



BOARD OF DIRECTORS Minutes

Meeting Date: April 22, 2014 held at Mount Olive, North Carolina.

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> - Boyette, Rob (Wilson County) | <input checked="" type="checkbox"/> - Moore, Emily (Lenoir County) |
| <input checked="" type="checkbox"/> - Britt, Janine (Robeson County) | <input checked="" type="checkbox"/> - Moore, Nancy (Wayne County) |
| <input checked="" type="checkbox"/> - Carmon, Addie (Edgecombe County) | <input type="checkbox"/> - Pait, Billy Ray (Bladen County) |
| <input checked="" type="checkbox"/> - Dixon, Barry (Lenoir County) | <input checked="" type="checkbox"/> - Prevatte, James (Columbus County) |
| <input checked="" type="checkbox"/> - Finch, Pearl (Nash County) | <input checked="" type="checkbox"/> - Russ, Paul (Columbus County) |
| <input checked="" type="checkbox"/> - Jones, Jerry (Greene County) | <input checked="" type="checkbox"/> - Shackleford, James (Greene County) |
| <input checked="" type="checkbox"/> - Judge, Rebecca (Duplin County) | <input checked="" type="checkbox"/> - Simmons, J. W. (Sampson County) |
| <input checked="" type="checkbox"/> - Keen, Steve (Wayne County) | <input type="checkbox"/> - Stephens, Jerry (Robeson County) |
| <input type="checkbox"/> - Kirby, Albert (Sampson County) | <input type="checkbox"/> - Thompson, Chris (Wilson County) |
| <input checked="" type="checkbox"/> - McCall, Carol (Scotland County) | <input checked="" type="checkbox"/> - White, Emery (Bladen County) |
| <input type="checkbox"/> - Monroe, Stephanie (Scotland 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"/> - Karen Salacki, Chief of External Operations | <input type="checkbox"/> - Jeanette Jordan-Huffam, Chief of Quality Management |
| <input checked="" type="checkbox"/> - Jonathan Charleston, Board Attorney | <input checked="" type="checkbox"/> - Theresa Edmondson, Director of H.R. & Compliance |
| <input checked="" type="checkbox"/> - Jose Coker, Board Attorney | <input checked="" type="checkbox"/> - Sarah Stroud, Chief of Business Operations |
| <input checked="" type="checkbox"/> - Dr. Venkata Jonnalagadda, Medical Director | <input checked="" type="checkbox"/> - Connie W. Price, Board Clerk |

Guests:

Mark Grimaldi, DMH Liaison
Mark O'Donnell, DMH Liaison
Jeff Fussell, Eastpointe Retiree
Scott McKay, CPA from Cherry Bekaert Accounting Firm

Agenda Items:

1. Approval of Minutes
2. CEO/Director's Report
3. Business Office Report
4. Committee Reports

▪ **CALL TO ORDER & INVOCATION**

The Eastpointe Board of Directors met in regular session on April 22, 2014 at the University of Mount Olive in the Hennessee Conference Room. Board Chair J. W. Simmons called the meeting to order at 4:00 p.m. There were sixteen Board members present at the meeting, and five were absent. Stephanie Monroe, Albert Kirby, Jerry Stephens, Chris Thompson and Billy Pait had family or work related commitments. Paul Russ delivered the Invocation.

ORIGINAL

▪ **AMENDMENT TO AGENDA**

Chairman Simmons asked if there were any additions or changes to be made to the Board Agenda. There being none, the following motion was made:

Jerry Jones made a motion to approve the April 22nd Board Agenda as presented. James Shackelford made a second. The motion carried.

▪ **PRESENTATION TO EASTPOINTE RETIREE**

Ken Jones welcomed Jeff Fussell to the Board meeting. Mr. Fussell retired from Eastpointe on February 28th with 27 years of service. He began his mental health career at Lenoir Mental Health Center in 1985, and joined Wilson Greene Mental Health Center in 1987. Mr. Fussell started the center's first Criminal Justice Private Partnership (CJPP) program; worked as a forensic screener; also worked with the ACCESS Team; and more recently served as a Community Relations Specialist. Mr. Jones, on behalf of the Board of Directors and Eastpointe Management, thanked Mr. Fussell for his dedication and service through the years and presented him with an engraved plaque and wrist watch. Mr. Fussell expressed his appreciation to the Board and Management, and stated he had enjoyed his time in the mental health field and was looking forward to retirement.

