



BOARD OF DIRECTORS Minutes

Meeting Date: July 9, 2012 at Mount Olive College in Mount Olive, North Carolina

Members: (noted **PRESENT** with an "X" mark)

- | | |
|--|--|
| <input checked="" type="checkbox"/> - Lee Smith (Wayne County) | <input checked="" type="checkbox"/> - James Prevatte (Columbus County) |
| <input checked="" type="checkbox"/> - John Bell (Wayne County) | <input checked="" type="checkbox"/> - Paul Russ (Columbus County) |
| <input checked="" type="checkbox"/> - Nancy Moore (Wayne County) | <input checked="" type="checkbox"/> - Pearl Finch (Nash County) |
| <input checked="" type="checkbox"/> - Zettie Williams (Duplin County) | <input checked="" type="checkbox"/> - Kirk Scott (Nash County) |
| <input checked="" type="checkbox"/> - Rebecca Judge (Duplin County) | <input checked="" type="checkbox"/> - Lou Richardson (Nash County) |
| <input checked="" type="checkbox"/> - J. W. Simmons (Sampson County) | <input type="checkbox"/> - Bill James Brewington (Robeson County) |
| <input checked="" type="checkbox"/> - Albert Kirby, Jr. (Sampson County) | <input checked="" type="checkbox"/> - Bobbie Britt (Robeson County) |
| <input type="checkbox"/> - Eric Rouse (Lenoir County) | <input checked="" type="checkbox"/> - Jerry Stephens (Robeson County) |
| <input checked="" type="checkbox"/> - Emily Moore (Lenoir County) | <input checked="" type="checkbox"/> - Stephanie Monroe (Scotland County) |
| <input checked="" type="checkbox"/> - Emery White (Bladen County) | <input checked="" type="checkbox"/> - Carol McCall (Scotland County) |
| <input type="checkbox"/> - Billy Ray Pait (Bladen County) | <input checked="" type="checkbox"/> - Kim Hands (Wilson County) |
| <input type="checkbox"/> - Addie Carmon (Edgecombe County) | <input checked="" type="checkbox"/> - Rob Boyette (Wilson County) |
| <input checked="" type="checkbox"/> - Charlie Harrell (Edgecombe County) | <input checked="" type="checkbox"/> - James Shackelford (Greene County) |
| | <input checked="" type="checkbox"/> - Jerry Jones (Greene County) |

Staff/Others:

- | | |
|---|---|
| <input checked="" type="checkbox"/> - Ken Jones, Director and Chief Executive Officer | <input checked="" type="checkbox"/> - Dr. Susan Corriher, Chief of Clinical Operations |
| <input checked="" type="checkbox"/> - Bob Canupp, Chief of Business Operations | <input checked="" type="checkbox"/> - Jeanette Jordan-Huffam, Chief of Quality Management |
| <input checked="" type="checkbox"/> - Karen Salacki, Chief of External Operations | <input checked="" type="checkbox"/> - Theresa Edmondson, Director of H.R. & Compliance |
| <input checked="" type="checkbox"/> - Jose Coker, Board Attorney, Charleston Group | <input checked="" type="checkbox"/> - Connie W. Price, Board Clerk |
| <input checked="" type="checkbox"/> - Michael Porter, Attorney with Charleston Group | <input checked="" type="checkbox"/> - Ann Taylor, BHM Consultant |

Agenda Items:

1. Welcome
2. Installation of Board Members
3. Election of Officers
4. Adoption of Bylaws
5. Approval of Minutes
6. Chief Executive Officer's Report
7. Announcements

▪ **CALL TO ORDER & INVOCATION:**

The Eastpointe Board of Directors met in regular session on July 9, 2012 in the "James R. Best Conference Room" at Mount Olive College in Mount Olive, North Carolina. Lee Smith called the meeting to order at 6:00 p.m., and welcomed the Board members, staff, and guests to the meeting. There were twenty-three Board members present at the July meeting, and four were absent. Eric Rouse, Addie Carmon, Billy Ray Pait and Bill James Brewington were absent due to prior

commitments. Mr. Smith stated that tonight's Board meeting was an historic event in that twelve counties had successfully merged to become one Local Management Entity (LME) through the hard work and commitment of dedicated staff from The Beacon Center, Eastpointe and Southeastern Regional LMEs. Board members introduced themselves and stated what counties they represented. J. W. Simmons delivered the invocation and the meal was served.

