



# BOARD OF DIRECTORS Minutes

**Meeting Date:** May 27, 2014 held at Mount Olive, North Carolina.

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

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> - Bell, John (Wayne County)           | <input checked="" type="checkbox"/> - Moore, Emily (Lenoir County)       |
| <input checked="" type="checkbox"/> - Boyette, Rob (Wilson County)        | <input checked="" type="checkbox"/> - Moore, Nancy (Wayne County)        |
| <input checked="" type="checkbox"/> - Carmon, Addie (Edgecombe County)    | <input checked="" 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"/> - Shackelford, James (Greene County) |
| <input checked="" type="checkbox"/> - Judge, Rebecca (Duplin County)      | <input checked="" type="checkbox"/> - Simmons, J. W. (Sampson County)    |
| <input checked="" type="checkbox"/> - Kirby, Albert (Sampson County)      | <input type="checkbox"/> - Stephens, Jerry (Robeson County)              |
| <input checked="" type="checkbox"/> - McCall, Carol (Scotland County)     | <input checked="" type="checkbox"/> - Thompson, Chris (Wilson County)    |
| <input checked="" type="checkbox"/> - Monroe, Stephanie (Scotland County) | <input checked="" type="checkbox"/> - White, Emery (Bladen 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 type="checkbox"/> - Karen Salacki, Chief of External Operations                | <input checked="" type="checkbox"/> - Jeanette Jordan-Huffam, Chief of Quality Management |
| <input checked="" type="checkbox"/> - Jonathan Charleston, Board Attorney             | <input 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:**

Dean Horne, Pittard Perry & Crone, CPAs  
Carol Choate, *A Caring Heart*

**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 May 27, 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 nineteen Board members present at the meeting, and one was absent. Jerry Stephens had a prior work related commitment. 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:

**Emily Moore made a motion to approve the May 27<sup>th</sup> Board Agenda as presented.** Emery White made a second. The motion carried.

▪ **BOARD MEMBER RECOGNITION**

Ken Jones recognized Steve Keen who served on the Eastpointe Board of Directors representing Wayne County from July 2013 until April 2014. Mr. Keen resigned at the end of April due to being appointed by Governor Pat McCrory to serve as the Director of the Eastern Region. He will be reporting community and business input to the Governor's Office. Mr. Keen was unable to attend today's Board meeting, but will receive an engraved plaque in appreciation for his dedication and commitment while serving on the Eastpointe Board and representing the citizens of Wayne County.

▪ **INSTALLATION OF NEW BOARD MEMBER**

John Bell 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 Oath of Office. Mr. Bell was appointed by the Wayne County Board of Commissioners to represent Wayne County due to the resignation of former Board member Commissioner Steve Keen. Chairman Simmons expressed a hearty "welcome back" to Mr. Bell who had served as a former Eastpointe Board member during the years of 2003 through 2013.

▪ **COMMUNITY INPUT**

The following comments were made:

- J.W. Simmons mentioned a recent article appearing in the *Sampson Independent* newspaper featuring Dr. Venkata Jonnalagadda who spoke on a Clinton radio program addressing mental health issues related to school bullying, concerns of senior citizens, stress, anxiety, and other mental health topics.
- James Shackelford stated that Dr. Venkata Jonnalagadda recently spoke at the Greene County Board of Commissioners meeting and did a good job explaining mental health concerns.
- Carol Choate, Director of *A Caring Heart*, expressed her appreciation to Ken Jones and the staff of Eastpointe for working very hard to assist providers during the many mental health system reform transitions. Ms. Choate encouraged management as they move forward in the consolidation process, and stated she felt from a provider standpoint that Eastpointe was the best Managed Care Organization (MCO) to work with.

▪ **APPROVAL OF MINUTES**

The Minutes of the April 22, 2014 Board meeting (Attachment 1) were presented for approval. No corrections were noted.