▪ **BOARD MEMBER RECOGNITIONS**

Ken Jones recognized Kirk Scott and Bobbie Britt who served on the Eastpointe Board of Directors representing Nash and Robeson Counties during 2012-2014. Ms. Britt resigned in February due to conflict of interest reasons; and Mr. Scott resigned in March due to other commitments. Both were unable to attend today's Board meeting. They will receive an engraved plaque in appreciation for their dedication and commitment while serving on the Eastpointe Board and representing the citizens of their counties.

▪ **INSTALLATION OF NEW BOARD MEMBER**

Janine Britt was asked to come forward and take the Oath of Office as a new member of the Eastpointe Board of Directors. Connie W. Price, Notary Public of Wayne County and Board Clerk, administered the Oaths of Office. Ms. Britt currently works at Southeastern Regional Medical Center in Lumberton, and is also a former employee of Southeastern Regional Mental Health Center. She will serve as a non-voting Board member in the Hospital Representative category per requirements of Senate Bill 191.

▪ **COMMUNITY INPUT**

There was no *Community Input* for the month of April; however, the following comments were made:

- Emily Moore mentioned a recent article appearing in the *Kinston Free Press* entitled "**Jailing the Mentally III**". The article addressed increasing situations of individuals that are incarcerated but do not receive mental health services.
- Paul Russ announced that a video entitled "*Anonymous People*" will be shown at the May 20th CFAC meeting which will be held in the Hennessee Conference Room at the University of Mount Olive. The meeting will begin at 11:00 a.m. Board members were invited to attend.
- James Prevatte stated that Ken Jones recently spoke at the Columbus County Board of Commissioners and did an outstanding job explaining the "mission of Eastpointe". CFAC Chair Paul Russ along with two Eastpointe staff members also attended the meeting.

▪ **COUNTY PROCLAMATION**

Chairman Simmons informed the Board that April has been designated "*Mental Health Month*". Eastpointe would like to recognize each disability during the year and take a month to focus on that particular disability. Dr. Venkata Jonnalagadda read the Proclamation to the Board. Thereafter, Chairman Simmons asked the Board to adopt the Proclamation supporting April as "*Mental Health Month*". If adopted, the Proclamation will be forwarded to each of the twelve Boards of County Commissioners in Eastpointe's catchment area with a request that they adopt same for their individual counties.

James Prevatte made a motion to adopt the Proclamation recognizing April as "*Mental Health Month*". Jerry Jones made a second. The motion carried.

▪ **APPROVAL OF MINUTES**

The Minutes of the March 18, 2014 Board meeting (Attachment 1) were presented for approval. No corrections were noted.

Motion was made by Emily Moore to approve the March 18th Board Minutes. Emery White made a second. The motion carried.

Rebecca Judge mentioned the new method for Board members to receive stipend payments in their personal checking accounts. Ms. Judge expressed concerns about social security numbers and bank tracking numbers identified on paperwork being sent through the postal mail which could pose an identity theft risk. Sarah Stroud, Chief of Business Operations, indicated she would review the current process and address Ms. Judge's concerns.

▪ **POLICY COMMITTEE**

Addie Carmon, Chair of the Policy Committee, reported that the Policy Committee met on April 15th and reviewed the policies listed below (as shown on Attachments 2-A-1 and 2-A-2) which were presented to the Board for approval or retirement:

Policies submitted for Approval

HUMAN RESOURCES DIVISION	
H-5.4.21	Inclement Weather
H-5.4.22	Employee Longevity Pay
PROGRAM INTEGRITY DIVISION	
P-7.1.4	Beneficiary Fraud and Abuse

Policies submitted for Retirement

HUMAN RESOURCES DIVISION	
H-5.4.13	Longevity Pay

James Shackelford made a motion to approve and retire the policies as noted above. Emily Moore made a second. The motion carried.

