



**PBH Board Meeting Minutes
January 21, 2010**

The PBH Board met on Thursday, January 21, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Bill Burgin, Sabrina Hafer Bronson, Tana Hartsell, Gene Herrell, Willi Beilfuss, Gayle Whitehead, Jack Burke, Dean Vick, Barbara Whitley, Dale Poplin, Lucy Drake, Vernon Worrell

Members Absent: Chris Bragg, Jon Barber, Lindsey Dunevant, Bob Carruth, Fred McClure, Leonard Saltzman, Parker Mills

PBH Staff Present: Dan Coughlin, Pam Shipman, Renee Snipes, Niels Eskelsen, Steve Tomlinson, Deanna Campbell, Richard Topping (PBH General Counsel), Judy Uthe

Board Attorney: Mike Taylor

1. **Call to Order:** The meeting was called to order by Betty Babb.
2. **Matters of the Public:**
 - A. **Any Citizen may address the Board:** No citizens addressed the Board.
 - B. **Response to Citizen:** Information only. No discussion.
3. **Matters of the Board – Approval of Consent Agenda:** Betty asked if anything should be removed from consent agenda. No requests were made. **Willi Beilfuss made a motion to approve the Consent Agenda; seconded by Vernon Worrell. All in favor, motion carried.**
 8. **Approval of Board Meeting Minutes of November 30, 2009:** On Page 4, item E, LGC – Bob Quick, Esquire, was referenced as Mr. Swift in a different sentence. Jack was speaking about the same person; minutes will be corrected.

Dean Vick made a motion to approve the November 30, 2009 minutes with the change noted; seconded by Lucy Drake. All in Favor. Motion carried.
4. **Matters of the Board – Consideration and Action Items** (Agenda Item #4; A. Report of the Finance Committee and B. Report of the Executive Committee were moved after other items to allow guests to present first):
 - A. **Report of the Finance Committee:**
 - i. Jack indicated there were no budget revisions prepared for the December 31, 2009 Budget Revisions.
 - ii. Statement of Revenues/Expenses for 5 months ending November 30, 2009 was reviewed. PBH has a year-to-date surplus of \$1,092,584; administrative surplus of \$683,954 and service surplus of \$408,630. The Medical Expense Ratio for Medicaid is 97.2%. The Medical Expense Ratio for State is 108.4%. Service utilization, service rates and service priority promoting best clinical practice and outcomes are being reviewed by PBH Executive Staff.

iii. Jack reviewed the Balance Sheet dated November 30, 2009. The state receivable is for two months; October and November. October's payment was received on December 7 and November's payment was received on January 7, 2010.

Assets are \$65 million, Liabilities are \$13 million and total Fund Balance is \$52 million. Purchase orders over \$25,000 were:

- Human Services Research Institute; \$250,000 for professional services and travel related expenses
- Robinson Bradshaw & Hinson; \$25,000 for Legal services.
- Nelson Mullins Riley & Scarborough; \$60,000 for Legal Services

Jack Burke and the Finance Committee made a motion to accept the financial statements as reviewed and presented in the board package; seconded by Vernon Worrell. All in Favor. Motion carried.

B. Report of the Executive Committee: Dean Vick shared discussions from the January 7 meeting. With everything going on, the recommendation was to hold a much longer Board retreat. We discussed Board representation with CFAC committee and recommended CFAC members as part of our Board. We looked at Dan's contract and the Executive Committee feels it should be in correlation with his evaluation. We looked at the Board attorney contract that will be discussed later. Ada Watson-White did a great job in evaluating the 401K plan. At the end of the Executive meeting, we met with the building contractor, Edifice, to look at what they have built, and talked about the building process, from this point on.

Discussion commenced about a change in Board membership. Board Attorney nodded his head when the legal issue was heard. The purpose of a CFAC Liaison is an opportunity to communicate. Board Attorney stated a CFAC liaison as referenced in the CFAC Board policy is accepted legally. Liaison does not call statutory questions.

C. Policy Action Items: Pam Shipman reviewed the Board policy changes.

- 1) A-06, Area Director – marketplace has changed, PBH is no longer a provider of care.
- 2) C-11, Conflict of Interest – clarification in wording and revised the conflict forms.
- 3) C-14, CFAC policy – the provision for a Board member to be designated as a member of CFAC was removed – reversed the arrangement with CFAC Liaison on the Board.

Pam asked Mike to let her know if any wording needs to be changed. Policies are for the Board's 30 day review and will be voted on at the February Board meeting. Any feedback would be submitted to Executive Committee.

D. Contractor Bid Selection: Deanna Campbell referred to the letter from Entasis, the project architects, recommending Edifice, Inc. as the building's general contractor.

Lucy Drake made a motion to approve the awarding Edifice, Inc. as the General Contractor for the construction of the new Administrative Building and for the Area Director to execute a contract with Edifice; seconded by Sabrina Hafer-Bronson. All in favor. Motion carried.

E. LGC (Local Government Commission) Announcement: Deanna Campbell informed the Board that PBH received written notification of the financing packet approval by the LGC. A copy of the Letter was in the Board Packet. Next step is awarding of the contract. Jack Burke asked for an end date. Deanna indicated it would be 14 months from project start date. An April 2011 move in date is estimated. Deanna asked the Board to save February 17 at 2:00 p.m. for the ground breaking. Jack would like to receive a rough timeline when money will be spent on the building.

- F. Area Director Contract Amendment:** Betty Babb advised it makes sense to have the Area Director's contract coincide with his evaluation date.

The Executive Committee made a motion to approve the extension of the Area Director's Contract to June 30, 2010 in correlation with the date of the Area Director's evaluation; seconded by Gene Herrell. All in favor. Motion carried.

- G. 401K Plan Study:** Richard Topping asked that this discussion be moved to the Legal Report in Closed Session.

- H. Board Retreat Planning:** Dan Coughlin stated the discussion at Executive Committee led us to identify a need for a full day retreat with a consultant that can add value and keep us on task with strategic planning. April 15 was the Board Retreat date but we can work on a consensus date. An email will be sent out with 3 dates.

Jack Burke made a motion to approve the Board Retreat plan outlined in the board packet and hold a full day retreat; seconded by Dale Poplin. All in favor. Motion carried.

- I. Legal Services Agreement:** Bill Burgin stated the Board adopted a board policy at the last board meeting regarding the Board Attorney's Legal Services Agreement.

Dean Vick made a motion to approve the Legal Services Agreement as presented in the 2010 January Board Packet, and for the Chair to negotiate and execute the Legal Services Agreement; seconded by Willi Beilfuss. All in favor. Motion carried.

Retention of a Board Attorney discussion was moved to Closed Session.

- 5. Area Director's Report:** Dan Coughlin discussed the new board member orientation that was held in December for Dale Poplin, Judge Bragg, and Dr. Saltzman. An invitation to the remaining Board members was offered; Barbara Whitley attended. For those of us that were not new to the Board, it was a refresher. Dan asked two participants to provide their reactions to the orientation.
- Dale enjoyed it very much and he feels more knowledgeable. After hearing various items at Pinehurst Conference, he felt proud to be part of the Board.
 - Barbara indicated it would be good for everyone to consider attending the Board Retreat; there is so much to know; the Board Orientation was interesting and valuable. She appreciated going and suggests all board members think about attending.

Dan mentioned the possibility of holding Board Orientations county by county if the Board is interested. Barbara added the notebooks and Carver model booklets were good. Gene suggested doing the orientation for the entire board at the beginning of the year. The Board Chair and Vice Chair will decide when and where to hold the Board Orientations.

DHHS has now officially announced taking the PBH waiver statewide; creating a lot of activity.

Judy Truitt, Director of OPC, has taken this discussion to the OPC Board. She has told them they need to partner while the window is open and partner with PBH.

A third LME has approached us for partnership. This would lead to continuous counties from South Carolina to Virginia, right up Interstate 85. Somewhere in the near future, we will have Board to Board meetings. Dan would ask Betty to consider a series of meetings.

Jack Burke asked what the reaction was from OPC's Board; response was they said to go forth and pursue the option. Five County has not gone to the Board level yet.

PBH has been involved with a two year application process for NCQA accreditation. This is a gold standard in our field – the premier. We had our final site visit and should hear about our accreditation status within the next 30 days.

We have given notice to PBH providers that we will no longer pay higher rates for one and two person placement.

Dan discussed the status of the law suit against the state. This discussion was moved to closed session.

Union County CRC opening ceremony commenced on January 14. Dan and Pam worked with the Sheriff to get this facility.

6. **Monitoring Reports:** The reports were moved to the February Board meeting.
7. **Information Only Items:** Dan Coughlin announced that Bev Morrow and Andrea Stevens, Co-Chairs to PBH's CFAC, were present at the meeting. Bev was appointed by the Governor to the State Commission for Mental Health.
8. **Operations Reports:** Information Only
 - i. **COO Report:** Pam Shipman advised we still don't have a full picture of the amendments to the PBH waiver that the State submitted.
 - ii. **Board Dashboard:** Niels Eskelsen asked if there were any questions. Willi noted his appreciation for the added explanations. The Dashboard is designed as a risk management report; look at the last column for actual performance.

An additional item, Clinical Management, was added from a recommendation by Dr. Saltzman. The volume of auths, how soon they turnover, how many are approved, how many are denied, and why they are denied are now outlined.

Dan added we are an organization trying to do two things around risk management. In an industry as a whole, when behavioral health was fledging, they managed everything (90s). We knew this from the start and we are trying to target those areas - where the outliers are and bring them back in line. On the fiscal side, we try to manage by moving money away from services that we think don't produce good outcomes; move them toward other services with better clinical outcome. We are trying to avoid quick fixes and balance between different stakeholders.

8. **Legal Issues: PBH Operations:** Richard moved his discussion to closed session due to confidentiality surrounding law suits.
9. **Legal Issues: Board Matters:** Pursuant to N.C.G.S §143-318.11(a)(3) and (6), Mike Taylor asked to go into Closed Session to discuss legal issues; Attorney matters including PBH vs. Monroe Board of Adjustments and to discuss performance of a public official; discuss 401 k plan and a variety of legal matters and legal action.

Dean Vick made a motion to go into Closed Session; seconded by Lucy Drake. All in favor. Motion carried.

Prior to beginning of closed session, all staff and guests were excused with the exception of Dan Coughlin, Pam Shipman, Richard Topping, and Judy Uthe who stayed to record closed meeting minutes. Board met in closed session.

Board returned to Open Session.

Dean Vick made a motion to approve the submission of the custom plan document to IRS for approval and move forward with a new 401K plan document; seconded by Lucy Drake. All in favor. Motion carried. Dean commended Ada Watson-White for her 401K plan study.

Willi Beilfuss made a motion to offer Mike Taylor, existing Board Attorney, the Legal Services Agreement as presented in the Board Packet and for the \$165.00 hourly rate to be reviewed in June 2010 in concert with his evaluation; seconded by Tana Hartsell. There were 11 votes to pass the motion and one vote opposed. Motion carried.

A motion to adjourn was made by Lucy Drake and seconded by Tana Hartsell. Motion carried. Meeting adjourned.



