



BOARD OF DIRECTORS

Minutes

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

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> - Barnes, Lisa (Nash County) | <input checked="" type="checkbox"/> - McCall, Carol (Scotland County) |
| <input checked="" type="checkbox"/> - Bell, John (Wayne County) | <input checked="" type="checkbox"/> - Monroe, Stephanie (Scotland County) |
| <input type="checkbox"/> - Boyette, Rob (Wilson County) | <input checked="" type="checkbox"/> - Moore, Emily (Lenoir County) |
| <input checked="" type="checkbox"/> - Brooks, Tim (Robeson 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"/> - Hinson, Kay (Duplin County) | <input checked="" type="checkbox"/> - Shackelford, James (Greene County) |
| <input checked="" type="checkbox"/> - Jones, Jerry (Greene County) | <input checked="" type="checkbox"/> - Simmons, J. W. (Sampson County) |
| <input type="checkbox"/> - Judge, Rebecca (Duplin County) | <input checked="" type="checkbox"/> - Stephens, Jerry (Robeson County) |
| <input type="checkbox"/> - Kirby, Albert (Sampson County) | <input type="checkbox"/> - Thompson, Chris (Wilson County) |
| | <input checked="" type="checkbox"/> - White, Emery (Bladen County) |

Staff:

- | | |
|---|---|
| <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 checked="" 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:

Scott McKay, Cherry Bekaert Accounting Firm
Melissa Reese, CFAC Liaison
Carol Choate, Director of *A Caring Heart*
Jonathan Strickland, Employee of *Coastal Southeastern United Care*
Cheryl Hair, Employee of *Coastal Southeastern United Care*

Agenda Items:

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

▪ **CALL TO ORDER & INVOCATION**

The Eastpointe Board of Directors met in regular session on July 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 four were absent. Rebecca Judge, Albert Kirby, Chris Thompson and Rob Boyette had prior work related or personal commitments. Paul Russ delivered the Invocation.

ORIGINAL

▪ **INSTALLATION OF NEW BOARD MEMBERS**

Kay Hinson, Tim Brooks, and Lisa Barnes were asked to come forward and take the Oath of Office as new members of the Eastpointe Board of Directors. Connie W. Price, Notary Public of Wayne County and Board Clerk, administered the Oath of Office. Ms. Hinson works at Vidant Duplin Hospital in Kenansville as Program Director of the Psychiatric Unit, and will serve as a non-voting Board member in the Hospital Representative category per requirements of Senate Bill 191. Mr. Brooks is the CEO of Healthkeeperz in Pembroke, and was appointed by the Robeson County Board of Commissioners to fill the vacancy left by Bobbie Britt. Ms. Barnes is a County Commissioner, and was appointed by the Nash County Board of Commissioners to fill the vacancy left by Kirk Scott.

▪ **COMMUNITY INPUT**

The following comments were made:

- Emily Moore reported that Eastpointe’s Community Relations staff did a great job at a recent event held for teenagers at Lenoir Memorial Hospital. The subject of the event focused on youth involvement with gangs.
- Ken Jones read a “letter of appreciation” addressed to the Board of Directors from Eastpointe staff thanking them for approving a cost of living adjustment during the June meeting.

▪ **AMENDMENT TO AGENDA**

Chairman Simmons asked if there were any additions or changes to the Board Agenda. There being no response from other Board members, Chairman Simmons stated he would like to add “*Closed Session*” to the Agenda as Item #8.

Jerry Jones made a motion to amend the July 22nd Board Agenda to include a “*Closed Session*” at the end of the regular meeting. Emery White made a second. The motion carried.

▪ **APPROVAL OF MINUTES**

The Minutes of the June 24, 2014 Board meeting (Attachment 1) were presented for approval. No corrections were noted.

Motion was made by Paul Russ to approve the June 24th Board Minutes. Emily Moore made a second. The motion carried.

▪ **POLICY COMMITTEE**

Addie Carmon, Chair of the Policy Committee, reported that the Policy Committee did not meet during the month of July.

▪ **HUMAN RIGHTS COMMITTEE**

Rebecca Judge, Chair of the Human Rights Committee, was not present during the Board meeting. However, it was announced that the Human Rights Committee would hold its quarterly meeting on July 24, 2014 at the Mt. Olive Civic Center.

▪ **CONSUMER and FAMILY ADVISORY COMMITTEE**

Paul Russ, Chair of the Consumer and Family Advisory Committee (CFAC), announced that the committee did not meet during the month of July; however, Mr. Russ stated he plans to meet with the CFAC Chairs of Coastal Care and ECBH on July 28th. This meeting will take place in Mt. Olive at

3:00 p.m. Mr. Russ reported that CFAC elections were held during the June meeting. Mr. Russ was re-elected as the CFAC Chair, and Nancy Moore was re-elected as Vice Chair. Copies of the “*Eastpointe and CFAC Relational Agreement*” executed by the CFAC Chair and Eastpointe Board Chair on July 22, 2014 were distributed to the Board members (Handout #1).

▪ **BUSINESS OFFICE REPORTS**

- **Human Resources:** Ken Jones referenced the Human Resources Reports dated July 2014 (Attachment 5-A) which depict positions currently filled at each site, and positions currently being advertised by the MCO. There were two new hires added in July, and one resignation during June. Approximately seven 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. Emily Moore made a second. The motion carried.

- **Finance:** Emery White, Chair of the Finance Committee, asked Sarah Stroud, Chief of Business Operations, to give the Finance Report. It is noted herein that the June 24th Finance Committee Minutes were included in the Board packets for informational purposes (Attachment 5-B).