The Annual Policies and Procedures Review Report dated April 2014 was presented for Board approval (Attachment 2-A-3). The following polices and procedures were presented for approval for annual review:

HUMAN RESOURCES	
Personnel System	
H-5.1.7	Board of Directors' Delegation of Authority
Recruitment, Selection and Employment	
H-5.2.11	Employee Performance Appraisal
QUALITY MANAGEMENT	
Medical Records	
Q-6.3.5	Release of Information
Q-6.3.13	Record Stored by an Imaging System
Q-6.3.16	Breach Notification for Unsecured PHI – HIPAA
Q-6.3.22	Amending Consumer Records
Q.6.3.25	Use and Disclosure - HIPAA

Addie Carmon made a motion to approve the Annual Policy and Procedure Review Report dated April 2014. Emily Moore made a second. The motion carried.

▪ **HUMAN RIGHTS COMMITTEE**

Rebecca Judge, Chair of the Human Rights Committee (HRC), announced that the Human Rights Committee (formerly known as the Client Rights Committee) would be meeting quarterly rather than monthly. The next meeting is currently scheduled for April 24th at Mount Olive Civic Center beginning at 11:30 a.m. Ms. Judge referenced the January 23rd Minutes (Attachment 3), and pointed out particular information on Page 3 relating to the review of quarterly complaints for the 2nd quarter which addressed incidents and grievances. The committee plans to work on changes to the HRC Bylaws next month which will be submitted to the Board for approval thereafter.

Emily Moore made a motion to accept the Human Rights Committee Report and Minutes from the January 23rd meeting for informational purposes. Addie Carmon made a second. The motion carried.

▪ **CONSUMER and FAMILY ADVISORY COMMITTEE**

Paul Russ, Chair of the Consumer and Family Advisory Committee (CFAC), addressed the March 18th CFAC Minutes (Attachment 4). Mr. Russ pointed out an error on Page 3 under the “*CFAC Committee Reports – CIT Committee*” section, and on Page 5 under the “*Open Discussions*” section. The Minutes Recorder for the CFAC meetings will be notified of the necessary revisions. The following motion was made:

Paul Russ made a motion to accept the March 18th CFAC Minutes with noted corrections for informational purposes. Emery White made a second. The motion carried.

▪ **BUSINESS OFFICE REPORTS**

- **Human Resources:** Ken Jones referenced the Human Resources Reports (Attachments 5-A and 5-B) dated April 2014 which depict positions currently filled at each site, and positions currently being advertised by the MCO. There were 3 new hires in April and no separations. Approximately 7 open positions are being advertised (both internally and externally), or have interviews scheduled or offers pending.

Paul Russ made a motion to approve the Human Resources report. Jerry Jones made a second. The motion carried.

- **Finance:** Emery White, Chair of the Finance Committee, referenced the March 18, 2014 Finance Committee Minutes (Attachment 5-B-4), and asked for a motion to accept same.

Jerry Jones made a motion to accept the March 18th Finance Committee Minutes. Paul Russ made a second. The motion carried.

Sarah Stroud, Chief of Business Operations, gave the following financial report:

- ❖ **Balance Sheets** – Schedule A “*Balance Sheet*” dated February 28, 2014 listed Total Assets at \$82,023,126; Total Liabilities at \$25,662,062; and Total Fund Equity at \$56,361,064 (Attachment 5-B-1).

Schedule A “*Balance Sheet*” dated March 31, 2014 listed Total Assets at \$83,956,765; Total Liabilities at \$25,667,659; and Total Fund Equity at \$58,289,136 (Handout #1).

- ❖ **Total Profitability Reports** - Schedule D “*Total Profitability Report*” dated February 28, 2014 shows Total Revenues including Medicaid at \$50,683,312. Total Expenses and Risk Reserves Set Aside are shown at \$49,213,325. Total Earnings for this time period are \$1,469,987 (Attachment 5-B-2).

Schedule D “*Total Profitability Report*” dated March 31, 2014 shows Total Revenues including Medicaid at 75,701,250. Total Expenses and Risk Reserves Set Aside are shown at \$72,741,132. Total Earnings for this time period are \$2,960,118 (Handout #2).

Mr. Jones pointed out that these earnings are from the first 3 months of the calendar year and not from a fiscal year standpoint. The State looks at Medicaid earnings from a calendar year prospective.