**PBH Board Meeting Minutes
February 18, 2010**

The PBH Board met on Thursday, February 18, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Jack Burke, Bob Carruth, Lindsey Dunevant, Gene Herrell, Fred McClure, Dale Poplin, Leonard Saltzman, Dean Vick, Barbara Whitley, Vernon Worrell

Members Absent: Sabrina Hafer Bronson, Bill Burgin, Chris Bragg, Jon Barber, Lucy Drake, Tana Hartsell, Parker Mills, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Renée Snipes, Niels Eskelsen, Steve Tomlinson, Ada Watson-White, Richard Topping (PBH General Counsel), Judy Uthe

Board Attorney: Mike Taylor

1. **Call to Order:** The meeting was called to order by Betty Babb.
2. **Matters of the Public:**
 - A. Any Citizen may address the Board:** Beverly Morrow, on behalf of CFAC, invited Board Members to the April 29-30 Person Centered Conference at Embassy Suites, Concord. Andrea Stevens, Co-Chair of CFAC, advised there were 350 attendees in 2009, and they are expecting many more this year. Dan Coughlin avowed that it is a great conference and recommended the Board to attend if possible. PBH is the prime sponsor; we are very grateful. There is a lot of support from the PBH Community Relations department. Betty thanked them for information and invite; consumers will enjoy it.
3. **Matters of the Board – Approval of Consent Agenda:** Betty asked if anything should be removed from consent agenda. No requests were made.
 - A. Approval of Board Meeting Minutes of January 21, 2010:**

Fred McClure made a motion to approve the January 21, 2010 Board Meeting minutes; seconded by Dean Vick. All in Favor. Motion carried.
4. **Matters of the Board – Consideration and Action Items:**
 - A. Report of the Finance Committee:**
 - i. Jack Burke reviewed Budget Revision – January 31, 2010. The Medicaid budget was revised to reflect actual payments. There continues to be an increase in Medicaid B eligibles. However, we have several unfilled Medicaid C slots creating a decrease in projected Medicaid C payments. Overall effect was in increase in Medicaid by \$1.67 million. We revised the county budget based on the opening of the Union CRC in mid-January. Originally, we anticipated the opening to take place earlier. We expect additional monthly allocations of \$23,283 per month.
 - ii. Statement of Revenues/Expenses Year to Date December 31, 2009 was reviewed. PBH has a year-to-date surplus of \$1,905,566; administrative surplus of \$877,387 and service surplus of \$1,028,179. The Medical Expense Ratio for Medicaid is 95.5%. The Medical Expense Ratio for State is 110.7%.

The monthly surplus for December \$890,397 is in line with the monthly surplus for November \$812,982.

iii. Balance Sheet dated December 31, 2009. The state receivable is for two months; November and December. November's payment was received on January 7, 2010. December's payment was received on January 21, 2010.

Assets are \$65 million, Liabilities are \$12 million and total Fund Balance is \$53 million.

The negative undesignated fund balance of \$469,031 is a result of the state owing PBH \$6.6 million (2 payments) at the end of December and our over-spending of state funds. Accounts Receivables and Prepaids are shown as Reserved Fund Balance. As receivables are realized, the Reserved Fund Balance decreases and the Undesignated Fund Balance increase.

In January 2010, the state owned PBH \$4.1 and the Undesignated Fund Balance is a positive \$2,286,681.

There were no purchase orders over \$25,000 for December 2009.

Jack Burke and the Finance Committee made a motion to accept the financial statements as reviewed and presented in the board package; seconded by Gene Herrell. All in Favor. Motion carried.

- B. Report of the Executive Committee:** Betty Babb provided the Executive Committee report.
- We discussed with Dan and Pam who would be the speaker at the Board Retreat. Dick Dougherty (from last year's retreat) was suggested; we have left it up to Dan to take care of the speakers. April 22 was the more acceptable date for the retreat.
 - Dan gave an update on meetings with the LMEs and Pam spoke about the need to begin the strategic plan.
 - The Provider Network Board Policy (B-09) was reviewed which is in the Board packet for Board review. It will be voted on at the March Board meeting.
- C. Policy Action Items:** Pam Shipman reviewed the Board policy changes. There are 3 policies up for vote:
- 1) A-06, Area Director – PBH is no longer a provider of care so the marketplace was changed. **Dean Vick made a motion to approve policy A-06, Area Director, as presented; seconded by Gene Herrell. All in favor. Motion carried.**
 - 2) C-11, Conflict of Interest – Pam stated this policy covers the Board and PBH staff. Mike Taylor advised on the issue. **Fred McClure made a motion to approve policy C-11, Conflict of Interest, as presented; seconded by Barbara Whitley. All in favor. Motion carried.**
 - 3) C-14, CFAC policy – the provision for a Board member to be designated as a member of CFAC was removed – reversed the arrangement with CFAC Liaison on the Board. **Dean Vick made a motion to approve policy C-14, CFAC, as presented; seconded by Gene Herrell. All in favor. Motion carried.**
- Pam reviewed the changes to B-09, Provider Network, Board policy. One change was provided; change dis-enroll to de-enroll. The policy was outdated; the provider relationships' verbiage was updated to reflect our closed network. This policy is for the Board's 30 day review and will be voted on at the March Board meeting. Any feedback would be submitted to the Executive Committee.
- **NCQA Accreditation of Managed Behavioral Health Organization:** This item was moved to the Area Director's Report.

4. Area Director's Report:

- Dan reported on PBH's award of NCQA Full Accreditation status
- We opened the Union Crisis Center a month ago. Last census, the center was at full capacity.
- Our preliminary discussions about the possibility of consolidation with other LMEs continue to move forward.
- State agencies and MHDDSA Division have been told to find 5 to 10 % budget cuts – state funding is continuing to decrease.
- We are implementing our IT system at 2 LMEs right now and providing STR functions for half the state.
- Dan will report on other items during closed session.

6. Monitoring Reports:

A. Community Relations and Cultural Competency Report: Steve Tomlinson reviewed the report which summarized the many duties of the department. He touched base on a few items.

- Community Relations represents Dan and Pam in the community – we state we are the designated embraceries for Dan and Pam to talk about mental health, substance abuse and developmental disability issues.
- Community Relations builds collaborative relationships. This is done in English and Spanish all over the 5 county catchment area. They serve on committees; talk about systems interfacing to handle the budget cut impacts.
- We speak about housing and system of care for children to help them as adults.
- Town hall meetings are coordinated to discuss what the system will need to do to correct itself; we bring back their concerns to the Executive leadership.
- The greatest significance is the cultural competency initiative. Consumers can come to our programs and receive services specifically designed for their culture. We have a 3 year cultural competency plan – accomplished by consumers, family, providers and PBH departments. PBH was invited to speak to all the LMEs at Pinehurst about cultural competency. We spoke at FARO. The program is viable and we are in the process of developing a new plan.
- CIT – This program started 2 years ago. We have trained over 200 law enforcement in our CIT program. Today, we had our 4th training for 911 operators – 15 operators in training. Steve was invited to speak at the NC Police Chiefs Association about CIT training. We told them about our new website and invited them to put our web link on their home page.
- Another program, MH First Aid was started last August. It is a training program to teach lay people how to intervene during a mental health crisis situation. We offer training to clergy and parish nurses to reduce the stigma within the church.
- The department is excited about the opportunities; enjoy what they are doing and hope to continue.

Dean commented about the Lunch and Learn programs; they are a great benefit to the professional community. Steve indicated there is a waiting list; there are about 50-60 participants. Bob asked about the possibility of making a DVD to be used remotely. Steve noted that is an option being explored.

Jack Burke made a motion to approve the Community Relations and Cultural Competency Report as presented; seconded by Bob Carruth. All in favor. Motion carried.

B. Consumer Affairs Report: Pam spoke about the consumer affairs report.

- We have an active consumer outreach program. They are ombudsman; help families file grievances, work around education for consumers and families to encourage them to speak for themselves.
- We have consumer affairs present at meetings and follow up to help solve problems.

Gene Herrell made a motion to approve the report as presented; seconded by Dale Poplin. All in favor. Motion carried.

C. HR Dashboard Report – 2nd Quarter: Ada Watson-White stated 2010 is the year of excellence for Human Resources.

- There are strategic plans in place for HR to recruit, provide retention training and develop health and wellness benefits.
- Ada noted turnover is higher only because we are getting smarter during the probationary period which is not a bad thing. Our data for turnover is low compared to nationally.
- Performance measurement of employees is high; we are excited about success factors in where employees are writing goals and tracking goals.

- Supervisors are being trained; we are developing multiple training programs for all levels of staff. It will cover team building and leadership development training.
- We spent a lot of time on 2 procedures – Conflict of Interest/Dual Employment and Employee Code of Conduct. Both procedures create the culture and understanding of accountability and responsibility. The next report will provide metrics and outcomes.
- In the employee focus groups, we have heard wonderful things about PBH perceived as an employer. We were asked to express gratitude for what the Executive Cabinet gives to its employees. PBH is an employer of choice.

Willi Beilfuss made a motion to approve the report as presented; seconded by Dale Poplin. All in favor. Motion carried.

7. **Information Only Items:** Betty Babb advised the planning for an all day Board retreat is in process.

8. Operations Reports: Information Only

- COO Report:** Pam advised budget reductions are still being worked on; determining how those cuts will affect services; and implementation of changes to state rates due to the \$1.5 million reduction. We have had good responses from providers that are trying to work with us.
 - We are working with DMA around service changes for next year; service utilization and impact on Medicaid funds. An analysis is being done now.
 - This year is almost over but there are a lot of activities on our list.
 - We are starting to work on planning for the new building.
 - We are dealing with what is happening with the State waiver.
- Board Dashboard:** There were discussions about expenditures of State dollars and the State dollars being reduced. Further discussion commenced during closed session.
- Legal Issues: PBH Operations:** Richard moved his discussion to closed session due to confidentiality surrounding law suits.

9. **Legal Issues: Board Matters:** Mike asked for a motion to go into closed session to consult with legal counsel, discuss 3 legal actions: Monroe, Clinton L, guardianship PBH Clerk of Rowan, and reduction of funding.

Pursuant to N.C.G.S §143-318.11(a)(3), Willi Beilfuss made a motion to go into Closed Session; seconded by Dean Vick. All in favor. Motion carried.

Prior to beginning of closed session, Fred McClure and Gene Herrell left the meeting. All staff and guests were excused with the exception of Dan Coughlin, Pam Shipman, Richard Topping, and Judy Uthe who stayed to record closed meeting minutes. Board met in closed session.

Board returned to Open Session.

A motion to adjourn was made by Dean Vick and seconded by Jack Burke. Motion carried. Meeting adjourned.



**PBH Board Meeting Minutes
March 18, 2010**

The PBH Board met on Thursday, March 18, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lucy Drake, Tana Hartsell, Fred McClure, Barbara Whitley

Members Absent: Betty Babb, Lindsey Dunevant, Chris Bragg, Jon Barber, Gene Herrell, Parker Mills, Dale Poplin, Leonard Saltzman, Dean Vick, Gayle Whitehead, Vernon Worrell

PBH Staff Present: Dan Coughlin, Pam Shipman, Renee Snipes, Niels Eskelsen, Steve Tomlinson, David Jones, Richard Topping (PBH General Counsel), Judy Uthe

Board Attorney: Mike Taylor

1. **Call to Order:** Bill Burgin noted there was not a quorum to allow actions; the Board could only listen to reports. The meeting was called to order by Bill Burgin.
2. **Matters of the Public:**
 - A. **Any Citizen may address the Board:** Andrea Stephens, CFAC Co-Chair, mentioned the April 29-30 Person Centered Conference at Embassy Suites, Concord. She extended a personal invitation to the Board. To date, there are 330 registrants from different counties; 170 overnight guests. Johnston County LME's CFAC is attending. There were no other public comments.
3. **Matters of the Board – Approval of Consent Agenda:** Bill advised no motion to approve the consent agenda or the February 18 Board Meeting minutes can be made due to the lack of a quorum.
 - A. **Approval of Board Meeting Minutes of February 18, 2010**
4. **Matters of the Board – Consideration and Action Items:**
 - A. **Report of the Finance Committee:**
 - i. Jack Burke reviewed Budget Revision – February 28, 2010. One budget revision was posted. PBH received a provider specific allocation for Daymark Recovery Services to operate Discovery Homes. This home closed 9/30/09. The state de-allocated the unspent allocation of \$268,128.
 - ii. Statement of Revenues/Expenses Year to Date January 31, 2010 was reviewed. PBH has a year-to-date surplus of \$2,596,292; administrative surplus of \$978,346 and service surplus of \$1,617,946. The Medical Expense Ratio for Medicaid is 95.5%. The Medical Expense Ratio for State is 108.4%.

The monthly surplus for January is \$690,726. The monthly surplus for December was \$812,982.
 - iii. Balance Sheet dated January 31, 2009. The state receivable is for January 2010 and partial payments for other months; January payment was received on March 8, 2010. We have been and continue working with the Controller's Office to correct previous underpayments.

PO's over \$25,000 – January 2010

The PO for Nelson Mullins Riley and Scarborough was increased to \$300,000 for legal services.

Dashboard Report – January 2010

Niels will answer questions relating to the Dashboard Report

State Funding Deficit

Niels will address the state funding deficit and the decisions made to offset the deficit.