**Motion was made by Paul Russ to approve the April 22nd Board Minutes.** Jerry Jones made a second. The motion carried.

- **POLICY COMMITTEE**

Addie Carmon, Chair of the Policy Committee, reported that the Policy Committee met on May 20<sup>th</sup> and reviewed the policy listed below (as shown on Attachment 2-A-1) which was presented to the Board for approval:

<b>QUALITY MANAGEMENT DIVISION</b>	
Q-6.2.3	Geriatric Adult Mental Health Special Team (GAST)

**Rob Boyette made a motion to approve the policy noted above.** Emery White made a second. The motion carried.

The Annual Policies and Procedures Report dated May 2014 was reviewed (Attachment 2-A-2) and presented for Board approval:

<b>CORPORATE COMPLIANCE</b>	
A-1.2.7	Financial Incentives
<b>HUMAN RESOURCES</b>	
<b>Recruitment, Selection and Employment</b>	
H-5.2.10	Employment of Relatives
<b>QUALITY MANAGEMENT</b>	
<b>Grievance and Appeals</b>	
Q-6.4.3	Complaint Supervision

**Addie Carmon made a motion to approve the Annual Policies and Procedures Report dated May 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) did not meet during the month of May. However, the committee did meet on April 24<sup>th</sup> and those Minutes will be included in the June Board packets.

- **CONSUMER and FAMILY ADVISORY COMMITTEE**

Paul Russ, Chair of the Consumer and Family Advisory Committee (CFAC), addressed the April 15<sup>th</sup> CFAC Minutes (Attachment 4 ). The following motion was made:

**Paul Russ made a motion to accept the March 18<sup>th</sup> CFAC Minutes as presented for informational purposes.** Rebecca Judge made a second. The motion carried.

- **BUSINESS OFFICE REPORTS**

- **Human Resources:** Ken Jones referenced the Human Resources Reports (Attachments 5-A-1 and 5-A-2) dated May 2014 which depict positions currently filled at each site, and positions currently being advertised by the MCO. There were 2 new hires added in May. There were also 2 resignations and 2 terminations between the months of April and May. Approximately 9 open positions are being advertised (both internally and externally), or have interviews scheduled or offers pending.

**James Prevatte 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 April 22, 2014 Finance Committee Minutes (Handout #1). The following motion was made:

**Emery White made a motion to accept the April 22<sup>nd</sup> Finance Committee Minutes as presented.** Jerry Jones made a second. The motion carried.

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

- ❖ **Balance Sheets** – Schedule A “*Balance Sheet*” dated April 30, 2014 listed Total Assets at \$81,535,729; Total Liabilities at \$22,550,784; and Total Fund Equity at \$58,984,945 (Attachment 5-B-2).
- ❖ **Total Profitability Reports** - Schedule D “*Total Profitability Report*” dated April 30, 2014 shows Total Revenues including Medicaid at \$100,928,705. Total Expenses and Risk Reserves Set Aside are shown at \$97,709,826. Total Earnings for this time period are \$3,218,879 (Attachment 5-B-3).

Mr. Jones pointed out that these earnings are from the first 4 months of the calendar year and not from a fiscal year standpoint. The State looks at Medicaid earnings from a calendar year prospective. It is our intent to put the earnings back into services.

**Jerry Jones made a motion to accept the Financial Report as presented.** James Prevatte made a second. The motion carried.

- ❖ **Budget 2014-2015** – Sarah Stroud reviewed the proposed budget for Fiscal Year 2014-2015 (Handout #2) which reflects estimated revenues and expenses at \$301,977,074. The budget has been thoroughly reviewed by the Finance Committee and comes to the Board as a recommendation to adopt same after being posted for public comment for a period of ten days. Local County allocations are based on the agreed funding level for the 2013-2014 Fiscal Year. System Upgrades for consolidation estimated at \$1 million were included, along with an additional \$1 million for other anticipated merger costs. New staffing positions were added for the Finance, Care Coordination, Service Delivery and Crisis areas. A cost of living adjustment (COLA) for employees in the amount of 4% was included, as well as increased expenses for health insurance and retirement benefits.

**Emery White made a motion to post the proposed Fiscal Year 2014-2015 Budget for public comment for a period of 10 days.** James Prevatte made a second. The motion carried.

- ❖ **Annual Audit Report** – Dean Horne, CPA from Carr, Riggs & Ingram, gave an update on Eastpointe's annual audit for year ending June 30, 2013. Mr. Horne pointed out that one of the reasons Eastpointe's Annual Audit was delayed in being completed was due to merging three fund balances from the legacy MCOs (The Beacon Center, Southeastern Regional, and Eastpointe). Mr. Horne explained the

auditing process, and referred the Board to Pages 35-38 which address the Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, and General Fund for fiscal year ending June 30, 2013. The Audit Report has been accepted by the State with no significant findings.