- ❖ **Draft Budget 2014/2015** – Sarah Stroud explained changes and additions to the draft Budget for 2014/2015 which reflects estimated revenues and expenses at \$301,977,074. While working on the proposed budget, the Business Office looked at increasing Provider rates, Peer Support and Recovery services and education, and Crisis Services. System Upgrades for consolidation are estimated at \$1 million, along with an additional \$1 million for other anticipated merger costs. The draft Budget also includes a potential 20% increase in employee health insurance, and a cost of living adjustment (COLA) of 4% (employees have not receive a salary increase during the past two years). Ms. Stroud indicated that a full budget would be submitted to the Board at the May 27th meeting.

Dr. Susan Corriher mentioned that over the next 6 months Eastpointe would receive additional N.C. Innovations Waiver slots and approximately 130 to 140 individuals will be taken off the Innovations Registry of Unmet Needs. A specific formula is being used to determine how many slots will go to each County on a per capita basis within Eastpointe's catchment area. Management has requested that additional staff be hired to assist with the extra workload that will be associated with getting services for the additional slots.

The Board participated in lengthy discussions pertaining to estimated merger costs, system upgrades cost, the potential increase in health insurance, and the proposed 4% cost of living adjustment (COLA). Mr. Jones explained some of the facts relating to costs associated with the most recent MCO merger between Eastpointe, The Beacon Center, and Southeastern Regional Center. The estimated merger cost for our twelve counties was approximately \$3 million. Mr. Jones stated that Sarah Stroud plans to meet with two other MCOs to determine their method for cost of living adjustments. Mr. Jones also explained Eastpointe's use of salary scales in past years. Theresa Edmondson, H.R. Director, has been in contact with insurance brokers on the projected increase in employee healthcare coverage.

- ❖ **Internal Review** - Eastpointe's legal counsel contracted with Scott McKay and the Cherry Bekaert Accounting Firm to conduct a thorough review of Eastpointe's current policies, procedure, and implementation of business practices. Mr. McKay explained their approach for looking at "internal controls", and other areas within the entity that may have a risk for potential fraud and abuse. They will be looking at vendor management, service provider management, agency credit cards, and employee expenses. Once the internal review is completed, Mr. McKay will submit a detailed report to the Finance Committee and make recommendations for how to improve any questionable areas that may be identified. A final report will be brought back to the Board at a later date.

Emery White made a motion to accept the Financial Report as presented. Emily Moore made a second. The motion carried.

▪ **CHIEF EXECUTIVE OFFICER'S REPORT**

Ken Jones shared the following updates:

- **DMH Liaison** – Mark Grimaldi, Eastpointe's current DMH liaison, is being transferred to another State-level position and will continue to work with the Division of Mental Health. Mark O'Donnell will assume Mr. Grimaldi's place as Eastpointe's liaison, and will also work as a liaison to Coastal Care and East Carolina Behavioral Health.
- **Annual Audit** - Dean Horne from Pittard, Perry & Crone Certified Public Accountants will attend the May 27th Board meeting to present Eastpointe's annual audit and answer any questions from the Board members. Mr. Jones stated he has been informed by Mr. Horne that Eastpointe's annual audit had no significant findings.
- **Letter of Intent** – The Board reviewed the language contained in a draft "*Letter of Intent to Consolidate*" prepared by the three Board Chairs and three CEOs of Coastal Care, East Carolina Behavioral Health and Eastpointe (Attachment 8-A). Mr. Jones announced that

the letter of intent would also be presented to the Board members of Coastal Care and East Carolina Behavioral Health during their April Board meetings for approval.

During review of the letter of intent by Eastpointe Board members, it was pointed out that the term “*mental illness, developmental disability and substance use services*” should be revised to read “*mental illness, intellectual developmental disability and substance use disorders*”. Eastpointe’s attorney also added that a “non-binding clause” should be added. Chairman Simmons stated that the Board Chairs and CEOs plan to meet again at the end of April, and that an official “letter of intent” must be signed by all Boards before July 1, 2014. He emphasized that time is of the essence, and that revisions to the document must be made as soon as possible and approved by all three Boards.

Rebecca Judge made a motion to approve the proposed “letter of intent” subject to revisions to the language as recommended by the Board Attorney, Eastpointe Chairman and Eastpointe CEO. Steve Keen made a second. The motion carried.