B. Report of the Executive Committee: Bill Burgin provided the Executive Committee report.

- Board retreat is Thursday, April 22 – put on calendars.
- Strategic plan runs out this year.
- Board policy (B-09 Provider Network) was reviewed.
- NCQA accreditation status – PBH is now fully accredited

C. Policy Action Item: Bill Burgin advised the approval of Board Policy, B-09 Provider Network, would be postponed until next meeting. No quorum to vote.

D. Board Schedule of Meetings: The switching of the September 16th Board Meeting to August 19 will be voted on next meeting. No quorum to vote.

E. Area Director/CEO and Board Attorney Evaluations: A form has been developed. Executive Committee would like to do the evaluations a month early to have in place before budget. Members present were fine with conducting the evaluations a month early.

4. Area Director's Report:

- Board Retreat - April 22: We will have Steve Day, a principal in behavioral health research and consulting firm, from TAC, Inc. out of Boston. He has extensive experience with the national perspective; he has a lot of experience in North Carolina; familiarity with NC system changes over the last 10 years and he understands PBH waiver. The PBH Executive Team will attend and participate in discussions about where we should head in the future.
- Waiver Expansion: The level of activity for PBH in terms of people interested in the expansion of waiver statewide has increased. Many want to talk to us about our experience, technical assistance and partnering. We presented to the NC Council on our waiver and business models; Pam and Dan presented to the Legislative Oversight Committee last week. We have been enlisted to do the entire presentation for NC Council's Spring Policy Forum.
- Opportunities: We have positioned ourselves for a lot of opportunities.
- Handouts: Dan reviewed three handouts the State is distributing.
 - Critical Measures at a Glance: SFY 2010 2nd Quarter LME Performance report is a comparison of PBH to the rest of the State. We came out on top in 6 measures, second in others.
 - PBH Medicaid Costs (Capitation Payments) handout demonstrates PBH's Medicaid costs are significantly below Medicaid fee for service costs for the rest of the state.
 - Evaluation of PBH Performance Under a 1915 b/c Medicaid Waiver handout shows how PBH demonstrated positive performance toward the goals of DHHS for the waiver project.
- Dan advised the Board that he will be absent from the September Board meeting. He asked the Board if they wanted to meet without him. Bob Carruth mentioned swapping September with August; in the future, we would have July and September off.
- Building: There will be reports next meeting. Dan met with the arborists; they are going to save the Dan-Barbara tree and a whole bunch more.

5. Monitoring Reports:

A. Services Report: David Jones, Director of Clinical Operations, reviewed the Clinical Operations' Units performance/services report.

Clinical Operations – The PBH Clinical Design Plan and the annual PBH Utilization Management plan are the guiding documents that help us design structure and process. The Clinical design plan was started when the waiver began; it is the design of what PBH does in clinical operations. The Utilization Management (UM) plan is an annual document that guides clinical direction for that year. The Implementation of Clinical Framework picture shows the various avenues – levels of care.

PBH Care Management – Utilization Management and Utilization Review manage the care that then leads to services provided. The Care Management Unit determines whether consumers meet medical necessity for services requested. They provide technical assistance to family teams and providers; get the right level of service at the right time. Care Management Statistics for FY0809 – There were 51,043 treatment requests; 94.2% rate for timeliness within 14 days without extending request processing; and total denial rate was less than 1%. 99% were authorized.

PBH Access – This unit consists of the Call Center that maintains a toll-free 800 access line 24 hours a day, 7 days a week, 365 days a year. They provide assessments, enrollments, crisis counseling, information and referrals for services. The Unit has 20 staff; 8 licensed, 12 qualified professionals, one DD specialist for DD questions. Access also handles a hospital referral line. Access call Center performs these functions for 29 counties in North Carolina: PBH five counties; Smoky Mountain Center LME serves Alexander, Alleghany, Ashe, Avery, Caldwell, Cherokee, Clay, Graham, Haywood, Jackson, Macon, McDowell, Swain, Watauga and Wilkes counties; Sandhills LME serves Anson, Harnett, Hoke, Lee, Montgomery, Moore, Randolph and Richmond counties; Johnston LME serves Johnston county. In FY0809, PBH Access had over 32,900 calls.

Access Outreach – This unit is an extension of Access and UM departments. They are the eyes and ears for these departments – out in each county. The 14 staff is:

- 5 Clinical Licensed Counselors (CLC) that provide urgent assessments, reviews, and work with high risk teams and stakeholders.
- MH Olmstead Liaison and DD Olmstead Liaison transition consumers through services.
- Substance abuse and Jail Liaison keeps the system of care moving
- Emergency Room liaison ensures smooth processes
- Broughton liaison (located at the hospital) works on the wards with consumers referred there through discharge to our providers. Outreach has made sure we have good linkage from hospital level of care to community Level of care.
- Primary care liaison works with primary care groups in our counties.
- 2 guardian specialists.

Highlights of UM Plan - Outcome Analysis for FY0809:

- NCTOPPS – this is an outcomes tool used by providers; 90% goal was met – latest measure is 95.7%; we are working on timeliness of assessments
- Residential Supports Level III goal is to reduce or maintain from FY0607. Children are better serviced staying in local community.
- Utilization of Community based services' goal was met; better to be with families.
- State hospital utilization goals are to continue utilization reduction every year in bed days and admissions.
- Routine and emergent appointments goals were met.
- State Hospital recidivism goal has been maintained and met

7. **Information Only Items:** Dan reviewed the construction report in his Area Director's report.
8. **Operations Reports:** Information Only
 - i. **COO Report:** Pam did not prepare a report.
 - ii. **Board Dashboard:** Niels Eskelsen stated the dashboard is laid out item by item on how we are focusing on state service reductions.
 - iii. **Legal Issues: PBH Operations:** Due to no quorum, we could not move into closed session.
9. **Legal Issues: Board Matters:** Mike Taylor advised there was no opinion handed down on Tuesday. There was discussion about PBH tracking veterans;

Bill Burgin adjourned the meeting.



**PBH Board Retreat Minutes
April 22, 2010**

The PBH Board and PBH Executive Team met on Thursday, April 22, 2010, at The Club at Irish Creek, 1196 Fairway Avenue, Kannapolis, NC.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lucy Drake, Lindsey Dunevant, Tana Hartsell, Gene Herrell, Fred McClure, Dale Poplin, Dean Vick, Gayle Whitehead, Barbara Whitley

Members Absent: Jon Barber, Parker Mills, Leonard Saltzman. The Honorable Chris Bragg and Vernon Worrell resigned.

PBH Staff Present: Dan Coughlin, Pam Shipman, Deanna Campbell, Niels Eskelsen, Tammy Gilmore, Dr. Craig Hummel, Andrea Misenheimer, Beverly Morrow, Dennis Murphy, Bill Rankin, Steve Tomlinson, David Jones, Richard Topping, Bonnie Schell, Andrea Stevens, Ada Watson-White, Judy Uthe

Board Attorney: Mike Taylor

Guest/Facilitator: Steve Day, TAC, Inc.

- 1. Welcome and Introductions:** The Retreat was called to order by Betty Babb.
- 2. Focus of the Retreat Agenda:** Dan Coughlin stated the environment is shifting
 - DHHS has expanded the PBH waiver statewide; immediate effect.
 - The passage of National healthcare is an expansion of health care services to the uninsured through Medicaid.
 - Behavioral health integration into primary care and general care
 - There are opportunities – we have to be strategic in what we want to do.

Dan introduced Steve Day, the facilitator for the Retreat. The Executive Team and Board introduced themselves.

3. Healthcare Reform, National Trends and Implications for North Carolina and PBH: Steve Day provided an overview on Medicaid and Managed Care in North Carolina in the context of National Health Insurance Reform. The State is extending the PBH Waiver to the rest of the state.

What You Already know:

- Expansion of PBH waiver
- RFP to select new regions
- PBH expand
- Phase 1: There will be one or two more LME clusters or single LMEs. Phase 2: The State will select another region of LMEs. The goal is to cover whole state by end of 2013. The vision is 10-15 regional management entities.
- Medicaid benefits are decreasing
- CABHAs – additional restrictions in access and delivery of services

National Insurance Reform:

Uninsured has increased. Reform will provide insurance through Medicaid or private insurance. Beginning 2014, Medicaid will insure people with incomes at or below 133% of the federal poverty level (\$10,000 per year). Over a third of uninsured people are adults without dependent children.

Half of the uninsured adults without dependent children are at or below 50% of the federal poverty level.

Implications for PBH:

- Increase in number of covered lives
- Conversion of state IPRS to Medicaid
- 90%+ Medicaid enrollees and benefit plan
- Benefits will change – some good, some not
- Unclear – responsibility of managing benefit care

National Health Care Reform:

This is not as clear as the national insurance reform. Potential directions:

- Health/Behavioral Health integration
- Expansion of primary care/family care as opposed to specialty care models
- Expansion of federally qualified health centers with integrated service models – could enhance or compete with CCNC approach
- Attention to chronic care – care coordination models (similar to CCNCs in NC)
- "Health care home" could be on behavioral health side or on primary health side

The focus will be controlling costs; reducing long term care costs; emphasis on quality, outcomes, and best practices. Federal government becomes "prudent purchaser" as opposed to "payer of last resort". This is changing financial incentives and reimbursement mechanisms.

Implications for PBH:

PBH has the correct approach and many of the necessary tools. PBH is in a better position to take advantage of new opportunities presented by health insurance and health care reform.

- Expand territory and covered lives
- New Governance approach
- Export your technology as a business opportunity

Address these issues:

- Maintain the value of local relationships.
- Continue to negotiate rates. Capitation rates will be based on prospective, not historical.
- Make sure others are successful.

4. Business Meeting: There was not a quorum at the March 18, 2010 Board Meeting to vote on action items. Betty Babb called the business meeting to order to review and approve the March Board meeting's pending action items.

1. Matters of the Board – Approval of Consent Agenda

A. Approval of February 18, 2010 Meeting Minutes

Requested Action:

Motion: The Board of Directors approves minutes as presented in March 18, 2010 Board Packet.

Bob Carruth made a motion to approve the February 18, 2010 Board meeting minutes as presented in the March 18, 2010 Board Packet; seconded by Bill Burgin. All in favor. Motion carried.

2. Matters of the Board – Consideration and Action Items

A. Report of the Finance Committee

Requested Action:

Motion: The Board of Directors approve the Budget Revision as of February 28, 2010, the Statements of Revenues and Expenses for the Seven months ending January 31, 2010, and the Balance Sheet for January 31, 2010.

Fred McClure made a motion to approve the Budget Revision as of February 28, 2010, the Statements of Revenues and Expenses for the seven months ending January 31, 2010, and the Balance Sheet for January 31, 2010 as presented at the March 18, 2010 Board meeting; seconded by Willi Beilfuss. All in favor. Motion carried.

C. Policy Action Item

Requested Action:

Motion: The Board of Directors approve Board Policy, B-09, Provider Network, as recommended by the Executive Committee.

Lucy Drake made a motion to approve Board Policy, B-09 Provider Network, as recommended; seconded by Gene Herrell. All in favor. Motion carried.

D. Board Schedule of Meetings

Requested Action:

Motion: The Board of Directors approve the August 19, 2010 Board Meeting date as recommended by the Executive Committee.

Fred McClure made a motion to approve an August 19, 2010 Board meeting as recommended; seconded by Tana Hartsell. All in favor. Motion carried.

E. Area Director/CEO and Board Attorney

Evaluations

Requested Action:

Motion: The Board of Directors approves the evaluation date change for the CEO and the Board Attorney to the month of May as recommended by the Executive Committee.

Bill Burgin made a motion to approve the evaluation date change for the CEO and Board Attorney to the month of May as recommended; seconded by Tana Hartsell. All in favor. Motion carried.

3. Monitoring Reports

A. Services Report: Network and Clinical Performance

Requested Action:

Motion: The Board of Directors approves the Services Report as presented and provided in the March 18, 2010 Board Packet.

Bob Carruth made a motion to approve the Services Report as provided in the March 18, 2010 Board Packet and presented at the March 18, 2010 meeting; seconded by Fred McClure. All in favor. Motion carried.

