



SANDHILLS CENTER

Board of Directors Meeting Minutes March 12, 2019

Members Present:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Ross Streater | <input checked="" type="checkbox"/> Priscilla Little |
| <input checked="" type="checkbox"/> Kay Cashion, Vice-Chairperson | <input type="checkbox"/> Gart Evans |
| <input checked="" type="checkbox"/> Carlos Townsend | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Joe Miller | <input checked="" type="checkbox"/> Bill Larrison |
| <input checked="" 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"/> | <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 type="checkbox"/> Leann Henkel | |
| <input checked="" type="checkbox"/> Thad Ussery, Chairperson | <input 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
Dottie Robinson, Montgomery County Commissioner
Scott Brewer, Dixon Hughes Goodman, LLP
Robin Bennett, Dixon Hughes Goodman, LLP

Call to Order and Invocation

The Sandhills Center Board of Directors met on Tuesday, March 12, 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.

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

Chairperson Ussery certified a quorum.

Approval of Agenda

A motion was made by Commissioner Ross Streater and seconded by Carol Whitaker to "approve the agenda as presented". The motion passed unanimously.

Absent Board Members Justifications

Gart Evans – United Way campaign – excused. A motion was made by Commissioner Kay Cashion and seconded by Mazie Fleetwood to "excuse the absence". The motion passed unanimously.

Leann Henkel – Death in family – excused. A motion was made by Commissioner Kay Cashion and seconded by Mazie Fleetwood to "excuse the absence". The motion passed unanimously.

Michele Weatherly – Vacation – excused. A motion was made by Commissioner Kay Cashion and seconded by Mazie Fleetwood to "excuse the absence". The motion passed unanimously.



Public Comments

None

Chairperson Ussery introduced and welcomed Commissioner Dottie Robinson. Commissioner Robinson will be the Montgomery County Commissioner representative for the Sandhills Center Board. She will be appointed by the Montgomery County Commissioners at their meeting next week and she will be administered the Oath of Office at the April Sandhills Center Board of Directors meeting.

Consent Agenda

A motion was made by Mazie Fleetwood and seconded by Commissioner David Allen to "approve the consent agenda". The motion passed unanimously. The following were approved:

-  February 12, 2019 Board of Directors Meeting Minutes
-  Policy Revisions

2017 Federal Income Tax 990

Chairperson Ussery introduced Scott Brewer, Dixon Hughes Goodman, LLP who presented and reviewed the 2017 Federal Income Tax 990. Mr. Brewer noted that even though an organization, like Sandhills Center, is recognized as tax exempt, the organization may be liable for tax on its unrelated business income as specified in the *Tax Cuts & Job Acts 2017* and is required to file a 990T. Qualified parking, parking that is provided to an employee, is considered unrelated business income. Mr. Brewer explained that the taxes owed by Sandhills Center for tax year July 1, 2017 – June 30, 2018 is \$2,953, in unrelated business income. He also commented that this amount only applied for half a year and Sandhills Center should expect to pay more than double that amount next year.

After discussion, on behalf of the Finance Committee, a recommendation was made by Commissioner David Allen and seconded by Carlos Townsend to "accept the 2017 Federal Income Tax 990 as presented and allow the filing of the 990T". The recommendation passed unanimously.

New Business

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

Mrs. Whitt welcomed everyone and provided the following:

A. FY 19 – 20 County General Budget Request

Mrs. Whitt reviewed the FY 19 – 20 County General Budget request. She stated that she is recommending that Sandhills not request any additional funding from the Counties, noting this is the 15th year that Sandhills Center has not requested additional funding. Mrs. Whitt explained that the funding stays within the counties and is directed in support of local County Behavioral Health Urgent Care Centers and other county designated services/programs.

Mrs. Whitt called attention to the County Contribution list noting the change to Moore County. Moore County flows funds through Sandhills Center for six non-profit organizations and a few years ago, Moore County representatives made the decision to phase out the funding. The plan will include the final 20% reduction for FY 19 – 20.

Mrs. Whitt stated that presentations to the County Commissioners will begin next week and will also include a program update.

A motion was made by Commissioner Harry Southerland and seconded by Walter Ferguson to "approve Mrs. Whitt to move forward with the FY 19 – 20 County General budget request amounts and the meeting schedule". The motion passed unanimously.