Mr. Jones also addressed the following informational items contained in the Board packets:

- **Attachment 8-A-1:** Minutes from the March 19, 2014 meeting of the Board Chairs and CEOs of Coastal Care, Eastpointe and East Carolina Behavioral Health.
- **Attachment 8-B:** Memo to Leadership Team of East Carolina Behavioral Health, Coastal Care and Eastpointe announcing initiation of consolidation work teams.
- **Attachment 8-C:** Communication Plan for the Eastern Regional Entity Consolidation. All Minutes taken during meetings of the three Board Chairs and three CEOs will be made public and posted on the website.
- **Attachment 8-D:** Naming Contest Plan for the Eastern Regional Entity Consolidation. Instructions for entering the contest are posted on Eastpointe’s website and the contest is open to all employees, providers, stakeholders and the public.
- **Attachment 8-E:** Article entitled “*Accountable Care Organizations are the Key to Better Care*” by Mary Hooper of the N.C. Council of Community Programs. Mr. Jones stated that this is a good article about Managed Care Organizations, and addresses many benefits provided to the citizens of North Carolina.
- **Attachment 8-F:** Performance Review Form for Eastpointe’s Chief Executive Officer to be completed by each Board member, and returned to the Board Clerk by May 5th.
- **Attachment 8-G:** Brochure for Spring Policy Forum to be held in Raleigh June 16th and 17th. Registration forms are due to the Board Clerk by May 5th. Nominations are now being accepted by the Council, and awards will be presented during the forum.

Pearl Finch made a motion to nominate Paul Russ for his work with CFAC. Jerry Jones made a second. The motion carried.

- **Attachment 8-H:** Eastpointe Proclamation declaring May as “*Mental Health Month*”.

- **Attachment 8-I:** Eastpointe newsletter entitled “Compass” which outlines Eastpointe news and accomplishments achieved during the previous quarter.
- **Attachment 8-J:** N.C. Council of Community News publication for January /February 2014. Eastpointe is featured on Page 12 receiving the award for “*Excellence in Public Awareness and Advocacy*”.

▪ **BOARD CHAIR COMMENTS**

Chairman Simmons referenced the Letter of Intent, Communication Plan, Naming Contest, Board Chairs and CEOs’ meetings, and other on-going consolidation activities. He pointed out how merging entities is really an “evolution process” that we have to work through as we try to move forward with the effort of combining 36 counties in a limited amount of time.

▪ **CLOSED SESSION**

Jerry Jones made motion to go into Closed Session in accordance with N.C.G.S. 143-318(a)(1) and (a)(3) for the purpose of consulting with the Board Attorney. Carol McCall made a second. The motion carried.

Eastpointe staff and guests left the room at 5:45 p.m. (with the exception of Ken Jones, CEO; Jonathan Charleston and Jose Coker, Board Attorneys; Theresa Edmondson, Human Resources Director; Sarah Stroud, Chief of Business Operations; and Connie W. Price, Board Clerk).

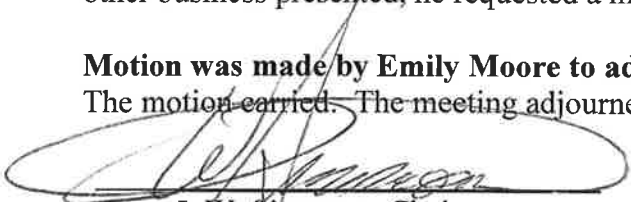
Jerry Jones made a motion to come out of Closed Session. Rebecca Judge made a second. The motion carried. The Closed Session ended at 6:15 p.m.

▪ **NEXT MEETING and ADJOURNMENT:**

Eastpointe’s next Board of Directors meeting is currently scheduled for Tuesday, May 27, 2014, and will be held at the University of Mount Olive in the Hennessee Conference Room beginning at 4:00 p.m.

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

Motion was made by Emily Moore to adjourn the April Board meeting. Paul Russ made a second. The motion carried. The meeting adjourned at 6:20 p.m.



 J. W. Simmons, Chairman



 Connie W. Price, Board Clerk

5-27-14
 Date Approved
5-27-14
 Date Approved