Fred McClure made a motion to adjourn the Business meeting; seconded by Willi Beilfuss. All in favor. Motion carried.

During lunch, Deanna Campbell presented a slide show showing updates on the site work for the new administrative building.

5. What are the Strategic Opportunities for PBH? Dan asked the Board to take the background Steve presented and think about the opportunities coming our way. Think about the future of PBH 5 and 10 years out. North Carolina will preserve a stable functioning system that has all the attributes they want. Before PBH, there were 45-50 area programs – county mental health department; look at where we are now and look toward the future. Our ability and infrastructure makes us capable to manage any behavioral healthcare benefit:

We exist on the same governance program when there were 50 area programs. We need to add sophistication due to it being a different market place but we want local accountability and to be responsive locally.

6. Discussion, evaluation of options and development of priorities for the future: Steve led the group for discussion. He asked for their reactions of what they had heard so far.

- There are 3 strategic options:
 1. Expand through mergers by contract
 2. Consulting/training/coaching

- 3. Selling access to IT/licensing access to care coordination policies and procedures
- There is a need for a different kind of governance structure.
- Separating out core management functions from local management system functions
 - What are the functions of central organizational model (manage risk) and local model? A variety of business relationships.
- PBH create a new entity (regional management entity) and have an export function to market some of our capacities, i.e. credentialing.
- How do you actually take the next steps to make healthcare integration work for the people you serve? PBH consider integrating Primary healthcare into behavioral health system. All kinds of opportunities for integration – growing, contracting and exporting. PBH must be thriving and if thriving, there will be all kinds of things to offer; sell to the primary care and market to general health side.

7. Next Steps: Dan asked the Board what their policy mandate is to the PBH executives; what should we go forth and work on?

- Strain on existing staff if doing consultation.
- Contracting can be done from existing location.
- We need start up money; take on new business - build up capacity to give ability to do other items.
- Administrative dollars pay for today, not enough for what we do tomorrow.

The Board requested a committee consisting of Board and Staff to Review and recommend options for future growth. Make the recommendations transparent to the Board and provide concrete options; help the Board understand the impact of changes, i.e. budget increases; additional staff.

Betty Babb adjourned the Retreat.



**PBH Board Meeting Minutes
May 20, 2010**

The PBH Board met on Thursday, May 20, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Bill Burgin, Bob Carruth, Lucy Drake, Lindsey Dunevant, Fred McClure, Dale Poplin, Leonard Saltzman, Dean Vick, Gayle Whitehead, and CFAC Board Liaisons: Beverly Morrow and Andrea Stevens.

Members Absent: Sabrina Hafer Bronson, Jack Burke, Jon Barber, Tana Hartsell, Gene Herrell, Parker Mills, Barbara Whitley (An attempt at joining Jack Burke and Jon Barber into the meeting via conference call was made but unsuccessful.)

PBH Staff Present: Dan Coughlin, Pam Shipman, Niels Eskelsen, Richard Topping (PBH General Counsel), Steve Tomlinson, Renee Snipes, Judy Uthe

Board Attorney: Mike Taylor

Guest Present: Susan Manning, HR Consultant

1. **Call to Order:** The meeting was called to order by Betty Babb.
2. **Matters of the Public:**
 - A. **Any Citizen may address the Board:** No citizens addressed the Board. Betty recognized Dave Bullins in attendance that is the State Chair of NAMI and will be the President of CFAC next year.
3. **Matters of the Board – Approval of Consent Agenda:** Betty asked if anything should be removed from the Consent Agenda. No requests were made.
 - A. **Approval of Board Meeting Minutes of March 18, 2010 and Board Retreat Minutes of April 22, 2010**

Fred McClure made a motion to approve the Consent Agenda; seconded by Lucy Drake. All in favor. Motion carried.

4. **Matters of the Board – Consideration and Action Items:**
 - A. **Report of the Finance Committee:** Jack Burke was in Texas attending a family graduation. Jack and Renee Snipes met prior to his departure. Jack provided notes for the committee report which were reviewed by Dale Poplin, only Finance Committee member present for Board Meeting. Dale asked Renee to report to the Board and Dale will follow with a motion.
 - i. A Revised April 30, 2010 Budget Revision was provided. There was an increase of \$1.6 million in b & c Waiver payments. Medicaid eligibles increased.
 - ii. Statement of Revenues/Expenses for the nine months ending March 31, 2010 was reviewed. We anticipate a surplus through the end of this fiscal year. This is due to a combination of revenue increases (in Medicaid) and a continued reduction of expenses. The Medical Expense Ratio for Medicaid is 93.8%; it is below our target range of 95-97%.. The Medical Expense Ratio for State is 106.6%.

Due to the State's requirement that PBH use \$500,000 of its fund balance for services, our Medicaid Expense Ratio for the State is set at 102%.

iii. Balance Sheet dated March 31, 2010. For cash accounts, we moved \$26.4million from the North Carolina Management Trust (NCMT) account (where we earned 0.07%) to Wachovia at .50% or about \$113k on an annual basis. Currently the Federal Reserve is paying higher rates to commercial banks since they make loans. NCMT expects their interest rates to increase over time. We also moved our Risk Reserve of \$15.75 million from Wachovia to Cabarrus Bank at 0.7% for 12 months. Cabarrus Bank gave us our building loan.

The State's accounts receivable at March 31 was for February; March was paid in April; and the State's April payment was received in May. Our fund balance as of March 31, 2010 was \$55 million.

PO's over \$25,000 – March 2010

The PO for Nelson Mullins Riley and Scarborough was discussed,

Construction Change Orders

The major change order was for purchasing a generator for \$124k, which we had originally planned to lease. We found that purchasing was cheaper than leasing.

Dale Poplin made a motion to approve the Budget Revision as of April 30, 2010, the Statements of Revenues and Expenses for the nine months ending March 31, 2010, and the Balance Sheet for March 31, 2010; seconded by Bill Burgin. Discussion about fund balance explanation - risk reserve is Medicaid portion; unreserved is for state portion. All in favor. Motion carried.

B. Report of the Executive Committee: Betty Babb reviewed past Executive Committee activities.

- Bill Burgin reported on the Building site's unsuitable soil conditions and springs found that have increased costs.
- A special inspector has been hired to ensure building processes are up to code.
- The estimated 300 year old tree has been saved.
- As the building site progresses, the plan is to bring the Board over for a preview.

C. FY10/11 Proposed Budget: Niels Eskelsen reviewed the financial portion of the proposed budget.

- The Service Revenue is the same total as last year, \$139,800,412. There was no change in capitation rates for next year but we are anticipating minor changes. There are no significant changes in state funds so far.
- Services Expense for Inpatient services and residential services is the same.
- ICF MR services are down slightly because we have been able to take Medicaid money from ICF MR deinstitutionalize program.
- Community Services down 5% because of the elimination of Community Support services.
- When the Community Support services decrease, we estimated an increase in outpatient services.
- We have increased Innovations services – expanded by 40 slots; total 670 slots. C waiver budget increased for this number of slots.
- Administrative services have increased from last year due to function of revenue and to accommodate projected increase in legal and legal support fees around the resource allocation model for DD (resources allocation plan is going to be used to align better need with cost). C waiver revenue is the Innovations waiver expenditures
- Budgeted service revenue is same as total services expense.
- State funds are declining as referenced in the Budgeted Revenues by Source Summary.
- Budgeted Revenues by Source Detail shows Medicaid B is 52%, Medicaid C is 23%.
- In the Budgeted Expenditures by Function sheet, we pay 87% to consumer services and the remainder in services management, care management, and LME operations/management.
- Budgeted Consumer Services Detail is a breakout of the service dollar allocation by service categories.

The differences between the waivers were explained.

Pam Shipman reviewed the programmatic side of the proposed budget. State service funds budgeted:

- State service funds are limited but demand has increased. We were able to move funds to increase Substance Abuse treatment services and increase penetration.
- We set aside \$100,000 for Utilization Management Department to use for emergency situations, high risk consumers, and deductible coverage.
- Increases to services for mental health consumers with severe disabilities were made so they may attend the Psycho Social Rehabilitation club houses
- We added TBI (traumatic brain injury) funding.
- A supported employment program for adults with severe mental illness (can't pay with Medicaid funding) was started.
- Maintained our funding for group homes. We redirected federal funding into the programs, which gives more capacity.
- We have leveraged state and federal funds for next year.

Medicaid service funds budgeted:

- We did careful projections person by person with community support services going away. David Jones, Director of Clinical Operations, determined levels of care to get exact projections.
- State made changes in how we enroll consumers off waiting list to Innovation services. It will now be first come, first serve basis. We have budgeted additional funds for ICF MR - high need individuals.

Administrative budget:

- We have moved staff around in between departments.
- Only new position projected is the facility manager. We are currently recruiting. This will be a high level person (national certification for facility manager) for this building (smart systems, safety, security monitoring).
- We are assessing clerical support. We will be making decisions in regards to the number needed, i.e. one front desk versus 3 front desks, efficiencies and equipment.
- Call center and Information System revenues offset our expenses. We are in implementation phases.
- We have set aside funding for a performance based contingent compensation plan – in lieu of cost of living. We will base bonuses or increases on person's performance; not a guarantee. This plan will be brought to the June Board meeting; we have parked money. The plan will consider agency wide goals achieved by measurable goals (part of the package). Payment of bonus is contingent upon goal being reached; definable goals that the Board would be involved in setting.

D. Area Director/CEO and Board Attorney Evaluation: This was moved to closed session.

E. Board Officers Nominating Committee: Betty announced that Willi Beilfuss is the Nominating Committee's Chair. Willi stated Gayle Whitehead and Dale Poplin will join him. The committee will announce the members to be elected at the June Board meeting.

5. Area Director's Report:

- Dan advised work has begun on follow up from retreat; what lies ahead in opportunities. Some Executive level committees have been developed. They are analyzing how we would approach the opportunities, what resources, end outcome, operating models and PBH benefit. We have taken due diligence on the charge from the Board.
- We are still moving forward with OPC and Five County.
- Dan spoke with Smoky LME. They are pushing PBH to help them become waiver ready.
- Dan is looking at a 3rd party to deliver our intellectual property.
- In regards to Dan's memo about ARC, ICF providers and Arc of NC do not want to see the waiver expanded. Question was how the Board members answer the legislators. Dan is working with the leadership of Legislative Oversight Committee (LOC) and others to educate the LOC. Dan recommended Board members refer legislators to Verla Insko and Martin Nesbitt. Working with the State Association of County Commissioners as a voice was suggested. Dan to act on this with Fred.
- NC Council asked Mark Botts (institute of Government) about counties being at risk for capitated LMEs He said counties are not at risk. He was also asked if counties are accountable to provide

mental health, developmental disabilities, and substance abuse services. His opinion, in practical legal terms, is no, not a mandate. Only remaining mandate is money.

- ARC of NC letter addressed to the PBH Board was questioned. Dan will provide a bulleted list for Board to answer legislators' questions.
- Leza is retiring from Division Director position at DHHS; John Tote was announced as her replacement but has been withdrawn because of his agency's tax issue; and Allen Feezor is moving to a new position.

6. Monitoring Reports:

A. Human Resources Dashboard Report: Pam Shipman presented the 3rd Quarter report.

- Biggest highlight is the performance management system for staff evaluations. Staff is processing evaluations in the system.
- HR Department is holding small focus groups with staff to talk about missions, values, and customer service. Staff gets to ask questions of Pam.
- Statistical questions were answered

7. Information Only Items: Betty thanked Beverly Morrow and Andrea Stevens for doing a super job at the PCP conference. Final attendance was 370. Betty thanked them for the invite and appreciated the time they put forth planning. The clients enjoyed spending the night at the hotel; the conference was educational and fun.

8. Operations Reports: Information Only

- COO Report:** Pam pointed out there was a revised Myths & Facts about PBH's operation of the NC Innovations Waiver - document provided. We have sent this document across the state to inform how the waiver works. Pam asked if there were any questions about her report. No questions presented.
- Board Dashboard:** Niels Eskelsen asked if there were any questions. We are working on increasing Medicaid penetration. He referenced the Penetration Rate graph showing that Medicaid has not been decreasing as dramatically as the State; ours has leveled out due to Community Support. The Capitation rate could be affected. Pam referenced the graph on Page 90 which shows bending the cost curve by managed care versus the State.
- Legal Issues: PBH Operations:** Richard Topping presented a Resolution authorizing financing of the building to a mortgage for Board approval. This would close the loan and mortgage the building and property. Mike noted this is not under his advisement to the Board. Bob Quick, LGC counsel, has reviewed the resolution.