▪ **INSTALLATION OF NEW BOARD MEMBERS:**

Board members were asked to stand and take the Oath of Office as new members of the Eastpointe Board of Directors for 2012-2013. Connie W. Price, Notary Public of Wayne County and Board Clerk, administered the Oath of Office.

▪ **ELECTION OF OFFICERS:**

Eastpointe Board Attorney Jose Coker announced that the Board needed to decide how to proceed with elections for Chair and Vice-Chair. The voting could be handled by written ballot or by a show of hands. However, under the current Eastpointe Bylaws voting for officers should occur by written ballot.

Emery White made a motion to suspend the current Bylaws in order to allow the Board members to vote by a show of hands. James Prevatte made a second. The motion carried.

- ❖ ***Board Chair Nominations:*** Attorney Coker opened the floor for nominations for Eastpointe's Board Chair.

Pearl Finch nominated Lee Smith. Emily Moore seconded the nomination.

Paul Russ nominated James Prevatte. Emery White seconded the nomination.

Rob Boyette made a motion to close the floor to nominations for Chair. John Bell made a second. The motion carried.

A show of hands indicated that Lee Smith received a total of 15 votes. A show of hands indicated that James Prevatte received a total of 7 votes.

Lee Smith was elected to serve as Eastpointe's Board Chair for 2012-2013.

- ❖ ***Vice-Chair Nominations:*** Attorney Coker opened the floor for nominations for Eastpointe's Vice Chair.

Emery White nominated James Prevatte. Carol McCall seconded the nomination.

The floor was opened for other nominations. No additional nominations were submitted for Vice-Chair.

Charlie Harrell made a motion by acclamation that nominations be closed for Vice-Chair. Jerry Jones made a second. The motion carried.

James Prevatte was elected to serve as Eastpointe's Vice-Chair for 2012-2013.

▪ **INSTALLATION OF NEW OFFICERS:**

Lee Smith, newly elected Chair, and James Prevatte, newly elected Vice-Chair, were asked to come forward to take the Oaths of Office as new officers of the Eastpointe Board for 2012-2013. Connie W. Price, Notary Public of Wayne County, administered the Oaths of Office.

▪ **APPROVAL OF MINUTES:**

The Minutes of the June 26, 2012 Board meeting were presented for approval. No corrections were noted.

John Bell made a motion to approve the June Minutes. Nancy Moore made a second. The motion carried.

▪ **ADOPTION OF BYLAWS:**

Ken Jones addressed the current Eastpointe Bylaws which were mailed out in the Board member packets, along with a copy of the revised set of Bylaws. The Merger / Advisory Committee (consisting of 4 members from each of the three LMEs and the three Directors) met several times to review prior Bylaws and to draft a new set to be presented to the Board for approval. Mr. Jones reported that the Merger / Advisory Committee endorsed the revised Bylaws mailed out to Board members, and recommended that they be adopted. Mr. Jones asked for any comments or questions. Rob Boyette pointed out that the phrase "*and reconstituted on July 9, 2012*" should be added to **ARTICLE I – NAME** on **Page 1** to indicate that even though the name of the organization (Eastpointe) was established on July 1, 2003, that it was also "reconstituted" on July 9, 2012 by the merger of Southeastern Regional, Eastpointe and The Beacon Center LMEs. Other Board members agreed this would be appropriate.

Albert Kirby, Jr. made a motion to approve the revised set of Bylaws as presented, subject to the insertion of the phrase "*and reconstituted on July 9, 2012*" to **ARTICLE I – NAME**. Kim Hands made a second. The motion carried.

▪ **CHIEF EXECUTIVE OFFICER'S REPORT:**

Ken Jones welcomed everyone to the July meeting, and stated it was a pleasure to work as the CEO of Eastpointe. Mr. Jones added that he looks forward to working with each of the new Board members and appreciates the support and guidance they will provide. Mr. Jones expressed his appreciation to all staff members of the three LMEs who have worked long hours and diligently to ensure a smooth transition during the merger process. He introduced key leadership staff who attended the Board meeting, which included: Bob Canupp, Chief of Business Operations; Jeanette Jordan-Huffam, Chief of Quality Management; Dr. Susan Corriher, Chief of Clinical Operations; Karen Salacki, Chief of Network Operations; and Theresa Edmondson, Director of Human Resources and Compliance.