Ms. Stroud shared the following financial report:

- ❖ **Balance Sheet** – Schedule A “*Balance Sheet*” dated June 30, 2014 listed Total Assets at \$84,133,102; Total Liabilities at \$23,466,513; and Total Fund Equity at \$60,666.589 (Handout #2).
- ❖ **Total Profitability Report** - Schedule D “*Total Profitability Report*” dated June 30, 2014 shows Total Revenues including Medicaid at \$158,813,936. Total Expenses and Risk Reserves Set Aside are shown at \$154,936,675. Total Earnings for this time period are \$3,877,261 (Handout #3).

Mr. Jones pointed out that the Total Earnings are from the first 6 months of the calendar year and not from a fiscal year standpoint. The State looks at Medicaid earnings from a calendar year prospective.

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

- ❖ **Actuary Study** - During the May 27th Finance Committee meeting, the members had requested that an Actuary Study be conducted before moving excess funds in restricted money into a Trust Fund. This would secure the legacy Beacon Center monies which would be set aside. The company conducting the Actuary Study analyzed the respective liabilities for the post-retirement medical benefits available to employees and retirees from both the legacy Beacon Center and Eastpointe Local Management Entities (LMEs). The Actuary Report was received at the end of June. After being reviewed by management, the results of the study were discussed with the Finance Committee. Thereafter, the Finance Committee recommended that the legacy Beacon Center retiree funds be moved into an Irrevocable Trust which would earn interest at the rate of 2% per month.

Emery White made a motion to accept the Actuary Report and to increase the existing Irrevocable Trust to \$19,920,000 for the purpose of setting aside enough funds for the legacy Beacon Center's and Eastpointe's retirees' health insurance. James Prevatte made a second. The motion carried.

▪ **CHIEF EXECUTIVE OFFICER'S REPORT**

Ken Jones welcomed everyone to the meeting. Mr. Jones began his report by announcing that the House has passed HB 1181 (the Medicaid Modernization Act), and the Senate has offered a companion bill which could be passed within the next few days. Mr. Jones also conducted a power-point presentation which included the following information pertaining to the Medicaid Reform under Legislative consideration:

Eastpointe and NC Council Response to Senate Medicaid Report Plan

- Care and recovery has been managed in North Carolina for over 350,000 citizens while containing costs.
- The Medicaid budget for MH/DD/SA services is capitated and predictable.
- Public Managed Care reinvests savings back into N.C. communities to provide more care, not to create profits. LMEs/MCOs are using their savings to incentivize providers that demonstrate positive treatment outcomes.
- LMEs/MCOs have stayed within budget of care costs, and have saved the State over \$153 million in administrative costs.
- LMEs/MCOs are already immersed in integrating health and behavioral health care.
- LMEs/MCOs design service offerings to meet the needs of the communities they serve, and with input from the community.
- No other State in the Country has created a behavioral health public managed care system like North Carolina's.

Where is Legislation?

- To date the Senate is meeting and has a Substitute Bill to HB 1181. The intent and goal is to provide budget predictability.
- The 4th edition of HB 1181 directs a reform of the Medicaid program using provider-led and non-provider-led capitated health plans to take on all risks for managing Medicaid. A new Department of Medical Benefits would be in charge of developing a detailed plan for the transformation of the Medicaid program as well as implementing the plan.
- Concerns include: a) LMEs/MCOs are not clearly included in the plan; b) It appears that LMEs/MCOs would need to apply for non-provider-led management of Medicaid funds; and c) If LMEs/MCOs are not included, what organization will implement the State required initiatives?

Mr. Jones emphasized that the concerns are a huge issue for LMEs/MCOs. However, he feels there will be a place for MCOs in some form because there are many things the State has to be accountable for that should be assigned to an MCO. Mr. Jones pointed out it is important that we stay in touch with our legislators; and prepare over the next 6 months for the legislative long session, if this does not go through during the short session.

▪ **CLOSED SESSION**

Emery White made motion to go into Closed Session in accordance with N.C. General Statute 143-318.11(a)(1) for the purpose of discussing personnel and consolidation issues. Addie Carmon made a second. The motion carried.

Eastpointe staff and guests left the room at 4:45 p.m. (with the exception of Ken Jones, CEO; Jose Coker, Board Attorney; Sarah Stroud, Chief of Business Operations; Theresa Edmondson, Human Resources/Compliance Director; and Connie W. Price, Board Clerk).

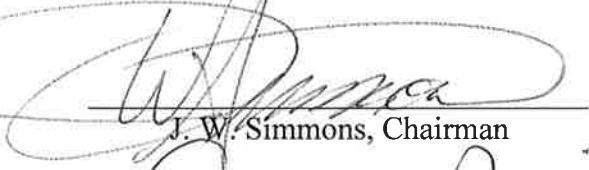
James Prevatte made a motion to come out of Closed Session. Emily Moore made a second. The motion carried. The Closed Session ended at 6:25 p.m.

▪ **NEXT MEETING and ADJOURNMENT:**

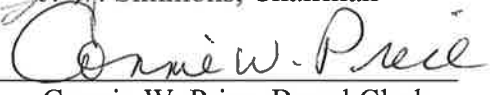
Eastpointe's next Board of Directors meeting is currently scheduled for Tuesday, August 26, 2014, and will be held in the Hennessee Conference Room at the University of Mount Olive beginning at 4:00 p.m.

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 Carol McCall to adjourn the July Board meeting. Paul Russ made a second. The motion carried. The meeting adjourned at 6:30 p.m.



J. W. Simmons, Chairman



Connie W. Price, Board Clerk



8-26-14

Date Approved



8-26-14

Date Approved