



SANDHILLS CENTER

Board of Directors Meeting Minutes June 12, 2018

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"/> Dixie Branch | <input checked="" type="checkbox"/> Carlos Townsend |
| <input type="checkbox"/> Joe Miller | |
| <input checked="" type="checkbox"/> Harry Southerland | <input checked="" type="checkbox"/> Shirley Hart |
| <input checked="" type="checkbox"/> Kevin Dodson | <input checked="" type="checkbox"/> Walter Ferguson |
| <input checked="" type="checkbox"/> Anthony Copeland | <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 checked="" type="checkbox"/> Michele Weatherly, Secretary |
| <input checked="" type="checkbox"/> Jan Herring | <input checked="" type="checkbox"/> Bill Larrison |

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 Savage |
| <input checked="" type="checkbox"/> Susan Campbell | <input checked="" type="checkbox"/> Leonard Covington |
| <input checked="" type="checkbox"/> Hannah Brown | <input checked="" type="checkbox"/> Patrick Sloan |

Guest: Lisa Jackson, DMH, LME Technical Assistance Liaison

Call to Order and Invocation

The Sandhills Center Board of Directors met on Tuesday, June 12, 2018, at the Administrative Office at 1120 Seven Lakes Drive, West End, NC. Commissioner Thad Ussery, Chairperson, called the meeting to order at 7:02 p.m. and gave the invocation.

Oath of Office for New Board Members

Guilford County representative Carlos Townsend 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

Michele Weatherly, Secretary, certified a quorum.

Approval of Agenda

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

Absent Board Members Justifications

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

Commissioner Joe Miller – Not in attendance – unexcused.

Board of Directors Attendance Chart

Mrs. Whitt commented that as requested, the attendance chart is being provided quarterly for review; let us know if there is a conflict with any of the information.

Public Comments

None

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:

- May 8, 2018 Board of Directors Meeting Minutes
- Policy Revisions
- Quality Management Plan FY 18 – 19

New Business

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

A. FY 18 – 19 Continuation Budget

At 7:05 p.m., Chairperson Ussery declared that tonight's Board of Directors meeting will serve as an open public hearing for consideration of the FY 18 – 19 Continuation Budget.

For Board review and approval, Mrs. Whitt reviewed in detail the FY 18 – 19 Continuation Budget which provides Sandhills Center with an interim operating budget for the 1st quarter of FY 18 – 19.

The proposed Continuation Budget totaled \$331,197,105. This represents a decrease of 3.3% from the Operating Budget that was approved at the April meeting.

The proposed budget allocates County General Funding, \$11,530,156, to the support of the County Outpatient Units Contracts and other County Service Contracts. Mrs. Whitt noted that this may change as the Counties prepare their budgets and make decisions regarding funding.

Mrs. Whitt also noted that during the 1st quarter of FY 18 – 19, Sandhills will review all needs for capital expenditures and prepare a revised Operating Budget. Once the actual State fund allocations are received, any changes will be amended and presented for approval.

It was noted, that the Project Ordinances for the Facility Based Crisis Center is outside of the Continuation Budget.

As there was no one from the public who spoke during the open public hearing, Chairperson Ussery declared the public hearing closed at 7:09 p.m.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Commissioner Kay Cashion to "accept the FY 18 – 19 Continuation Budget". The motion passed unanimously.

B. FY 17 – 18 Final Budget Amendments

For Board review and approval, Mrs. Whitt reviewed in detail the FY 17 – 18 Final Budget Amendments, a set of final budget amendments to the FY 17 – 18 Operating Budget.

The amendment increased the Center's Current Operating Budget by a total of \$190,000

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Michele Weatherly to "approve the FY 17 – 18 Final Budget Amendments". The motion passed unanimously.

C. FY 18 – 19 Fund Balance Designation Resolution

Mrs. Whitt recommended that the Board of Directors consider and approve a *Fund Balance Designation Resolution* to reserve \$60,350,000 in Fund Balance. This will allow Sandhills to address future growth and expansion and maintain operations in the areas of: FY 19 Community Reinvestment Plan; FY 19 State Single Stream Budget Reductions; and FY 19 Intergovernmental Transfer.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Commissioner David Allen to "approve a Fund Balance Designation Resolution

to designate \$60,350,000 for future growth and expansion and maintain operations as outlined". The motion passed unanimously.

D. Comprehensive Care Centers Update

Randolph Facility

Mrs. Whitt gave an update on the FBC project in Asheboro, noting that Phase I of the project is complete. Construction of Phase I was completed approximately one month behind schedule. Work on Phase II has begun. Anticipated revised completion date is now October 17, 2018.

