



BOARD OF DIRECTORS

Minutes

Meeting Date: August 26, 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 type="checkbox"/> - Bell, John (Wayne County) | <input type="checkbox"/> - Monroe, Stephanie (Scotland County) |
| <input checked="" 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 type="checkbox"/> - Dixon, Barry (Lenoir County) | <input checked="" type="checkbox"/> - Prevatte, James (Columbus County) |
| <input 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"/> - Shackleford, James (Greene County) |
| <input type="checkbox"/> - Jones, Jerry (Greene County) | <input checked="" type="checkbox"/> - Simmons, J. W. (Sampson County) |
| <input checked="" type="checkbox"/> - Judge, Rebecca (Duplin County) | <input checked="" type="checkbox"/> - Stephens, Jerry (Robeson County) |
| <input checked="" type="checkbox"/> - Kirby, Albert (Sampson County) | <input checked="" 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 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 type="checkbox"/> - Jose Coker, Board Attorney | <input checked="" type="checkbox"/> - Sarah Stroud, Chief of Business Operations |
| <input type="checkbox"/> - Dr. Venkata Jonnalagadda, Medical Director | <input checked="" type="checkbox"/> - Connie W. Price, Board Clerk |

Guests:

Scott McKay, Cherry Bekaert Accounting Firm
Carol Choate, Director of *A Caring Heart*

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 August 26, 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 eighteen Board members present at the meeting, and five were absent. Pearl Finch was absent due to sickness. John Bell, Barry Dixon, Stephanie McCall and Jerry Jones had prior work related or personal commitments. Paul Russ delivered the Invocation.

▪ **COMMUNITY INPUT**

The following comments were made:

- Emily Moore reported she had attended the Lenoir County Board of County Commissioners meeting on August 19th and shared thoughts about Eastpointe's possible merger/consolidation with other MCOs.
- Rob Boyette reported he had recently attended a Juvenile Crime Prevention meeting and also a School System of Care meeting, and that Eastpointe was very well represented by staff at both meetings.

▪ **AMENDMENT TO AGENDA**

Chairman Simmons asked if there were any additions or changes to the Board Agenda. There being no response, the following motion was made:

Paul Russ made a motion to accept the August 26th Board Agenda. Emery White made a second. The motion carried.

▪ **COUNTY PROCLAMATION**

Chairman Simmons informed the Board that September has been designated "***ALCOHOL and DRUG ADDICTION RECOVERY MONTH***". Eastpointe would like to recognize each disability during the year and take a month to focus on that particular disability. CEO Ken Jones read the Proclamation (Attachment 7-A) to the Board. Thereafter, Chairman Simmons asked the Board to adopt the Proclamation. 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.

Emily Moore made a motion to adopt the Proclamation recognizing September as "*ALCOHOL and DRUG ADDICTION RECOVERY MONTH*". James Shackelford made a second. The motion carried.

▪ **NOMINATING / GOVERNANCE COMMITTEE**

Carol McCall, Chair of the Nominating/Governance Committee, announced that the committee will meet via conference call in early September to discuss nominations for the Board Chair and Vice-Chair positions for the 2014-2015 year. The committee will report back to the Board at the September 23rd Board meeting.

▪ **APPROVAL OF MINUTES**

The Minutes of the July 22, 2014 Board meeting (Attachment 1) were presented for approval. Paul Russ pointed out a typographical error on Page 4 under the "Chief Executive Officer's Report". The sentence referring to "Public Managed Care" should correctly read as "...N.C. ***communities*** to provide more care...". The word "***communities***" was inadvertently typed as "***communicates***".

Motion was made by Paul Russ to approve the July 22, 2014 Board Minutes with noted correction. James Prevatte made a second. The motion carried.

▪ **POLICY COMMITTEE**

Addie Carmon, Chair of the Policy Committee, reported that the Policy Committee met on August 19th and approved the “Board Policy Committee Bylaws” (Attachment 2-A-1). However, after the committee had approved the Bylaws, they decided to make an additional change on Page 4 under the “Quorum” section. The word “*majority*” was changed to “*attendance*”.

Addie Carmon made a motion that the Board approve the word change of “majority” to “attendance” described above to the “Quorum” section of the Board Policy Committee Bylaws. Emily Moore made a second. The motion carried.

- Policy Statement *B-2.5.1 Regulatory Compliance Committee* (Attachment 2-A-2) was reviewed. The Policy Committee recommended that the words “*Ensures*” and “*Responds*” be changed to “*Ensuring*” and “*Responding*”.

James Prevatte made a motion that the Board approve the word changes of “Ensures” to “Ensuring” and “Responds” to “Responding” as described above to Policy Statement B-2.5.1 Regulatory Compliance Committee. Emily Moore made a second. The motion carried.

- The following policy was presented for retirement: *C-3.2.26 Contract Invoicing* (Attachment 2-A-3).