B. Annual Independent Financial/Compliance Audit

Mrs. Whitt presented to the Board of Directors, for review and approval, the outcome of the applications received to perform the annual independent financial audit for Sandhills Center.

Applications were received from the following firms: Dixon Hughes Goodman, High Point; Cherry Bekaert, Raleigh, and Clifton Larsen Allen, Charlotte. These three firms provide professional audit services for the seven LME/MCOs in North Carolina.

The Selection Committee recommends that the Three Year Audit Cost Summary from Cherry Bekaert be selected and that Cherry Bekaert be approved to perform the Annual Independent Financial/Compliance Audit for this fiscal year.

Based on the recommendations of the Finance Committee, a motion was made by Commissioner David Allen and seconded by Commissioner Kay Cashion to "accept the proposal and engage Cherry Bekaert to perform the Annual Independent Financial/Compliance Audit for one year". The motion passed unanimously.

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

- ✦ **Randolph County Update (Comprehensive Care Center)** – Mrs. Whitt reported that overall construction completion is 99% +/- . Elevator installation began on February 14th and is ahead of the projected March completion date.

There have been discussions with the Contractor, the Architect, and Sandhills Center's attorney regarding the displeasure with the delays in this project and are pursuing options related to the delays.

Mrs. Whitt commented that there are plans to have an open house before the opening of the facility.

- ✦ **Richmond County Update (Comprehensive Care Center)** – Mrs. Whitt reported that construction started on February 4th with a scheduled completion date of December 31, 2019. She also commented that the site has been cleared and rough graded. Persistent rain has saturated the site, appearing to slow the process. The building pad is still in progress and will proceed once the site is dry enough for improvements to occur.
- ✦ **Guilford County Update (Child Facility Based Crisis Center)** – Mrs. Whitt gave the following update on the FBC project in Greensboro:
 - Construction Manager at Risk: Samet Corporation has been selected as the Construction Manager at Risk. A contract is being negotiating and will be presented to the Board of Directors for review and approval once completed. Floor plans are near to being finalized.
 - Property: Guilford County and Sandhills Center are working together to locate and identify property, in order to have the facilities within close proximity. For this joint project, Guilford County has signed a Letter of Intent to purchase property from Starlite Development Corporation/Maple One Partners LLC at Maple Professional Park, Third Street, Greensboro N.C. at the price of \$255,000 per acre. Mrs. Whitt commented that she has visited the proposed site and a meeting was held with the Architect and Construction Manager at Risk to review preliminary plans for the property and to answer questions regarding feasibility/suitability of the parcel of this property. If the property is deemed suitable and the purchases move forward, the Sandhills Center Board of Directors agreed, at their January 8th meeting, to enter into discussions with Guilford County, to purchase a parcel of this property for the location of the Child Facility Based Crisis facility. The Guilford County Commissioners plan to discuss the property at their March meeting.

D. NC DHHS/General Assembly Updates

✦ **Governor's Budget 2019**

The Governor released his budget last week. A summary of the budget was included in the packet.

✦ **NC OSA – Medicaid LME/MCO Contract Provisions Performance Audit**

Mrs. Whitt discussed the recent performance audit, Medicaid LME/MCO Contract Provisions Performance Audit, by NC State Auditor Beth Wood. The objectives of the was to identify weaknesses in the Department of Health and Human Services (Department) behavioral health managed care contracts so that the Department can ensure NC's interest are protected when implementing managed care contracts for physical health care and pharmacy services.

Key findings:

- Contract lacks terms to protect the State from excess costs.
- Managed behavioral healthcare service contracts did not contain all federally required provisions.

There are a series of six audits that State Auditor Beth Woods plans to conduct. She is focusing on Medicaid and the State's transition from public to private Medicaid.

NC DHHS Medicaid Transformation/Tailored Plans Regions – NC Association of County Commissioners Sub-Committee

Mrs. Whitt stated that over the past month, she has sent out to the Board members a couple of letters from the North Carolina Association of County Commissioners (NCACC). The Department (DHHS) has requested their assistance in developing a committee to begin planning for the Tailored Plans (TP).

