



SANDHILLS CENTER

Board of Directors Meeting Minutes November 13, 2018

Members Present:

- | | |
|---|--|
| <input 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 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"/> 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"/> 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"/> 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
John Frank, Dixon Hughes Goodman, LLP
Chris Olson, Dixon Hughes Goodman, LLP

Call to Order and Invocation

The Sandhills Center Board of Directors met on Tuesday, November 13, 2018, 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. and gave the invocation.

Oath of Office

Mrs. Whitt explained that since Chairperson Ussery decided to not seek re-election, he is no longer a commissioner and will no longer be the commissioner representative from Richmond County. The Richmond County Commissioners made the decision to forego their county commissioner representative on the Sandhills Center Board, and appointed Chairperson Ussery to the Sandhills Center Board in an undesignated slot. Mrs. Whitt noted that this is in keeping with our By-laws and State Statutes.

Richmond County representative Thad Ussery was administered the Oath of Office.

Chairperson Ussery expressed his appreciation to the Board of Directors.

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

Commissioner Ross Streater – Medical issue – excused. *A motion was made by Commissioner Harry Southerland and seconded by Michele Weatherly to “excuse the absence”. The motion passed unanimously.*

Leann Henkel – Work issues – excused. *A motion was made by Commissioner Harry Southerland and seconded by Michele Weatherly to “excuse the absence”. The motion passed unanimously.*

For Consideration – Commissioner Otis Ritter – Commissioner Ritter emailed his reason for not attending the October 9th Board meeting after the start of the meeting. His absence was due to his wife being sick. *A motion was made by Michele Weatherly and seconded by Carlos Townsend to “excuse the absence”. The motion passed unanimously.*

Public Comments

None

Consent Agenda

A motion was made by Commissioner Harry Southerland and seconded by Commissioner David Allen to “approve the consent agenda”. The motion passed unanimously. The following were approved:

- 📌 October 9, 2018 Board of Directors Meeting Minutes*
- 📌 Policy Revisions*

Auditor’s Report: FY 17 – 18 Annual Audit

Chairperson Ussery introduced John Frank and Chris Olson, Dixon Hughes Goodman, LLP. Mr. Olson reviewed the FY 17 – 18 Annual Audit stating that a clean audit is being issued according to the governmental auditing standards. He noted that the audit went well and there were no significant findings or issues identified. He also noted that the FY 17 – 18 Annual Audit was reviewed in detail by the Finance Committee, with a vote to accept the audit.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Carlos Townsend to “accept the FY 17 – 18 Annual Audit as presented”. 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. FY 18 – 19 Budget Amendments

Mrs. Whitt reviewed in detail to the Board of Directors, for their review and approval, a set of budget amendments to the FY 18 – 19 Operating Budget.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans and seconded by Commissioner Kay Cashion to “approve the FY 18 – 19 Budget Amendments as presented”. The motion passed unanimously.

B. Distribution of Medicaid Budget Surplus Savings

Mrs. Whitt called attention to the October 24th memorandum regarding distribution of Medicaid savings. DHHS has identified savings of \$30 million in accordance with Session Law 2017-57, Section 11F.2.(d). These funds will be allocated to the LMC/MCOs and are to be proportionally divided based on the non-recurring cuts of single-stream funds made during the state fiscal year in which the savings were achieved. The proportional allocation for Sandhills is \$4,755,357.

C. Comprehensive Care Centers Update – Randolph and Richmond Counties

📌 Randolph Facility – Mrs. Whitt gave the following update on the FBC project in Asheboro:

- Anticipated revised completion date is set for December 3, 2018 for all work excluding the elevator. The elevator completion date is now anticipated for mid-late January 2019.*

- Start-up funding for Daymark Recovery will be presented tonight for approval. This will allow Daymark to purchase furniture and start their hiring process.
- Daymark has also started the preliminary process for licensure.
- Once all work is complete, including the elevator, State and County inspections can occur.

• **Richmond Facility** – Mrs. Whitt gave the following update on the FBC project in Rockingham:

- The overall design completion is at 98%. To ensure that the bid specs are very detailed, it was agreed to give the architect one more week to work on the specs before advertising the bid. It is anticipated that the bid will be advertised next week and opening will be in four weeks, which should put the bid opening process on December 18th.

Mrs. Whitt stated that she and Chairperson Ussery have been in discussion and noted that the bid opening date will be after the scheduled December Board meeting and they are proposing the possibility of the Board of Directors granting the Executive Committee the authority to move forward by deciding who is qualified and completing all the ground work, as long as the bid is under the \$5 million, that has already been Board approved. Recommendations will be brought to the January Board meeting for final approval. Chairperson Ussery emphasized that no contract will be issued until after the approval by the Board of Directors at the January 2019 meeting.