Addie Carmon made a motion that Policy C-3.2.26 Contract Invoicing be retired. Carol McCall made a second. The motion carried.

- The following new policies were presented for approval: *C-3.2.47 Clinical Review of Hospital Post Stabilization Medical Claims*; *C-3.2.49 New Services, Technology Review and Treatment Modality Process*; and *E-4.1.3 Behavioral Health Emergency Response* (Attachments 2-A-3 and 2-A-4).

Addie Carmon made a motion that Policies C-3.2.47 Clinical Review of Hospital Post Stabilization Medical Claims; C-3.2.49 New Services, Technology Review and Treatment Modality Process; and E-4.1.3 Behavioral Health Emergency Response be approved. Carol McCall made a second. The motion carried.

▪ **HUMAN RIGHTS COMMITTEE**

Rebecca Judge, Chair of the Human Rights Committee, announced that the Human Rights Committee (HRC) met on July 24, 2014 at the Mt. Olive Civic Center. Since the committee meets on a quarterly basis, the draft July 24th HRC Minutes will be ready for distribution at the September 23rd Board meeting. Ms. Judge stated that the committee still needs representation from Bladen, Greene and Scotland Counties, and is currently recruiting for same. The committee also discussed participating in training sessions and whether to do the trainings online or via face to face meetings.

▪ **CONSUMER and FAMILY ADVISORY COMMITTEE**

Paul Russ, Chair of the Consumer and Family Advisory Committee (CFAC), referenced the May 20th CFAC Minutes (Attachment 4). Mr. Russ reported that committee members plan to be involved with the “**211 Project**” which is a Statewide information and referral program being handled through the local United Way. The next Eastern Regional CFAC meeting is currently being planned. The “*Anonymous People*” video is being shown in all 12 counties. This video focuses on the substance

abuse impact in communities. Some of the CFAC members, along with several Eastpointe staff, will participate in the annual *Recovery Walk* scheduled for September 6th in Raleigh.

Albert Kirby made a motion to accept the CFAC Report for informational purposes. Emery White made a second. The motion carried.

▪ **BUSINESS OFFICE REPORTS**

- **Human Resources:** Ken Jones referenced the Human Resources Reports dated August 2014 (Attachments 5-A-1 and 5-A-2) which depict positions currently filled at each site, and positions currently being advertised by the Managed Care Organization (MCO). There was one new hire added in August. There were no resignations, retirements or terminations. Approximately ten open positions are being advertised (both internally and externally), or have interviews scheduled or offers pending. Mr. Jones reviewed a pie chart (Handout #1) which reflects the number of employees at each site. Eastpointe has a total of 278 employees which are located at the following sites: 55 at Beulaville, 46 at Goldsboro, 99 at Lumberton, and 78 at Rocky Mount.

Albert Kirby made a motion to approve the Human Resources Report. Paul Russ made a second. The motion carried.

- **Finance:** Emery White, Chair of the Finance Committee, referenced the July 22nd Finance Committee Minutes (Attachment 5-B-1).

Emily Moore made a motion to accept the July 22nd Finance Committee Minutes for informational purposes. Albert Kirby made a second. The motion carried.

Mr. White asked Sarah Stroud, Chief of Business Operations, to give the Finance Report. Ms. Stroud shared the following financial report:

- ❖ **Balance Sheet** – Schedule A “*Balance Sheet*” dated July 31, 2014 listed Total Assets at \$85,820,712; Total Liabilities at \$25,197,227; and Total Fund Equity at \$60,623,485 (Handout #2).
- ❖ **Total Profitability Report** - Schedule D “*Total Profitability Report*” dated July 31, 2014 shows Total Revenues including Medicaid at \$183,193,852; Total Expenses and Risk Reserves Set Aside are shown at \$178,321,782. Total Earnings for this time period are \$4,872,070 (Handout #3).

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

- ❖ **Internal Controls Remediation Report** – Ms. Stroud conducted a power-point presentation addressing internal controls implemented as a result of recommendations by Cherry Bekaert. Topics discussed included: Assessment Background; Engagement Objectives; Risk & Control Maturity Assessment; Risk Advisory Report; and Summary Finance and Compliance Recommendations.

- ❖ **CPA Questionnaire** – Board members were informed they may receive a routine annual letter from Eastpointe’s Certified Public Accountants which could include inquiries about any knowledge of fraud and abuse for the time period of July 2013 through June 2014. Ms. Stroud had contacted Carr, Riggs & Ingram regarding completion of the questionnaire prior to the Board meeting. Per that conversation, Board members can appropriately respond to the question regarding what controls have been put in place to prevent, deter, or detect the identified fraud risks by stating ***“please refer to the Eastpointe Internal Control Remediation Report presented to the Board of Directors on August 26, 2014”***.
- ❖ **Board Stipends** – Ms. Stroud circulated to all Board Members a release form provided by Eastpointe’s insurance carrier and asked Board members to sign indicating their willingness to be exempted from worker’s compensation.