Richmond Facility

The project consists of a new construction, 25,000+- SF, single story facility. The program spaces will include Daymark outpatient services, a 23-hour observation and a 24-hour facility based crisis unit. February 2019 has been noted as the tentative start date of construction.

E. Legislative/DHHS Updates

Proposed NC State Budget –

- Changes in Single Stream Funding for MH/DD/SAS Community Services – a 6%, \$966,162, proposed increase for Sandhills Center.
- Changes in LME/MCO Intergovernmental Transfers (IGTs) – the transfer that Sandhills Center makes to the State to cover the State's share of the Medicaid Risk Reserve. It is expected this will continue into the future. The amount for Sandhills Center decreased by \$37,784 for FY 18 – 19.
- Establishment of Ranges for LME/MCO Solvency – the budget bill includes a method to determine the viability of LME/MCOs through the establishment of short-term and intermediate term solvency standards. Beginning September 1, 2018, on a quarterly basis, the Department will calculate a solvency range for each LME/MCO to produce upper and lower range values. The cash balance of each LME/MCO will be compared to its solvency range. If an LME/MCO's cash balance is 5% or more below the lower solvency range figure or 5% or more above the upper solvency range figure, the Department will notify the LME/MCO and the General Assembly of the results. Within 30 days of providing notice to the LME/MCO, the Department shall develop, in collaboration with the LME/MCO, a corrective action plan. If an LME/MCO's cash balance is neither 5% or more below the lower solvency range figure nor 5% or more above the upper solvency range figure, the Department shall notify the LME/MCO and the General Assembly; no further action shall be required.



Proposed Legislation – two bills that are related to Medicaid Managed Care and the future of the LME/MCOs that were left over from 2017 may be acted on during this session.

- HB 403 Medicaid and Behavioral Health Modifications – defines the proposed role of the future Prepaid Health Plans (PHP) in the management of behavioral health services for individuals with mild and moderate disorders. The bill further defines the differences between Standard Plans to be administered through the PHPs and the Tailored Plans which manage behavioral health services for individuals with severe disorders.
- HB 156 Medicaid Prepaid Health Plans (PHP) Licensure/Food Services at State Buildings – defines the insurance and licensure requirements of the proposed PHPs.

Rutherford County Requested Re-Alignment from Vaya to Partners LME/MCO – Rutherford County Board of County Commissioners voted unanimously to seek engagement with Partners. The transition is subject to the approval of the DHHS Secretary.

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

Mr. Ward reviewed the following:

-  Medicaid Waiver Operations Report – May 2018, noting that all benchmarks continue to be met.
-  Medicaid Waiver Financial Operations Report – May 2018, noting the financial measures that Sandhills is required to meet.

➤ **July Board of Directors Meeting –** A motion was made by Commissioner Kay Cashion and seconded by Carlos Townsend to "not have a Board of Directors meeting in July." The motion pass unanimously.

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 April 30, 2018.

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 Committee Chairperson Mazie Fleetwood noted that the Human Resources Committee reviewed the following:
 - **Adjustment to LGERS and Prudential 401(k) Employer Contribution Rates** – Effective July 1, 2018, the Employer contribution rates to LGERS and the Prudential 401(k) retirement plans will be adjusted as follows:
 - **LGERS:** Sandhills Center will increase its contribution rate to member's accounts from 7.50% to 7.75%
 - **Prudential 401(k):** Sandhills Center will decrease its contribution rate to member's accounts from 1.62% to 1.37%.
 - **Total Employer Commitment and Contribution Rate to Member's Plans:** 9.12% (7.75% + 1.37% = 9.12%)
 - **2019 Holiday Schedule** – A motion was made by Commissioner Anthony Copeland and seconded by Walter Ferguson to "approve the 2019 Holiday Schedule". The motion passed unanimously.
- **Client Rights Committee Report** – Did not meet.
- **Corporate Compliance & Internal Audit Committee Report** – Did not meet.

Old Business

None

Comments

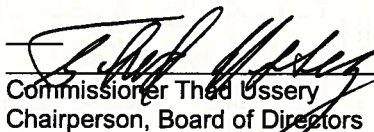
None

Board Materials

- Community Agencies Breakfast Meetings Agenda
- DMA Monthly Financial Report – April 2018
- Personnel Report
- Newspaper Articles

Adjournment

A motion was made by Commissioner Kay Cashion and seconded by Shirley Hart to "adjourn the meeting". The motion passed unanimously. The meeting adjourned at 7:56 p.m.



Commissioner Thad Ussery
Chairperson, Board of Directors

8-14-18
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