She presented a PowerPoint presentation that she will use during her presentations at the upcoming County Commissioner meetings and asked for any feedback from the Board members. Mrs. Whitt highlighted the following from the PowerPoint:

- Two types of Prepaid Health Plans (PHPs) –
 - Standard Plans (SP) – will provide integrated physical health, “primary care” behavioral health and pharmacy services to the majority of Medicaid and NC Health Choice to individuals.
 - Tailored Plans (TP) – will provide services for those individuals with more serious behavioral health/intellectual and developmental disabilities (BH/I-DD) needs. TPs will also manage non-Medicaid, federal/state/local funding for behavioral health services.
- DHHS is requesting assistance in developing recommendations related to the establishment of regions for TPs from the NCACC. The Secretary is asking NCACC to convene a sub-committee to coordinate and facilitate a process, in consultation with the LME/MCOs, to develop recommendations related to the regions.
- The sub-committee will consist of a LME/MCO appointed county commissioner from each region and NCACC appointed commissioners. The Sandhills Center Board of Directors will need to appoint a representative. Recommendations are to be reported to the Secretary by June 1st.
- Committee Criteria and Considerations:
 - Regions must cover the entire state, includes assignment of all counties to a region, and counties must be contiguous within the region.
 - Recommendations must meet all statutory requirements.
 - Consideration must be given to maintenance of continuity of and access to care, provider relationships, quality of care to enrollees, and operational capacity.
- Recommendations may include the contemplation of a one-time opportunity for counties to select a region, but with an understanding that after the selection, the county may not move prior to the second bid cycle for TPs in approximately five years.

After Board discussion, a motion was made by Commissioner Kay Cashion and seconded by Commissioner Otis Ritter to “nominate Commissioner David Allen as the Sandhills Center appointed representative.” The motion passed unanimously.

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

Mr. Ward reviewed the following:

- Medicaid Waiver Operations Report – February 2019, noting that all benchmarks continue to be met.
- Medicaid Waiver Financial Operations Report – February 2019, noting the financial measures that Sandhills is required to meet.

Committee Reports

- **Finance Committee Report** – Commissioner David Allen reported the Finance Committee met prior to tonight's Board of Directors Meeting and reviewed the Finance Report in detail. Commissioner Allen 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 January 31, 2019.

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

- **Human Resources Committee Report** – Human Resources Committee Chairperson Mazie Fleetwood discussed the following:
 - **CEO Annual Appraisal Update** – Chairperson Fleetwood encouraged Board members to submit their CEO evaluations, if not already submitted. The results will be tallied and presented in April.
 - **Substantial Equivalency Monitoring Form** – Chairperson Fleetwood noted that Sandhills Center has received the annual compliance for substantially equivalent entities request. The requested monitoring short form requires signatures of the CEO, Board Chair, and Chief Human Resources Officer to be returned no later than April 5, 2019. The signatures indicate that Board leadership and management have reviewed and certified that no policy provisions have changed since the full review conducted in 2018. Chairperson Fleetwood stated that the Human Resources Committee reviewed and discussed the document during its meeting earlier in the evening. *On behalf of the Human Resources Committee, a recommendation was made by Chairperson Fleetwood and seconded by Commissioner Kirk Smith, that "the signatures of the CEO, Board Chair, and Chief Human Resources Officer be affixed to the form, and it be submitted by the date requested to the NC Office of State Human Resources." The recommendation passed unanimously.*
- **Corporate Compliance & Internal Audit Committee** – Did not meet.
- **Client Rights Committee Report** – Did not meet.

Old Business

None

Comments

Commissioner Kirk Smith shared that at a recent meeting, it was reported that Lee County is the center of the opioid crisis. He explained that by treating people from surrounding counties, this results in increased numbers for Lee County.

Board Materials

- Community Agencies Breakfast Meetings Agenda
- DMA Monthly Financial Report – January 2019
- Personnel Report
- Newspaper Articles

Adjournment

A motion was made by Commissioner Kay Cashion and seconded by Commissioner Harry Southerland to "adjourn the meeting". The motion passed unanimously. The meeting adjourned at 8:05p.m.



Thad Ussery
Chairperson, Board of Directors

4-9-19

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