▪ **CHIEF EXECUTIVE OFFICER’S REPORT**

Ken Jones welcomed everyone to the meeting, and shared the following updates:

- **Needs Assessment** – Management is currently in the process of identifying needs and gaps in services throughout Eastpointe’s twelve counties. Mr. Jones pointed out that there were more gaps for the indigent population than the Medicaid population because of limited State funds and years of funding cuts to the State budget. Mr. Jones stated that Eastpointe was expected to have a \$1.5 million over-run of the 2015 budget at the current spending rate. He reminded the Board that State funds were not an entitlement and that contracts would need to be cut early to meet the projected June 2015 budget. Mr. Jones will provide additional information and recommendations within the next few months.
- **Quarterly Report** – Mr. Jones conducted a power-point presentation of Eastpointe’s *“Quarterly Report for FY 2013-2014 for months January through June 2014”* (Handout #4). Access to Care data indicated the total number of persons requesting Mental Health, Intellectual/Developmental Disabilities and Substance Abuse Services (MH/DD/SAS) for the third quarter was 4,532 and a total of 5,091 requested services during the 4th quarter. Admissions per County for January through June reflected 3,670 admissions in the 3rd quarter, and 3,748 in the 4th quarter (with Robeson County having the highest number of admissions). There were a total of 884 Medicaid Mental Health admissions and 48 Medicaid Substance Abuse admissions to Community Psychiatric Hospitals during both quarters. Mental Health and Substance Abuse Penetration Rates by County were also discussed. Approximately 25,259 authorization requests were received during the 3rd and 4th quarters. Percentage of authorizations requested and processed within 14 days were 100% for both Integrated Payment & Reporting System (IPRS) and Medicaid recipients. The number of complaints received in the 3rd quarter were 110, and 132 during the 4th quarter with 100% of complaints were resolved with 30 days of receipt. Over 1 million Medicaid claims were received during both quarters with 98% being processed within 30 days. Approximately 163,759 IPRS claims were received and 100% were processed within 30 days.

- **EQR Review** – The contract between N.C. Department of Health and Human Services (DHHS), the Division of Medical Assistance (DMA), and the Carolina Center for Medical Excellence (CCME) stipulates that CCMC will conduct an external quality review (EQR) of Eastpointe. The review will determine the level of performance demonstrated by Eastpointe since beginning the 1915(b)(c) Medicaid Waiver Program, and to assure that contracted health care services are being delivered and are of good quality. Eastpointe’s on-site review was held in Lumberton on June 25-27, 2014. An exit conference was held at the conclusion of the review to discuss preliminary evaluation results and address areas of concern. EQR Summary Findings revealed over 70% were met, with 13% being partially met, 2% not met, and 13% not evaluated. Mr. Jones was pleased to announce that Eastpointe received notice from the DHHS Secretary’s Office that Eastpointe had been granted another 6 month certification effective August 1, 2014. Chairman Simmons, along with the Board members, congratulated the staff and management of Eastpointe on receiving the certification and outstanding EQR rating.

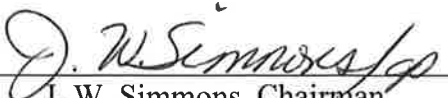
- **Southeastern Regional Medical Center** – Mr. Jones reported that Eastpointe management met with representatives from Southeastern Regional Medical Center (SRMC) to discuss past hospital rates and their request for increased rates to keep the psychiatric unit open. SRMC had requested 3 times more than Eastpointe paid in the past. We offered an increase plus supplemental funding. SRMC did not feel this amount was enough to sustain the psych unit. Dave Richard, Deputy Secretary of Behavioral Health and Developmental Disabilities Services for N.C. Department of Health and Human Services, requested another meeting between Eastpointe and SRMC. As a result of the meeting, it was agreed to keep the unit open for another 2 months to research resources and options. If the unit closes, this will be a hard hit to the surrounding communities and the local Sheriff Departments.

▪ **NEXT MEETING and ADJOURNMENT:**

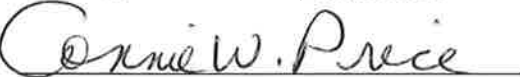
Eastpointe’s next Board of Directors meeting is currently scheduled for Tuesday, September 23, 2014, and will be held in the Hennessee Conference Room at the University of Mount Olive beginning at 4:00 p.m.

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.

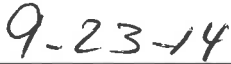
Motion was made by James Prevatte to adjourn the August Board meeting. Emery White made a second. The motion carried. The meeting adjourned at 5:55 p.m.




 J. W. Simmons, Chairman



 Connie W. Price, Board Clerk



 Date Approved



 Date Approved