Bob Carruth made a motion to approve the resolution authorizing the execution and delivery of an installment financing agreement, a deed of trust, and related documents in connection with the financing of the acquisition, construction and equipping of a new office and administration building; seconded by Willi Beilfuss. All in favor. Motion carried.

Richard asked for the Board to go into Closed Session to discuss Clinton L, Cansler and Coughlin.

9. Legal Issues: Board Matters: Mike Taylor added he would like to discuss PBH vs. Monroe in Closed Session.

Pursuant to N.C.G.S §143-318.11(a)(3), Fred McClure made a motion to go into Closed Session to discuss the following cases: PBH v. Monroe, and the Clinton L., Cansler, and Coughlin litigation; seconded by Willi Beilfuss. All in favor. Motion carried.

Prior to beginning of closed session, Betty Babb excused CFAC liaisons, visitors, Susan Manning and PBH staff with the exception of Dan Coughlin, Pam Shipman, Richard Topping and Judy Uthe who stayed to record closed session minutes. Board met in closed session.

Board returned to open session.

Bill Burgin made a motion to accept the Board Attorney's overall evaluation rated as "meets expectations" and that the retainer be maintained at the current level with any hours over 10 hours per month compensated at \$180 per hour; seconded by Fred McClure. There were 9 votes to pass the motion and two votes opposed. Motion carried.

Pursuant to N.C.G.S. §143-318(a)(6), Bill Burgin made a motion to go back into Closed Session to discuss personnel matters; seconded by Fred McClure. All in favor. Motion carried.

Board returned to open session.

Bill Burgin made a motion to accept the CEO's performance and overall evaluation rated as "greatly exceeds expectations" and that Dan's base salary be increased from \$170,300 to \$177,000 with a \$5000 bonus for a total compensation increase of 6.8%. There were 10 votes to pass the motion and one vote opposed. Motion carried.

Dan's benefit package and contract language were discussed.

Fred McClure made a motion to accept the amount being paid by PBH into Dan's Health Savings Account be paid into his 457 Plan and that 1% of the contribution currently being made to Dan's 401k account be transferred to his 457 Plan in order to maintain Dan's overall benefit package at the current level.

Dan's contract clause of six months compensation paid if Dan should be fired by the Board of Directors will be removed in conjunction with General Statutes and non business practice made available to other staff. Motion seconded by Willi Beilfuss. All in favor. Motion carried.

Bob Carruth made a motion to approve the recommendation made by Dan Coughlin to award a \$1,500.00 bonus across-the-board to PBH staff based on the past two years of excellent organizational performance, \$750 for 2008-2009 and 2009-2010 respectively; seconded by Fred McClure. There were 8 votes for the motion and three votes opposed. Motion carried.

Lucy Drake made a motion to adjourn the meeting; seconded by Willi Beilfuss. All in favor. Motion carried.



**PBH Board Meeting Minutes
June 28, 2010**

The PBH Board met on Monday, June 28, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lucy Drake, Gene Herrell, Fred McClure, Dale Poplin, Leonard Saltzman, Dean Vick, Barbara Whitley, and CFAC Board Liaison: Beverly Morrow.

Members Absent: Jon Barber, Lindsey Dunevant, Tana Hartsell, Parker Mills, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Niels Eskelsen, Richard Topping (PBH General Counsel), Deanna Campbell, Renee Snipes, Judy Uthe

Board Attorney: Mike Taylor

1. **Call to Order:** Betty Babb asked Bill Burgin to chair the meeting. The meeting was called to order by Bill Burgin.

2. **Matters of the Public:**

A. Any Citizen may address the Board: No citizens addressed the Board.

3. **Matters of the Board – Approval of Consent Agenda:** Bill asked if anything should be removed from the Consent Agenda. No requests were made.

A. Approval of Board Meeting Minutes of May 20, 2010

Bob Carruth made a motion to approve the Consent Agenda; seconded by Dean Vick. All in favor. Motion carried.

4. **Matters of the Board – Consideration and Action Items:**

A. Report of the Finance Committee:

i. May 31, 2010 Budget Revision was reviewed. Interest income was reduced based on actual.

ii. Statement of Revenues/Expenses for the ten Months ending April 30, 2010 was reviewed. PBH has a year-to-date surplus of \$4,938,048; administrative surplus of \$1,830,649 and service surplus of \$3,107,399. The Medical Expense Ratio for Medicaid is 94.8%. The Medical Expense Ratio for State is 107.0%.

The monthly surplus for April is \$396,477 as compared to \$1,658,589 for March. March expenses were below year to date averages.

iii. Balance Sheet dated April 30, 2010. The state receivable is \$3.2m. We received April payment in May! Assets are \$65 million, Liabilities are \$10 million and total Fund Balance is \$55 million. NOTE: Undesignated fund balance is now positive.

PO's over \$25,000 – May 2010 Human Services Research Institute

Dahsboard Report – April 30, 2010 Niels will answer questions relating to the Dashboard report.

Funds Transfer Transferred \$1 million to North Carolina Management Trust from Wachovia.

Building Project A summary of the building expenses will be discussed.

The Finance Committee made a motion to approve the Budget Revision as of April 30, 2010, the Statements of Revenues and Expenses for the nine months ending March 31, 2010, and the Balance Sheet for March 31, 2010. All in favor. Motion carried.

B. Public Hearing FY10/11 Budget: Bill Burgin opened the public hearing for the Budget Ordinance. No one from the public presented to the Board. Bill closed the public hearing.

C. Approval of the FY10/11 Budget: Bill asked for a motion to approve the budget.

Bob Carruth made a motion to approve the Budget Ordinance for Fiscal Year 2010/2011; seconded by Jack Burke. All in favor. Motion carried.

D. Proposed Incentive Pay Program FY 10/11: Pam Shipman reviewed the program related to performance of agency wide goals; measurable goals that can be documented and tracked in the Success Factors software currently in use. Individual and department goals will be incorporated into the program in future years. Discussion commenced about various incentive pay programs. Fred McClure will ask Davidson County Manager to present on their Performance Based Budget Incentive Program

Jack made a motion to approve the Incentive Pay Program FY 10/11 as presented and recommended by the Executive Board Committee; seconded by Gene Herrell. All in favor. Motion carried.

E. Report of the Executive Board Committee: Bill advised the committee reviewed the administrative building status; heard Area Director's update; announced nominating committee members; considered staff compensation and dealt with Dan's evaluation in closed session.

F. Election of Board Officers: Willi Beifuss announced that the Nominating Committee consisting of himself, Gayle Whitehead and Dale Poplin. They nominated Bill Burgin as Chair and Dean Vick as Vice-Chair of the PBH Board of Directors for Fiscal Year 2010/2011. Bill asked if there were nominations from the floor. None were given.

Bob Carruth made a motion to elect Bill Burgin as Chair and Dean Vick as Vice-Chair; seconded by Fred McClure. All in favor. Motion approved.

G. Proposed Board Work Plan for FY 10/11: Gene Herrell made a motion to approve the Board Work Plan as presented and recommended by the Executive Board committee. Discussion commenced about cutting back on some of the reports to reduce the Board meeting time; suggested to include them under the Consent Agenda. The Incentive Pay Program will be added as an agenda item. **Lucy Drake seconded the motion with the additional agenda item. All in favor. Motion carried.**

H. Board-business Opportunities: This item is a follow up from the Board retreat – strategic plan is expired. There is a need to define parameters and develop a parallel path to the future. The board requested a staff/board committee to define the strategic plan. Discussion commenced about legislative language and planning. We still need to explore options and evaluate them to direct staff. We want to be prepared. Mike Taylor stated these are an excellent summary of the options – a good road map. Bill Burgin asked for those Board members interested in volunteering to serve on the committee to email him.

I. Selection of IT vendor for Data Center: Deanna Campbell provided details on the four vendors that were interviewed by the PBH IT Department for the new building's data center. The data center expenses were not rolled into the general contractor bid. General Statute 143-129(e)(3) allows bidding exceptions. The vendor, iConnect, has the expertise to complete all of the data center needs. Deanna requested the Board approve moving forward with negotiation of a sole source contract with iConnect. The actual Contract will come back for Board approval.

Bob Carruth made a motion to approve negotiations with iConnect, Inc. for a sole source contract to complete the technology work in the Data Center at the Kannapolis Parkway

administrative building as allowed in G.S. 153-29(e)(3); seconded by Jack Burke. All in favor. Motion carried.

5. Area Director's Report:

A. Legislative Update: Dan reported on the legislature language attached to the budget bill regarding the waiver.

B. CEO Goals for FY10/11: PBH will be involved with waiver expansion.

6. Monitoring Reports:

A. Corporate Compliance Report: Richard Topping indicated this was information only.

7. Information Only Items: Deanna Campbell provided a slideshow of the new administrative building's progress to date.

8. Operations Reports: Information Only

i. **COO Report:** Pam Shipman indicated next year's planning is in process. The goals will be put into Success Factors that will be able to provide more linear and graphic reports instead of written.

ii. **Board Dashboard:** Niels Eskelsen asked if there were any questions. None presented.

iii. **Legal Issues: PBH Operations:** Richard Topping had nothing to report.

9. Legal Issues: Board Matters: Mike Taylor advised he conferred with opposing counsel for the Monroe case to make sure he understands no further evidence can be given to the Board of Adjustments. July 22 is the meeting; brief argument will be given by Mike. They will make a decision then.

Fred McClure made a motion to adjourn the meeting; seconded by Willi Beilfuss. All in favor. Motion carried.



**PBH Board Meeting Minutes
August 19, 2010**

The PBH Board met on Thursday, August 19, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lindsey Dunevant, Fred McClure, Dale Poplin, Leonard Saltzman, Dean Vick, Barbara Whitley, and CFAC Board Liaisons: Melanie Frick and David Bullins.

Members Absent: Jon Barber, Lucy Drake, Tana Hartsell, Gene Herrell, Parker Mills, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Niels Eskelsen, Richard Topping (PBH General Counsel), Renee Snipes, Steve Tomlinson, Ada Watson-White, Chuck Hill, Judy Uthe

Board Attorney: Mike Taylor

1. Call to Order: The meeting was called to order by Bill Burgin.

2. Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board.

3. Matters of the Board – Approval of Consent Agenda: Bill asked if anything should be removed from the Consent Agenda. No requests were made.

A. Approval of June 28, 2010 Meeting Minutes

B. Client Rights Committee Annual Report

C. Provider Satisfaction Survey

D. Plan of Work

E. Board Dashboard

Fred McClure made a motion to approve the Consent Agenda; seconded by Willi Beilfuss. All in favor. Motion carried.

4. Matters of the Board – Consideration and Action Items:

A. Report of the Finance Committee:

i. June 30, 2010 Budget Revision was reviewed. At the end of fiscal year 08/09, the Board designated \$11,650,000 as Capital Reserve. During fiscal year 09/10, \$3.4 million was spent on the new LME building. Also, \$1 million was spent on the Union CRC. Therefore, \$4.4 million was transferred from the Capital Reserve and budgeted as fund balance to cover these capital expenditures.

ii. Statement of Revenues/Expenses for the eleven months ending May 31, 2010 was reviewed. PBH has a year-to-date surplus of \$3,779,000; administrative surplus was reduced for Union CRC Building Expense of \$933,986, which was covered by Capital Reserve leaving administrative surplus of \$131,025. Service surplus is \$3,647,975. The Medical Expense Ratio for Medicaid is 94.2%. The Medical Expense Ratio for State is 108.4%.

iii. Balance Sheet dated May 31, 2010. At the end of May, the state receivable was \$3.2 million. May payment has been received. Assets are \$66.5 million, Liabilities are \$10.6 million and total Fund Balance is \$55.9 million.

PO's over \$25,000 – None

Auditors - The auditors are on site at PBH; they are not finding any areas of concern.

