of the Guilford Child FBC; and
- In conjunction with Sandhills Center, have added additional maglocks on each door along with a “vault style lock” that engages when maglock is engaged.

Mrs. Whitt stated that plans are to return to the Board in February to review the design documents and address next steps.

**C. Market Rate & Employee Compensation Study**

Mrs. Whitt reported that in November 2018, an Employee Market Rate and Compensation Study was performed, with final Board of Directors approval in January 2019. At that time, it was recommended that Sandhills Center periodically evaluate the employee rate/pay structure. While there is a consistently review of the salary grades and an attempt to maintain internal equity across the system, such studies allow Sandhills Center to gain knowledge of the external market and remain competitive in employee compensation.

As North Carolina Medicaid continues its transition into Managed Care, we will be in direct competition with other LME/MCOs transitioning into Tailored Plans, private Mental Health Managed Care entities operating as Standard Plans, as well as other public and private/commercial healthcare entities. In addition, workplace flexibilities and new employment options resulting from doing business in the new COVID environment make it important to remain competitive in employee compensation, to attract and retain a qualified, trained, and competent workforce.

In the past, Sandhills Center consulted with Ann Taylor, Management Consultant with Piedmont Triad Council of Governments, regarding the provision of professional services for an employee market rate/pay study. Ann is well known to Sandhills Center, having provided consultative services in the past related to merger activities, successful designation as a Substantially Equivalent Entity with the NC Office of Human Services, review and drafting of HR polices/procedures, and assistance in refocusing our compensation practices away from a cost-of-living practice to a performance-based pay system.

Mrs. Whitt reported that Sandhills Center is currently working with Ann to update the previous market-based pay study, completing the following elements:

- Collect salary data from public employers and private Managed Health Care entities in the labor market with whom Sandhills Center will need to compete now and in the future.
- Assign each identified classification to a salary grade and pay grade based on an assessment of the market data.
- Calculate implementation costs for any recommended changes.
- Present to management a summary of the study and recommendations.
- Consult on report preparation to communicate study results to management and provide options for implementation.

The final allocations/recommendations will be delivered to the Board of Directors at the February Board Meeting for review and approval.

Mrs. Whitt noted that the Sandhills Center Reinvestment Plan and the Fund Balance Reservation, approved at the June 2022 Board Meeting, reserves funding for Tailored Plan infrastructure development and expansion to support effective and efficient operations.

**D. 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 and return to Sherry.

**E. Employee Longevity Awards**

Mrs. Whitt presented the employee longevity awards list. There are a total of 46 employees receiving the recognition. She stated that each employee listed would receive a token of appreciation.

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

Mr. Ward took the opportunity to review the following:

🌟 **Medicaid Waiver Operations Report** – December 2022, includes the months of September and November 2022, noting that all benchmarks continue to be met.

🌟 **Medicaid Waiver Financial Operations Report** – December 2022, noting the financial measures that Sandhills is required to meet.

➤ **Sandhills Center Board of Directors Standing Committees**

Chairperson Southerland called attention to the Sandhills Center Board of Directors Standing Committee list and took the opportunity to appoint the members listed. He added to let him know if interested in serving on a committee.

**Committee Reports**

🌟 **Finance Committee Report** – Finance Committee Chairperson, Commissioner David Allen reported the Finance Committee met prior to tonight's Board of Directors Meeting. He noted that he was re-elected as Chairperson and Dr. Alvin Keyes was re-elected as Vice-Chair for 2023. Committee Chairperson Allen reviewed the November 30, 2022, Consolidated Balance Sheet and Income Statement.

*On behalf of the Finance Committee, a motion was made by Committee Chairperson David Allen and seconded by Mike Ayers to "approve the Finance Report as presented." The motion carried unanimously.*

🌟 **Human Resources Committee Report** – Human Resources Committee Chairperson, Dr. Tommy Jarrell reported that the Human Resources Committee met prior to tonight's Board of Directors Meeting. He noted that he was re-elected as Chairperson for 2023. Chairperson Jarrell reviewed and discussed in detail the 2022 OSHR Substantially Equivalent Monitoring Form. He explained that the form is a way of affirming that Sandhills Center complies with the administrative code requirements for substantially equivalent HR systems, 25 NCAC 011.2400. Chairperson Jarrell commented that this is an ongoing process that Sandhills Center affirms annually.

*On behalf of the Human Resources Committee, a recommendation was made by Committee Chairperson Dr. Tommy Jarrell and seconded by Mike Ayers to "approve the 2022 Substantially Equivalent Monitoring Form attesting that Sandhills Center policies and procedures regarding recruitment, selection, advancement, position classification and compensation remain compliant with the administrative code requirements for substantially equivalent HR systems, 25 NCAC 011.2400." The motion carried unanimously.*

🌟 **Compliance/Regulatory Committee** – Matthew Rothbeind, reported that the Compliance/Regulatory Committee meeting prior to tonight's Board of Directors meeting. He stated since he has served two (2) consecutive years as Committee Chairperson, he was not eligible to serve as Chairperson for 2023. Commissioner Mark Richardson was elected to serve as Chairperson for 2023. Committee Chairperson Richardson thanked Mr. Rothbeind for his service as Chairperson to the Compliance/Regulatory Committee. Chairperson Richardson provided a report of tonight's meeting and stated that plans are to present the Compliance Plan at the February meeting. He recommends that Board members take the time to read the Compliance Plan.

🌟 **Client Rights Committee Report** – Did not meet.

**Old Business**

None

**Comments**

None

**Board Materials**

- Community Agencies Breakfast Meetings Agenda
- Board Attendance Roster 2022
- DMA Monthly Financial Report – November 2022
- Human Resources Report
- Newspaper Articles

**Adjournment**

A motion was made by Mike Ayers and seconded by Commissioner Matt Nicol to "Adjourn the meeting." The motion carried unanimously. The meeting adjourned 8:32 p.m.



\_\_\_\_\_  
Commissioner Harry Southerland  
Chairperson, Board of Directors

\_\_\_\_\_  
Date

2-14-2023

Documents referred to in these minutes may be obtained by contacting Sherry Bynum at [sherryb@sandhillscenter.org](mailto:sherryb@sandhillscenter.org) or 910-673-9111.  
Submitted by: Sherry Bynum, Clerk to the Board of Directors/Executive Assistant to CEO