Mr. Jones pointed out that staff are moving into new ground and Eastpointe will be managing a much larger budget than ever before. Therefore, it will be critical to have good financial oversight at each Board meeting. Eastpointe's annual budget is approximately \$180 million. Eastpointe will implement the 1915(b)(c) Medicaid Waiver on January 1, 2013. Eastpointe has merged most functions, but still has some transition areas. Kirk Scott inquired about Eastpointe's liability coverage for Board members. Bob Canupp, Chief of Financial Operations, assured the Board that Eastpointe has ample liability coverage.

Mr. Jones addressed the items listed below which were contained in the Board packets:

- a) ***The “Carver Model” document*** - In order to take care of business in an efficient manner, Mr. Jones recommended that the Board consider using “***The Carver Model***”. He indicated that there will be a presentation on “***The Carver Model***” later in the evening.
- b) ***N.C. State Map*** – Depicts the proposed Local Management Entity / Managed Care Organizations (LMEs/MCOs) and their member Counties as of January 1, 2013. The Eastpointe 1915(b)(c) Waiver Population Map outlines the twelve Counties of the new catchment area. Eastpointe will be the 3rd largest LME/MCO in the State, and will have a total Medicaid population of around 178,680 or 13% of the State’s Medicaid population. The total Eastpointe geographical population will be 804,027 or 8.45% of the State population.
- c) ***Organizational Chart*** – Revised copy dated June 22, 2012 depicting the new Local Management Entity / Managed Care Organization (LME/MCO) having approximately 205 of the 282 full time employees filled. All employees were required to reapply for positions and participate in interviews. Our goal was to select the “best person for the job.” We are expecting to staff the new organization with 90% to 95% of employees from The Beacon Center, Southeastern Regional, and Eastpointe LMEs. The remaining staff will either retire or be RIFed. Additionally, there are vacant positions that will be filled over the next six months.
- d) ***Board Agendas*** – Mr. Jones shared his plans to have included on each full Board meeting Agenda an update from the Finance Committee, Client Rights Committee, Policy Committee, and Consumer Family Advisory Committee (CFAC).
- e) ***Eastpointe Board Members*** – A list was prepared containing the names, addresses, and other contact information for each of the 27 new Board members who were appointed to serve on Eastpointe’s Board during the 2012-2013 year. Mr. Jones asked that any corrections be sent to the Board Clerk.
- f) ***Expense Reports*** – Board members will be paid an honorarium of \$20 per meeting attended on behalf of Eastpointe. Mileage rate will be 55 cents per mile. Expense reports can be mailed to the Beulaville Accounting Office or given to the Board Clerk.
- g) ***Board Meeting Calendar*** –This document contains the proposed locations, dates and time of the Eastpointe Board meetings for the remainder of the 2012 calendar year. Mr. Jones indicated that the majority of Eastpointe Board meetings will be held at Mount Olive since this is a central location for the twelve counties. Generally the Board meetings take place on the 4th Tuesday of each month at 6:00 p.m., but start times and meeting dates are subject to change due to new Board member preference and transportation issues. Mr. Jones indicated that the Board may decide to meet every other month. The Chair could appoint an Executive Committee to meet in the alternate months to take care of pending business details or emergency needs, and then would report back to the full Board.

A brief discussion was held by Board members concerning alternative meeting dates and times. Pearl Finch pointed out it is important that the Board meet during the months which LME reports are required to be sent to the State so that same can be reviewed and approved prior to mailing. Mr. Jones agreed this was correct, and that it would be best if Board members could meet face-to-face as much as possible. However, there could be times that the Board could meet via video conferencing from the Beulaville, Rocky Mount, Goldsboro,

and Lumberton sites. It was decided that future Eastpointe Board meetings would convene at 4:30 p.m. rather than 6:00 p.m. due to traveling necessities. It was also determined that the full Board did not need to meet on July 24th, but would hold session again on August 28th.

▪ **BOARD COMMITTEES:**

Discussion was held about the selection of committee members to serve on the Executive Committee and other Board committees. According to the Bylaws, Mr. Jones stated that the Executive Committee should consist of at least twelve members. He suggested that Chairman Smith appoint an Ad Hoc Committee or an Executive Committee to decide how often the full Board would meet, and define other committee recommendations.

Kirk Scott made a motion that the Board designate an Executive Committee which would be composed of individuals listed in the Bylaws, and include former LME Board Chairs and other former Committee Chairs prior to the merger of The Beacon Center, Eastpointe and Southeastern Regional.