Building Project – Jack met with Deanna Campbell regarding the building expenses. The building is on schedule for both time and budget. There was \$100,000 in changes due to soil issues.

PBH Financial Board Policies – Jack asked for the board policies to be tabled until the October 2010 Board Meeting. The Finance Committee would like more time to review them and fine tune some of the language. There is a possibility a purchases policy will be created.

The Finance Committee made a motion and seconded approval of the Budget Revision as of June 30, 2010, the Statements of Revenues and Expenses for the eleven months ending May 31, 2010, and the Balance Sheet for May 31, 2010 as reviewed and presented in the board packet. All in favor. Motion carried.

- B. Report of the Executive Board Committee:** Dean Vick stated the building steel is erected and we are out of the ground issues. Dan provided a report on what he and Pam have been working on regarding PBH expansion restrictions. Dan's contract and benefits related to state law was reviewed. The performance pay concept was presented and discussed.
- C. Report of the Board-Business Subcommittee:** Pam Shipman reported the first subcommittee meeting was held; they discussed legislation outcomes. We need to rethink about future and immediate business options. The subcommittee will regroup and bring revised business options to the October Board meeting.
- D. Personnel-Employee Benefits 2011:** Ada Watson White, Director of Human Resources, provided an update on employee benefits for 2011. Due to Healthcare Reform, one impact is that we do not have any renewal rates for PBH to share with the Board. Blue Cross Blue Shield rewrote their plans and submitted them to the State for approval; we expect to receive rates in September which is ample time to meet enrollment period PBH is making a recommendation to continue using past percentages with PBH paying 85% of the premium for employees and 50% of the premium for dependents. In absence of formalized pay, benefits are an affordable way to retain skilled employees. The Board raised questions about deductibles, an HRA plan, and getting quotes from various vendors.

Dan advised a second LME waiver was approved this week and there are now two LMEs out there now looking for people with waiver experience. They are actively recruiting PBH staff. He asked the Board to let PBH operate the administrative budget with leeway to keep staff at PBH.

Jack Burke made a motion to approve the 2011 Employee Benefits plan included in the Board packet and as presented by the Director of Human Resources; seconded by Willi Beilfuss. More information on the health plan will be provided at a later time. All in favor. Motion carried.

- E. Policy Consideration Items:** The financial board policies were revised with the help of the PBH Finance Department. Renee Snipes stated there was duplicate wording amongst policies. Policy A.07.1, Area Program Fiscal Stability, was condensed into A.07 policy, Limitations for Financial Conditions and Activity. Policies below were tabled for more extensive review by the Board Finance Committee.
- i. A-03, Financial Planning and Budgeting
 - ii. A-04, Asset Protection
 - iii. A-07, Limitations for Financial Conditions and Activity
 - iv. A-07.1, Area Program Fiscal Stability
 - v. A-09, Substance Abuse Block Grant Funds

- vi. A-10, Fiscal Management
- vii. A-11, Employee Travel Reimbursement
- viii. A-12, Fund Management
- ix. A-15, Fees

Richard Topping updated B-07, HIPAA Compliance Policy and recommended archiving B-08, HIPAA-State Security policy which was in effect pre-HIPAA; does not apply any longer.

The Board will consider B-07 and B-08 Board policies and submit recommendations to the Board Chair. Approval of these policies will be at the October Board meeting.

Bill Burgin introduced Melanie Frick and David Bullins; Chair and Vice Chair of PBH CFAC respectively.

5. Area Director's Report:

- A. Legislative Update:** We must position ourselves before national healthcare reform sets in 2014. Board members suggested PBH utilize the legislative goal process; Dan will speak with the commissioners when the time is right.

We have a new assistant secretary of MH/DD/SAS development, Beth Melcher. She is a clinical psychologist with progressive thinking in the field. Also, Steve Jordan is the new Director, Division of MH/DD/SAS. He is out of the private public sector – State Director of ResCare-North Carolina, a DD provider.

6. Monitoring Reports:

- A. Quality Improvement Plan:** Dr. Craig Hummel provided a brief summary of the 2010-2011 CQI program description and annual plan. The biggest change is the CQI Committee has moved up into the management part of the organization. NCQA requested influence and power to make changes so Matrix Team – managers from various departments – is the CQI Committee. This moves the process closer to Executive Cabinet and the Board. Craig and Bill Rankin (Director of Quality Management) manage the program together. The program will continue with department goals and a performance improvement projects (new addition) will create improvement plans with measurements. Dan interjected that this is a meaningful process - quality improvements that are better for the system, PBH and consumers.

Jack Burke made a motion to approve the Quality Improvement Work Plan for 2010/2011 and the 2010/2011 PBH Program Description as included in the Board Packet and presented by PBH's Medical Director; seconded by Dean Vick. All in favor. Motion carried.

- B. Network Capacity Study:** Steve Tomlinson stated the Network Council, comprised of network providers and PBH staff, had their strategic retreat – theme was building strong collaborative relationships with network of providers. Our provider satisfaction survey rated us at the highest level we have ever been rated. Steve introduced Chuck Hill, Data Manager for Network Operations. Chuck summarized the Network Capacity Study. The Study utilized 2009 Calendar Year data and included an analysis of PBH population characteristics by:

- Age
- Gender
- Race
- Prevalence of Mental Illness, Developmental Disabilities, and Substance Abuse
- Medicaid Eligibility
- Number of Uninsured

New to the 2010 study was the comparison of 2009 Calendar Year data to both 2008 and 2005 Calendar Year data, including:

- Racial and ethnic demographics for Cabarrus, Davidson, Rowan, Stanly, and Union County.
- Percent of Target Served
- Percent of Estimated Prevalence Served

Dan asked the Board to look at the full report in the Board Packet

7. Information Only Items: No items were presented.

8. Operations Reports: Information Only

- i. **COO Report:** Pam Shipman pointed out more items were included in the Consent Agenda and we added a one page summary of the monitoring reports. She asked the Board if this was manageable or if an appendix at the back of the packet would be more helpful. The Board felt the reports were manageable as presented. If there are any other suggestions, she asked the Board to share them.

Topics of discussion:

- Financial crisis later this year – federal match not as much as needed.
- Contingency plans reduced provider rates by 1.35%.
- Working on next July's budget – concerned about Medicaid money for existing persons.
- Provision of CCNC to take managed care by July 2012.
- State is getting ready for 2014 plan on LMEs implementing waivers.. Western Highlands (Asheville area) did not pass information systems evaluation. A new IT system implementation could take 12-18 months.
- Mental health does have big impact on healthcare; 50% served by Medicaid have behavioral issues.
- Medicaid rates for providers are high; PBH will be able to manage it.

Pam hopes to have a better picture of our impact by next Board meeting.

- ii. **Legal Issues: PBH Operations:** Richard Topping had nothing to report.

9. Legal Issues: Board Matters:

Pursuant to N.C.G.S §143-318.11(a)(3) and N.C.G.S. §143-318(a)(6), Bob Carruth made a motion to move into Closed Session to discuss the PBH v. Monroe case and personnel issues; seconded by Lindsey Dunevant. All in favor. Motion carried.

Prior to beginning of closed session, all staff and guests were excused with the exception of Dan Coughlin, Pam Shipman, Richard Topping, and Judy Uthe who stayed to record closed meeting minutes. Board met in closed session.

Board returned to Open Session.

Bob Carruth made a motion to adjourn the meeting; seconded by Sabrina Bronson. All in favor. Motion carried.



**PBH Board Meeting Minutes
November 18, 2010**

The PBH Board met on Thursday, November 18, 2010, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lindsey Dunevant, Tana Hartsell, Gene Herrell, Fred McClure, Dale Poplin, Leonard Saltzman, Dean Vick, Barbara Whitley, and CFAC Board Liaison Melanie Frick.

Members Absent: Jon Barber, Lucy Drake, Parker Mills, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping (PBH General Counsel), Renee Snipes, Steve Tomlinson, Deanna Campbell, Bill Rankin, Judy Uthe

Board Attorney: Mike Taylor

Guests: Cline Comer and Wayne Terry, LarsonAllen, LLP - auditors

1. Call to Order: The meeting was called to order by Bill Burgin. The report of the Business Subcommittee was tabled until January due to a full agenda. Senator Hartsell was present.

2. Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board.

3. Matters of the Board – Approval of Consent Agenda: Bill asked if anything should be removed from the Consent Agenda. No requests were made.

- A. Approval of August 19, 2010 Meeting Minutes
- B. Consumer Family Advisory Committee Annual Report
- C. Corporate Compliance Plan FY1011
- D. Board Dashboard
- E. Plan of Work FY1011
- F. HR Dashboard Report – FY0910 Annual and FY1011 1st Quarter

Betty Babb made a motion to approve the Consent Agenda; seconded by Tana Hartsell. All in favor. Motion carried.

4. Matters of the Board – Consideration and Action Items:

A. Report of the Finance Committee:

i. July 31, 2010 through October 31, 2010 Budget Revisions were reviewed.

| | |
|--|-----------------------------------|
| July: Reclassed Medicaid B to Medicaid B3 | \$430,097 (service and admin) |
| Reduced Medicaid C to equal # of approved slots | \$213,564 (service and admin) |
| Increased State funds for governor’s reinstatement | \$1.4 million (service and admin) |
| Budgeted Fund Balance for new LME building | \$7.2 million |

August:

| | |
|-------------------------|---------|
| Combined with September | \$5,210 |
|-------------------------|---------|

September:

| | |
|---|------------------------------|
| Increased State Funds–Traumatic Brain Injury funding | \$74,133 (service and admin) |
| Allocated \$1.2m State funds to specific services that were previously unallocated (July) | |

October:

- Adjusted Medicaid B&C to actual annualized receipts
- Adjusted Service Expense based on actual annualized expenses
- Increase Interest based on actual annualized receipts
- Reclassified Care Coordination Department's vehicle and property insurance to Admin

ii. Statement of Revenues/Expenses YTD September 30, 2010 was reviewed. PBH has a year-to-date surplus of \$2,934,227; administrative deficit was \$678,475) after expensing \$1,311,654 of LME building expense. Service surplus was \$3,612,701. The Medical Expense Ratio for Medicaid is 88.2%. The Medical Expense Ratio for State is 95.1%.

iii. Balance Sheet dated September 30, 2010. Assets are \$71.8 million, Liabilities are \$10.7 million and total Fund Balance is \$61.1 million.

PO's over \$25,000 –

The Finance Committee reviewed 12 purchase orders that exceeded \$25,000 and reported the information to the Board.

Building Project – A summary of the building expenses were discussed. The building is slightly ahead of budget (dollar wise on target) and is on schedule. An April possession is expected instead of May.

PBH Financial Board Policies – Under review this evening. Two more policies are pending review.

The Finance Committee made a motion and seconded approval of the Budget Revisions from July 31, 2010 through October 31, 2010, the Statements of Revenues and Expenses Year-to-date ending September 30, 2010, and the Balance Sheet for September 30, 2010 as reviewed and presented in the board packet. All in favor. Motion carried.

B. Report of the Executive Board Committee: Bill Burgin reported on the Executive Board Committee. The progress of the administrative building; Board policies and next legislative session were discussed.

C. Report of the Board-Business Subcommittee: Tabled until January 2011 meeting.

D. PBH Annual Report: Steve Tomlinson provided an overview of the significant highlights featured in the Annual Report. The accomplishments that were highlighted are reflective of PBH's commitment to its family members and community.

Bob Carruth made a motion to approve the Annual Report as presented; seconded by Dean Vick. Discussion: add the Board Attorney's name to the Board of Directors' section of the Annual Report. All in favor of the Annual Report with the addition of the Board Attorney's name. Motion carried.

Commissioner McClure asked that a letter about board meeting attendance be sent out.

It was requested that a copy of PBH's Annual Report be sent to all County Commissioners.

E. Policy Consideration Items: The Financial Board Policies below were tabled at the August Board meeting for the Board Finance Committee to conduct a more extensive review. The Financial policies listed below were revised by the Board Finance Committee and sent out in the October Board packet for the Board's 30 day review. Since the October Board meeting was canceled due to no quorum and the Board had the allotted 30 day review timeframe, Bill Burgin moved the policies to action.