**Emery White made a motion to accept the Eastpointe's Annual Audit for 2013.**

Emily Moore made a second. The motion carried.

▪ **CHIEF EXECUTIVE OFFICER'S REPORT**

Ken Jones shared the following information:

- **Commissioners Meetings** – Mr. Jones attended the Bladen County Commissioners meeting on May 12<sup>th</sup>, and Robeson County Commissioners meeting on May 19<sup>th</sup> to share updates on Eastpointe's status and to review the Local Business Plan. He had previously met with the other ten counties during March and April.
- **Board Vacancies** – Eastpointe's Board currently has three vacancies. Commissioner Lisa Barnes has been recommended by the Nash County Board of Commissioners to replace Kirk Scott who resigned in March. Marie Britt has expressed an interest in filling the Robeson County seat previously held by Bobbie Britt who resigned in February. The Hospital Representative non-voting Board member slot previously held by Janine Britt is vacant, and Kay Hinson of Vidant Health (previously Duplin General Hospital) has agreed to serve in this role if accepted. Mr. Jones stated that pertinent information on all three individuals will be shared with Carol McCall, Chair of the Nominating/Governance Committee, for further consideration by said committee. Thereafter, the committee will make a recommendation to the Board for each vacancy.
- **Merger/Consolidation** – There may be Legislative action for the current MCOs to size down to four regions. The benchmarks for consolidation right now indicate that "letters of intent" are to be signed by each Board for new regional entities by September 1, 2014; and merger agreements are to be accepted and signed (subject to DHHS approval) and made effective by July 1, 2016. Mr. Jones stated that the three CEOs and three Board Chairs of Eastpointe, ECBH and Coastal Care continue to communicate on a regular basis.
- **Traumatic Brain Injury (TBI) Waiver** – In the Senate budget there are specific provisions to support LMEs/MCOs managing a TBI Waiver. We support the concept, but do not want the State to take State funding to support this Waiver.
- **Assessments** – In the Senate budget there is a proposed tax assessment of 3% on LMEs/MCOs administrative funding. No other information available at this time.
- **State Plan Amendment** – There will be a special provision in the budget to report Medicaid on a fiscal year rather than calendar year.
- **Board Composition** – There is a special provision to repeal Senate Bill 191 population exclusion for the required Board positions. Required positions to the Board would no longer be in rule, and local Boards would have more flexibility in putting their Bylaws together to meet community needs.

▪ **CLOSED SESSION**

**Emily Moore 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.** Pearl Finch made a second. The motion carried.

Eastpointe staff and guests left the room at 5:15 p.m. (with the exception of Ken Jones, CEO; Jonathan Charleston, Board Attorney;; and Connie W. Price, Board Clerk).

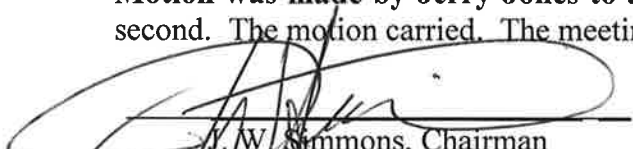
**James Prevatte made a motion to come out of Closed Session.** Emily Moore made a second. The motion carried. The Closed Session ended at 6:30 p.m.

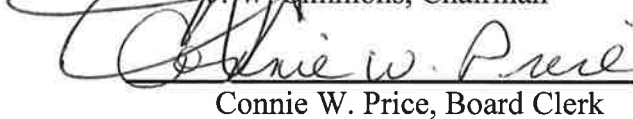
▪ **NEXT MEETING and ADJOURNMENT:**

Eastpointe's next Board of Directors meeting is currently scheduled for Tuesday, June 24, 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 Jerry Jones to adjourn the May Board meeting.** James Shackelford made a second. The motion carried. The meeting adjourned at 6:35 p.m.

  
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J. W. Simmons, Chairman

  
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Connie W. Price, Board Clerk

6-24-14  
Date Approved

6-24-14  
Date Approved