Charlie Harrell pointed out that the various committees should not include too many County Commissioners on any one committee; but rather use Board members who represent the public at large and the interests of individuals with MH/DD/SA issues.

Vice-Chair James Prevatte read directly from the Bylaws which state *“that the Board Chair shall appoint all committee members and committee Chairpersons for the Executive, Finance, and Ad Hoc Committees; and that the CEO would appoint the Chairperson and members of the Client Rights Committee.”* Vice-Chair Prevatte stressed that the Board should follow the dictates of the Bylaws that had just been adopted by the Board, which would allow Chairman Smith to appoint the committee members.

At this point, Kirk Scott withdrew his prior motion outlined above.

Chairman Smith indicated that over the next thirty days he would like to obtain advice from all Board members as to who would be best to serve on the Board committees, as well as which members would be interested and/or willing to serve. Chairman Smith asked Board Members to contact the Board Clerk if they were interested in serving on any of the Board committees. Chairman Smith indicated that at the August 28th Board meeting he will bring back his selections for member participation on the Board committees.

▪ **“THE CARVER MODEL” PRESENTATION :**

Mr. Jones introduced Ann Taylor, Consultant for Behavioral Management Healthcare (BHM) who has been working with Eastpointe for several months to assist management with preparing for the merger. Ms. Taylor conducted a power-point presentation entitled *“Governance: The Carver Model”* which was developed by John Carver, an established author noted for his development of the policy model for Boards of Directors and other governing bodies. The four primary concepts of the model include: 1) accountability for public trust; 2) clean, clear delegation of authority; 3) strict boundary maintenance between Board and staff; and 4) efficiency, including Board member time and organizational oversight. Ms. Taylor explained the “means” process that is available to the Board and also to the CEO; and addressed the “ends” (outcomes process) which is defined as “the positive difference an organization should make in the lives of people”. Other categories addressed in *“The Carver Model”* pertain to Board Authority, Delegations, Limitations, Clear Standards for the Organization and Board Operations, CEO Performance, Potential Benefits of the Model, and Increases for Chance of Success.

Board discussion was held at the close of Ms. Taylor's presentation. Many felt it would be beneficial to explore the use of the Carver Model. Both Ken Jones and Chairman Lee Smith pointed out that the model was used by various State Committees that they have served on in the past or are serving on now. Chairman Smith suggested that the Board wait until the August 28th meeting to make a final decision.

▪ **ANNOUNCEMENTS:**

- **Greene County** – Copies of an article appearing in *The Standard Laconic* newspaper featuring the merger between The Beacon Center, Southeastern Regional and Eastpointe LMEs were distributed to the Board members. The article addressed functional sites, Board of Directors, the 1915(b)(c) Waiver, leadership, CFAC and services.
- **Sampson County** – Ken Jones referenced an article that recently appeared in *The Sampson Weekly* newspaper which featured Kathy Baker, Eastpointe's Communication Director, along with Mr. Jones and J. W. Simmons. Ms. Baker and Mr. Jones were interviewed by Mr. Simmons on WCLN Radio Station in Clinton relating to services provided through Mobile Crisis and Eastpointe's Access to Care.

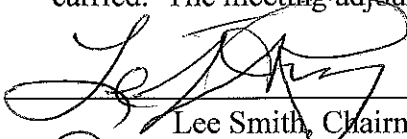
▪ **NEXT BOARD MEETING:**

Eastpointe's next Board of Directors meeting will be held on Tuesday, August 28, 2012 beginning at 4:30 p.m. at Mount Olive College in the "**James R. Best Conference Room**" in the Lois Murphy Regional Center located on campus at 634 Henderson Street in Mount Olive, North Carolina.

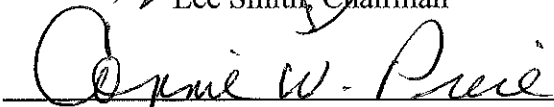
▪ **ADJOURNMENT:**

Chairman Smith asked for any further business to be brought before the Board. There being no other business presented, Chairman Smith requested a motion to adjourn the Board meeting.

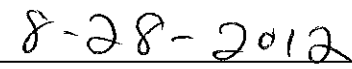
Emery White made a motion to adjourn the July 9th meeting. Kim Hands made a second. The motion carried. The meeting adjourned at 8:00 p.m.



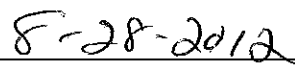
Lee Smith, Chairman



Connie W. Price, Board Clerk



Date Approved



Date Approved