Bob Carruth made a motion to approve the revised Board Policy A-03, Financial Planning and Budgeting, as recommended by the Board Executive Committee and Board Finance Committee; seconded by Jack Burke. All in favor. Motion carried.

Jack Burke made a motion to approve the revised Board Policy A-07, Limitations for Financial Conditions and Activity, as recommended by the Board Executive Committee and Board Finance Committee; seconded by Tana Hartsell. All in favor. Motion carried.

Jack Burke made a motion to archive Board Policy A-07.1, Area Program Fiscal Stability, as it was combined with Board Policy A-07; seconded by Tana Hartsell. All in favor. Motion carried.

Tana Hartsell made a motion to approve the revised Board Policy A-09, Substance Abuse Block Grant Funds, as recommended by the Board Executive Committee and Board Finance Committee; seconded by Barbara Whitley. All in favor. Motion carried.

Jack Burke made a motion to approve the revised Board Policy A-10, Fiscal Management, as recommended by the Board Executive Committee and Board Finance Committee; seconded by Dale Poplin. All in favor. Motion carried.

Tana Hartsell made a motion to approve the revised Board Policy A-11, Employee Travel Reimbursement, as recommended by the Board Executive Committee and Board Finance Committee; seconded by Sabrina Bronson. All in favor. Motion carried.

Dale Poplin made a motion to approve the revised Board Policy A-12, Fund Management, as recommended by the Board Executive Committee and Board Finance Committee; seconded by Gene Herrell. All in favor. Motion carried.

Commissioner McClure asked if a summary about the revisions be provided for future Board Policy reviews.

E. Policy Action Items: The following policies were provided at the August Board meeting for Board consideration and will be included in the January 2011 Board packet for Board action:

- Approval of B-07, HIPAA Compliance Policy and archiving B-08, HIPAA-State Security policy which was in effect pre-HIPAA; does not apply any longer.

5. Area Director's Report:

A. Legislative Update: The leadership is knowledgeable in regards to reform and changes. The PBH business model is very effective and now is being replicated statewide. It has to go to a regional size to make the model work.

The Secretary spoke positively about the waiver at the last Legislative Oversight Committee meeting. PBH is willing to be helpful rolling the waiver out. We have met with top staff at DHHS and DMA.

The two LMEs chosen to be the first two waiver rollouts have requested postponing their implementation dates. PBH is stepping up to the plate to help get them up to speed fast.

6. Monitoring Reports:

A. CPA Audit Report: Wayne Terry and Cline Comer from LarsonAllen LLP conducted an overview of the audit. Cline's recap on the Financial statements demonstrated that the financial condition of PBH is sound; a healthy balance sheet. The Statement of Revenues expenditures met its fiscal responsibility requirements. LarsonAllen LLP has no disagreements with the accounting principles used by PBH. There were zero findings this year. Wayne reviewed their recommendations and comments.

Jack Burke added that the auditors found no inefficiencies, no non-compliance, and had no auditor changes.

Jack Burke made a motion to approve the Audit as presented; seconded by Bob Carruth. All in favor. Motion carried.

B. 2010 Consumer Satisfaction Survey: Bill Rankin, Director of Quality Management, presented the 2010 Consumer Satisfaction Survey results. Survey measured the overall satisfaction of consumers and the accessibility/availability of services provided by PBH's Network of Providers. The 902 respondents identified their category: 37% mental health only; 34% multiple; 19% developmental disabilities only; 7% unknown; and 3% substance abuse only. The developmental disability group rated PBH as highest in their satisfaction. Opportunities will be looked at by the CQI Committee.

7. Information Only Items:

A. Quality Improvement Activities Processes: Deanna Campbell, Sr. Operations Project Manager, provided an informational overview about what one of the 4 agency goals in the Pay for Performance plan entailed. Over the next year, another goal's methodology will be provided.

8. Operations Reports: Information Only

i. **COO Report:** In addition to Pam's report provided in the Board packet, she provided an update on the CAP RFP appeal. Dan will send letters to the LMEs involved with the appeal.

ii. **Legal Issues: PBH Operations:** Richard Topping provided single source bids to award the single source contracts to IConnect Technologies, LLC for the IT Data Center at the new administrative building. This was broken out of the main contract with EdificeBoard Attorney, Mike Taylor, advised this is not a formal procurement contract but a series of proposals. There is no required contract form under the statute.

Jack Burke made a motion to award the contract to IConnect Technologies, LLC for 1) the Precision Power and Air Equipment for \$85,000, 2) for the Audio Visual System for \$221,622, and 3) for the Racks, Under floor and Overhead Tray System for \$67,000 as presented; seconded by Dean Vick. All in favor. Motion carried.

9. Legal Issues: Board Matters:

Pursuant to N.C.G.S §143-318.11(a)(3) and N.C.G.S. §143-318(a)(6), Fred McClure made a motion to move into Closed Session to discuss the PBH v. Monroe case and to discuss personnel issues; seconded by Dale Poplin. All in favor. Motion carried.

Prior to beginning of closed session, all staff and guests were excused with the exception of Dan Coughlin, Pam Shipman, Richard Topping, and Judy Uthe who stayed to record closed meeting minutes. Board met in closed session.

Board returned to Open Session.

Dean Vick made a motion to adjourn the meeting; seconded by Dr. Leonard Saltzman. All in favor. Motion carried.



**PBH Board Meeting Minutes
January 20, 2011**

The PBH Board met on Thursday, January 20, 2011, at 300 Copperfield Boulevard, Suites 202/203, Concord, North Carolina.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Gene Herrell, Joshua Morton, Dale Poplin, Leonard Saltzman, Dean Vick, Barbara Whitley, and CFAC Board Liaison Melanie Frick.

Members Absent: Bob Carruth, Raymond Coltrain, Lucy Drake, Tana Hartsell, Fred McClure, Jonathan Thomas, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping (PBH General Counsel), Renee Snipes, Steve Tomlinson, and Judy Uthe

Board Attorney: Mike Taylor

1. Call to Order: The meeting was called to order by Bill Burgin. Bill acknowledged the email from Board member, Lucy Drake; he asked that we keep Lucy and Mike in our prayers.

2. Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board. Bill recognized Melanie Frick and David Bullins, PBH CFAC Chair and Vice-Chair respectively.

3. Matters of the Board – Approval of Consent Agenda: Bill asked if anything should be removed from the Consent Agenda. No requests were made.

- A. Approval of November 18, 2010 Meeting Minutes
- B. Consumer Relations Annual Report FY0910
- C. Consumer Affairs Report FY0910
- D. Continuous Quality Improvement Program Annual Report FY0910
- E. Board Dashboard

Betty Babb made a motion to approve the Consent Agenda; seconded by Gene Herrell. All in favor. Motion carried.

4. Matters of the Board – Consideration and Action Items:

A. Report of the Finance Committee:

i. November 30, 2010 and December 31, 2010 Budget Revisions were reviewed.

Increased State funds – Allocations Received:

| | |
|-------------------------|----------|
| First in Family Program | \$22,000 |
| Peer Support | \$23,000 |

Reclassified Expense Service Budgets

Reformatted Report to Show: Other Lines of Business (CI Project, STR, Property Management)
LME Building Project

ii. Statement of Revenues/Expenses YTD November 30, 2010 was reviewed. PBH has a year-to-date surplus of \$4,640,277; administrative deficit was (\$2,442,239) after expensing \$3,426,203 of LME

building expense. Service surplus was \$7,082,516. The Medical Expense Ratio for Medicaid is 86.7%. The Medical Expense Ratio for State is 94.9%.

iii. Balance Sheet dated November 30, 2010. Assets are \$73.3 million, Liabilities are \$8.3 million and total Fund Balance is \$65 million.

PO's over \$25,000 –The Finance Committee reviewed three purchase orders.

Building Project – A summary of the building expenses were discussed. The building is under budget. Dean advised there is sheet rock and paint on the basement floor; studs on the first and second floors.

The Finance Committee made a motion and seconded approval of the Budget Revisions from November 30, 2010 and December 31, 2010, the Statements of Revenues and Expenses Year-to date ending November 30, 2010, and the Balance Sheet for November 30, 2010 as reviewed and presented in the board packet. All in favor. Motion carried.

- B. Report of the Executive Board Committee:** Bill Burgin reported on the January 6, 2011 Executive Board Committee meeting. Board policy was reviewed which is on the agenda and the Patterson House. A copy of the letter Bill wrote to the City Council as requested by the Board was included in meeting packet. No response has been received yet. If they do not respond, we will make other decisions. The Transition Plan was discussed and will be presented in closed session. Dan reported on some of the happenings in Raleigh which will be included in the Area Director Report. Executive Committee is proposing the Annual Board Retreat date to be Thursday, April 21, from 10 am to 5 pm and include Mike Whitehead. Bill asked for approval of the date and time; no objections made. A notice of location will be provided. The Retreat takes the place of the board meeting.
- C. Report of the Board-Business Subcommittee:** The principles of the strategic plan were provided within the packet. Pam proposed discussion and approval of the strategic plan at the Board Retreat. No objections to Pam's proposal were made.
- D. Board Retreat Planning:** This was discussed during the Executive Board Committee Report.
- E. Policy Consideration Item:** Board Policy C-12, Dispute Resolution Policy, is ready for Board consideration. At the November Board meeting, Fred McClure requested a summary of policy changes be provided. A summary of the revisions for Policy C-12 was included in the packet. Bill asked if this summary met the request; Board agreed summary was satisfactory. This policy is available for 30 day review and approval will be provided at the February Board meeting.
- F. Policy Action Items:** Board Policies B-07, HIPAA Compliance, and B-08, HIPAA-State Security were provided at the August Board meeting for Board consideration and were presented for Board approval this meeting.
- Jack Burke made a motion to approve Board Policy B07, HIPAA Compliance, and archive Board Policy B-08, HIPAA-State Security as presented and recommended by the Board Executive Committee; seconded by Gene Herrell. All in favor. Motion carried.**
- G. PBH Mission, Vision and Values:** Executive Board Committee had one minor change. Pam advised the existing mission, vision and values were simplified, allowing them to be incorporated around the new building culture.

Barbara Whitley made a motion to approve the revised Mission, Vision and Values as presented; seconded by Dale Poplin. All in favor. Motion carried.

5. Area Director's Report:

A. Legislative Update: Dan discussed: 1) National Healthcare Reform will impact Medicaid; 2) the State of North Carolina's recession and budgetary/revenue concerns; and 3) a new majority in the General Assembly.

6. Monitoring Reports: The monitoring reports were included under the Consent Agenda.

7. Information Only Items:

A. Stanly County and Union County Commissioners on PBH Board of Directors:

Commissioner Joshua Morton from Stanly County replaces Commissioner Lindsey Dunevant. Joshua was present at the meeting and welcomed to the Board. Parker Mills was replaced by Commissioner Jonathan Thomas for Union County and Rowan County just appointed Commissioner Raymond Coltrain to replace Commissioner Jon Barber.

B. Patterson House: Letter to City Council and Appraisal: The City Council letter was provided in the packet. Once the response is received, the Board Executive Committee will react and decide what to do next.

A Board member attendance letter was sent out.

8. Operations Reports: Information Only

i. **COO Report:** Pam indicated NC Healthcare and political developments are moving fast. She is keeping up with the Community Care of North Carolina's status

ii. **Legal Issues: PBH Operations:** Richard requested discussion of a legal case in Closed Session.

9. Legal Issues: Board Matters: Mike Taylor agreed to move into Closed Session to discuss personnel issues.

Pursuant to N.C.G.S §143-318.11(a)(3) and (6), Willi Beilfuss made a motion to move into Closed Session; seconded by Barbara Whitley. All in favor. Motion carried.

Prior to beginning of closed session, all staff and guests were excused with the exception of Dan Coughlin, Pam Shipman, Richard Topping, and Judy Uthe who stayed to record closed meeting minutes. Board met in closed session.

Board returned to Open Session.

Jack Burke made a motion that the PBH Board offer the position of Area Director and Chief Operating Officer to Pamela Shipman effective July 1, 2011 subject to negotiation and agreement on an employment contract; seconded by Barbara Whitley. All in favor. Motion carried.