After discussion, a motion was made by Commissioner David Allen and seconded by Commissioner Harry Southerland to “approve the Executive Committee the authority to research the bids and bring back a recommendation based on the research of the low bidder”. The motion passed unanimously.

Mrs. Whitt noted that the Executive Committee will convene once the bids are received. Members of the Executive Committee: Chairperson Ussery, Vice-chairperson Cashion, Secretary Weatherly, Finance Committee Chairperson Evans, Human Resources Committee Chairperson Fleetwood. Client Rights Committee Chairperson Whitaker, Corporate Compliance & Internal Audit Committee Chairperson Rothbeind, and Sandhills Center CEO Mrs. Whitt.

D. Planned Behavioral Health Services Expansion in Guilford County

For the past year, Mrs. Whitt and Mr. Ward have been working closely with a group from Guilford County discussing the behavioral health needs in Guilford County. In addition to Mrs. Whitt and Mr. Ward, the group has consisted of Guilford County Commissioners, the County Manager, and representatives from the Health Department, DSS, EMS, and the Sheriff's Department.

Mrs. Whitt presented to the Board of Directors a Memorandum of Understanding (MOU) by and between Guilford County and Sandhills Center. The MOU outlines the joint effort between Guilford County and Sandhills Center for a planned behavioral health service expansion. Mrs. Whitt outlined the following:

- The sale of 201 N. Eugene Street. The location of the 24/7 service provider and Sandhills Center staff. (This MOU is not related to the issue of where the staff will be relocated.) The MOU addresses the relocation of the 24/7 crisis center and expansion of services.
- Guilford County is finalizing a plan to relocate the direct services. Guilford County intends to purchase land for the construction of a new facility to provide expanded behavioral health services to include an Adult Facility Based Crisis (FBC) facility, 23-hour chairs for adults, adolescents and children, along with outpatient services for adults, adolescents and children.
- Guilford County will bear the cost of designing and constructing the planned Adult FBC and outpatient facility and will select a provider to offer services in the facility.
- Guilford County will own the facility and will be responsible for any and all decisions related to the facility design and construction.
- Guilford County has selected an architect to design the facility and intends to release a Qualifications Questionnaire/Request for Proposals (QQ/RFP) to select a Construction Manager At Risk for the project.

- Sandhills Center is proposing and agrees to provide a 16-bed Child FBC facility for the community. Sandhills Center will bear the cost of the designing and construction of the planned Child FBC facility. Sandhills Center will own the facility.
- Sandhills Center will purchase land on which to construct the planned Child FBC facility.
- Sandhills Center may participate jointly in Guilford County's QQ/RFP to select a Construction Manager At Risk for the Child FBC project to ensure both projects move forward with similar construction timeline, but is not bound beyond selection of a Construction Manager At Risk.
- Sandhills Center will be responsible for any and all decisions related to the facility design and construction for the planned Child FBC facility.
- Sandhills Center may decide to select the same architect as Guilford County to design the child FBC facility, but is not bound to select the same architect.
- Sandhills Center will release a future RFP to select a provider to offer the direct services planned for the Child FBC project, but may not select the same provider that Guilford County selects.
- The MOU does not and is not intended to contractually bind the parties and is only an expression of the basic conditions of the joint understanding on the planned project.
- Services will be available to all of the Sandhills Center catchment area.
- Two separate facilities that may be near each other.

After discussion, a motion was made by Commissioner Harry Southerland and seconded by Walter Ferguson to "accept the Memorandum of Understanding, including a joint RFP, with Guilford County for the planned behavioral health service expansion". The motion passed unanimously.

E. Employee Market Rate/Pay Study

Mrs. Whitt explained that with the recent discussions regarding the NC Office of Human Services' activities regarding a Market Rate/Pay Study for LME/MCO CEOs, this prompted a discussion regarding conducting a similar study for the Sandhills Center employees. While there is a consistently review of the salary grades and an attempt to maintain pay equity across the system, there has not been a Market Rate/Pay Study conducted in recent years. Mrs. Whitt stated that it will be important to remain competitive in employee compensation, as we move into a competitive environment with not only other LME/MCOs but with private Mental Health Managed Care entities.

Sandhills Center has 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. Ms. Taylor is well known to Sandhills Center, having provided consultative services in the past related to merger activities with Guilford Center/County, merger discussions with other entities, successful designation as a Substantially Equivalent Entity with the NC Office of Human Services, review and drafting of Human Resources (HR) policies/procedures, coordinating our search for an HR Director, and served in an interim capacity as HR Director during the period prior to the recruitment of our current Chief of Human Resources.

As part of the market-based pay study, the following work elements will be completed:

- 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.

Mrs. Whitt discussed the project Timeline: During October Ms. Taylor met with Sandhills Center's staff to identify parameters and is currently collecting public and private sector data to enter into a database and analyze. During November, she will draft reports and allocations related to grade and salary recommendations and meet with Sandhills Center representatives to receive input and recommendations. The final allocations/recommendations will be delivered by December 31, 2018. Ms. Taylor will then be available to work with Sandhills Center management to implement any

revisions and complete implementation options. The Board of Directors will receive an update at the January 2019 Board Meeting.

F. Legislative/DHHS Update

- **Establishment of Ranges for LME/MCO Solvency** – Mrs. Whitt reported that DHHS and Legislative staff are working with the LME/MCO CEOs to finalize the initial reports. Current draft reports indicate that Sandhills Center is within the allowable range. Discussions continue with the State to review the formula and make recommendations for changes.
- **NC DHHS Medicaid Transformation Summary** –
 - Standard Plans – Mrs. Whitt reported that DHHS Secretary Cohen released the names of the companies and provider-led groups that are vying to manage the care of the NC Medicaid patients through Standard Plans. On October 24th, the Secretary received approval of the 1115 Waiver. It is anticipated that the Standard Plan contracts will be awarded in February 2019.
 - Tailored Plans – LME/MCO CEOs met with the Secretary to discuss next steps related to the Tailored Plans. Changes to 122C will be shared with the LME/MCOs and submitted to the General Assembly in January 2019. Defining of the regions in early 2019.
- **Clinical Services & Operations Report – Anthony Ward, Chief Operating Officer/Deputy Director**
Mr. Ward reviewed the following:
 - Medicaid Waiver Operations Report – September 2018, noting that all benchmarks continue to be met.
 - Medicaid Waiver Financial Operations Report – September 2018, noting the financial measures that Sandhills is required to meet.
 - The October 2018 Quarterly Community Report. The quarterly report covers the reimbursement rate increases for providers of community based Intermediate Care Facilities, Outpatient Services and all Innovations Waiver services; whole-person care evolving in Transition to Community Living Initiative (TCLI); results of a report released by DHHS showing Sandhills had the highest reported percentage of service level spending of the seven LME/MCOs in the state.
- **Board of Directors Nominating Committee**
The Board of Directors Nominating Committee was appointed and includes the following members: Mazie Fleetwood, Bill Larrison, Commissioner Harry Southerland, and Gart Evans. The recommended nominations will be presented at the December meeting.
- **Christmas Dinner**
After a brief discussion, it was decided that the Christmas dinner would be held at Beefeaters, in Southern Pines, and spouse/guest are welcomed.

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 September 30, 2018.

On behalf of the Finance Committee, a motion was made by Finance Committee Chairperson Gart Evans 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 reported that the Human Resources Committee met tonight and reviewed the following:
 - **Stop Loss Insurance Renewal** – A review of the Stop Loss Insurance Renewal. *On behalf of the Personnel Committee, a recommendation was made by Human Resources Committee Chairperson Mazie Fleetwood and seconded by Walter Ferguson:*
 - *Maintain the Individual Stop Loss Insurance coverage with the current carrier – Tokio Marine HCC for calendar year 2019;*

- *Maintain the current Stop-Loss Deductible at \$80,000; and*
- *That the one laser, at the \$150,000-level, be removed from the four lasers which currently exist in the Tokio Marine HCC contract and include a "contingency laser", in the amount of \$125,000, to cover any anticipated high cost transplant event that may/may not materialize.*

The recommendations carried.

Mrs. Fleetwood commented that Mrs. Whitt and Mr. Ward received numerous emails/calls from staff thanking the Board for keeping their insurance premiums at the current level after the October Board meeting.

- **Client Rights Committee Report** – Client Rights Committee Chairperson Carol Whitaker gave the report.
- **Consumer and Family Advisory Committee Quarterly Report (CFAC)** – Report included in the Board packet.

Old Business

None

Comments

None

Board Materials

- Community Agencies Breakfast Meetings Agenda
- i2i Center for Integrative Health Conference – December 5-7, 2018
- Quality Management Committee Executive Summary (July – September 2018)
- DMA Monthly Financial Report – August 2018
- Personnel Report
- Newspaper Articles

Adjournment

A motion was made by Michele Weatherly and seconded by Commissioner Joe Miller to "adjourn the meeting". The motion passed unanimously. The meeting adjourned at 8:35 p.m.



Chad Ussery
Chairperson, Board of Directors

1-8-19

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