Dean Vick proposed naming the new building's training center in honor of Dan Coughlin.

Gene Herrell made a motion for the training center to be named after Dan Coughlin to honor all his hard work; seconded by Jack Burke. All in favor. Motion carried.

Pam Shipman returned to the meeting.

The Board announced their unanimous selection to Pam for her to become the next CEO of PBH. Pam stated she is very excited and honored to move into this position. It will be an important couple of years for the system to take care of the people we serve. She is committed and thrilled. An agreement will be in place very quickly to begin the transition and reorganization.

**Dale Poplin made a motion to adjourn the meeting; seconded by Willi Beilfuss. All in favor.
Motion carried.**



**PBH Board Meeting Minutes
February 17, 2011**

The PBH Board met on Thursday, February 17, 2011, at 300 Copperfield Boulevard, Suites 202/203, Concord, North Carolina.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Raymond Coltrain, Tana Hartsell, Gene Herrell, Fred McClure, Joshua Morton, Dean Vick, Gayle Whitehead, Barbara Whitley, and CFAC Board Liaison Melanie Frick.

Members Absent: Lucy Drake, Dale Poplin, Leonard Saltzman, Jonathan Thomas

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping (PBH General Counsel), Deanna Campbell, Steve Tomlinson, and Judy Uthe

Board Attorney: Mike Taylor

1. Call to Order: The meeting was called to order by Bill Burgin.

2. Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board. Bill acknowledged CFAC representatives, Melanie Frick and Dave Bullins, in attendance. Also acknowledged in attendance and welcomed to the PBH Board was recently appointed Raymond Coltrain, Rowan County Commissioner.

3. Matters of the Board – Approval of Consent Agenda: Bill asked if anything should be removed from the Consent Agenda. No requests were made.

- A. Approval of January 20, 2011 Meeting Minutes
- B. Human Resources Dashboard Report – 2nd Quarter of Fiscal Year 2010-2011
- C. Board Dashboard

Bob Carruth made a motion to approve the Consent Agenda; seconded by Barbara Whitley. All in favor. Motion carried.

4. Matters of the Board – Consideration and Action Items:

A. Report of the Finance Committee:

- i. There were no January 31, 2011 Budget Revisions.
- ii. Statement of Revenues/Expenses for the six months ending December 31, 2010 was reviewed. PBH has a year-to-date surplus of \$4,378,415; administrative deficit was (\$3,857,874) after expensing \$5,102,616 of LME building expense. Service surplus was \$8,236,289. The Medical Expense Ratio for Medicaid is 86.8%. The Medical Expense Ratio for State is 93.8%.
- iii. Balance Sheet dated December 31, 2010. Assets are \$78.1 million, Liabilities are \$11.8 million and total Fund Balance is \$66.3 million.

PO's over \$25,000 –The Finance Committee reviewed four purchase orders.

The Finance Committee made a motion and seconded approval of the Budget Revisions from January 31, 2011, the Statements of Revenues and Expenses Year-to date ending

December 31, 2010, and the Balance Sheet for December 31, 2010 as reviewed and presented in the board packet. All in favor. Motion carried.

- B. Report of the Executive Board Committee:** Bill Burgin reported on the February 3, 2011 Executive Board Committee meeting.
- January 6, 2011 minutes were approved; copy in Board packet.
 - The location selected for the Annual Board Retreat on Thursday, April 21, was Irish Creek Country Club. Further details will be emailed.
 - The response letter from City of Monroe regarding Patterson House was discussed and will be covered during Richard Topping's legal report later in the agenda.
 - Pam provided a COO report in Dan's
 - Pam shared information regarding Alamance Caswell LME's interest in merging with PBH

- C. Affiliation Advantages:** Dan will update the Board on visit with Alamance Caswell LME during his report. Pam referred to the Affiliation Advantages information provided in the Board packet. Population from the merger with Alamance Caswell would add over 200,000 to PBH's population. A high level view of how the merged entity would operate was reviewed. With non-contiguous counties, we would have local coverage through a local administrative unit with an Area Director and necessary departments; this allows the Director to be responsive to partners in that county. They would maintain a presence locally including local advisory boards and CFACs. We are in the process of modeling budgets; staffing would depend on the number of providers and people in their catchment. The back office functions would be centralized in the new administrative building.

The same structure and system would be in place across all the catchment areas.

Jack Burke made a motion for the Board Chair to appoint delegates to meet with Alamance Caswell Board members and other stakeholders regarding a potential future merger between PBH and their LME; seconded by Gene Herrell. All in favor. Motion carried.

Bill requested Board members to contact him if interested in participating in the merger discussions.

- D. Policy Action Items:** Board Policy C-12, Provider Dispute Resolution Policy for PBH, was already given a 30 day review period in January and final draft within Board Packet is ready for approval vote.

Bob Carruth made a motion to approve Board Policy C-12, Provider Dispute Resolution Policy for PBH as presented and recommended by the Board Executive Committee; seconded by Barbara Whitley. All in favor. Motion carried.

5. Area Director's Report:

- A. Legislative Update:** Dan updated new Board members about strategies that have put PBH in a unique position to be approached by other LMEs in regards to merging; acquisition of PBH's IT system, public sector insurance prepaid health plan and waiver expansion. An orientation to the new Board members will be scheduled.
- Alamance Caswell Board Meeting: Pam and Dan spent an hour with their Board Chair, Interim Director and past Director; Mike Taylor was present. We explained who we are, our differences, and value systems. Then we spoke to the Board; there were many questions. The Board meeting went very well; they are very enthusiastic about PBH.
 - Board questions:
 - Board structure: The structure would change. First step is change in 122 C governance structure.
 - Non-contiguous counties: This was never an issue.

- Letter from Alamance Caswell Board: They are pleased to inform us that they unanimously approved seeking this merger. They mention an MOA effective July 1, 2011 and merger effective July 1, 2012. Board is in favor of communicating our interest in a faster merger.

Willi Beilfuss made a motion to authorize the Board Chair to compose a letter to propose prompt and expedient pursuit of the merger with Alamance Caswell no later than June 30, 2011; seconded by Gene Herrell. All in favor. Motion carried.

6. Monitoring Reports: The monitoring reports were included under the Consent Agenda.

7. Information Only Items:

A. Administrative Building Update: Deanna Campbell announced the street names for the new building: street in front of the building (runs north and south) is Milestone Avenue; street that runs east and west is Solutions Street. Photos showing progress of building were reviewed. All of the sidewalks are installed. On the lower level, there is carpet, paint and lights. Two superintendents are assigned; one for inside building and another for the outside hardscape and streets.

A building tour for the Board and Executive Team is scheduled on Wednesday, February 23, at 2:30 pm. Another tour will be scheduled next month for those that cannot attend the February date.

B. Patterson House: City of Monroe's Response: The response was received by the requested date; copy of letter enclosed in Board packet. This will be discussed in the Legal Issues: PBH Operations Report.

8. Operations Reports: Information Only

i. **COO Report:** Pam indicated the most significant item from her report is the guardianship issue affected by PBH as manager of care for Medicaid funds and an appointed guardian. The Judge agreed we can't be guardian or contract guardianship and issued an Order to reassign guardianships. We had a meeting with DSS Directors; they understood and will pursue it with their leadership in Raleigh. We have sent them a list of guardians in their counties; clerks will have to reassign to another ward in their counties. DSS is the most likely candidate. Another meeting is scheduled in March. DSS has asked PBH for help with cases they are unfamiliar with its clinical aspects and identify volunteer advocates.

Total number of guardians for PBH is 146; we are guardian for some clients and contract guardianship services with another agency for other clients. Cost is \$400,000 per year.

ii. **Legal Issues: PBH Operations:** Richard reported the following to the Board:

- Information Systems unit reports to Legal Counsel; this has been the arrangement since July 2009. We have an IT system – Cardinal Innovations - that can handle managed care in North Carolina.
- The Cardinal Innovations system (CI) supports PBH operations. We are maintaining and developing CI for the smart administrative building and expansion to LMEs.
- ECBH and Smoky LMES have subscribed to the commercial version of CI.
- Eastridge has been hired to do an audit of the system and we will partner with Gardner as a strategic consultant – CIO type level.
- The new building's infrastructure is designed for PBH. With adding other LMEs and increasing staff, we are out of power at the control panels on two floors. We will need programmers to write language on databases to know what we are paying on claims on a real time basis. The question is how we fund this. Funding solutions will be brought back to the Board.

Richard asked the Board to go into closed session to discuss legal matters surrounding PBH vs. DMH, the Patterson House, Medicaid litigation and merger contracting.

9. Legal Issues: Board Matters: Mike Taylor agreed to move into Closed Session to discuss personnel matter.

Pursuant to N.C.G.S §143-318.11(a)(3) to discuss PBH v. DMH, PBH v. City of Monroe, Medicaid litigation and merger contracting, and N.C.G.S. §143-318.11(a)(6) to discuss a personnel matter, Fred McClure made a motion to move into Closed Session; seconded by Tana Hartsell. All in favor. Motion carried.

Prior to beginning of closed session, all staff and guests were excused with the exception of Dan Coughlin, Pam Shipman, Richard Topping, and Judy Uthe who stayed to record closed meeting minutes. Board met in closed session.

Board returned to Open Session.

Bill Burgin asked for a motion to concur or change the compensation package discussed with Pamela Shipman during closed session, and to make the offer.

Jack Burke made a motion for the Board Chair to proceed with a memorandum of understanding with Pamela Shipman regarding compensation package as presented, and make an offer to her for the Area Director/CEO position of PBH effective July 1, 2011; seconded by Sabrina Bronson. All in favor. Motion carried.

A public announcement will be made.

Fred McClure made a motion to adjourn the meeting; seconded by Willi Beilfuss. All in favor. Motion carried.



**PBH Board Meeting Minutes
March 17, 2011**

The PBH Board met on Thursday, March 17, 2011, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Raymond Coltrain, Dale Poplin, Tana Hartsell, Gene Herrell, Fred McClure, Joshua Morton, Leonard Saltzman, Barbara Whitley and CFAC Liaison Melanie Frick.

Members Absent: Lucy Drake, Dean Vick, Gayle Whitehead, Jonathan Thomas

PBH Staff Present: Dan Coughlin, Richard Topping (PBH General Counsel), Deanna Campbell, Dr. Craig Hummel, Steve Tomlinson, Renee Snipes and Judy Uthe

Board Attorney: Mike Taylor

Guest: Susan Manning

1. Call to Order: The meeting was called to order by Bill Burgin.

2. Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board.

3. Matters of the Board – Approval of Consent Agenda: Bill asked if anything should be removed from the Consent Agenda. No requests were made.

A. Approval of February 17, 2011 Meeting Minutes

B. Board Dashboard

Tana Hartsell made a motion to approve the Consent Agenda; seconded by Willi Beilfuss. All in favor. Motion carried.

4. Matters of the Board – Consideration and Action Items:

A. Report of the Finance Committee:

i. February 28, 2011 Budget Revisions were:

- State/Federal funds (HUD Shelter Plus Care Grant) increased by \$114,536.
- Interest income was increased by \$25,000

ii. Statement of Revenues/Expenses for the seven months ending January 31, 2011 was reviewed. PBH has a year-to-date surplus of \$5,589,448; administrative deficit was (\$4,803,508) after expensing \$6,023,266 of LME building expense. Service surplus was \$10,213,656. The Medical Expense Ratio for Medicaid is 86.2%. The Medical Expense Ratio for State is 92.4%.

iii. Balance Sheet dated January 31, 2011. Assets are \$79.2 million, Liabilities are \$10.7 million and total Fund Equity is \$68.5 million.

PO's over \$25,000 – None.

The Finance Committee made a motion and seconded approval of the Budget Revisions from February 28, 2011, the Statements of Revenues and Expenses Year-to date ending January 31, 2011, and the Balance Sheet for January 31, 2011 as reviewed and

presented in the board packet. Dan clarified the Medicaid surplus piece. **All in favor. Motion carried.**

B. Report of the Executive Board Committee: Bill Burgin reported on the March 11, 2011 Executive Board Committee meeting.

- There were two meetings for February; February 3 and February 28 - minutes were approved; copy provided at Board seats. The February 28 meeting was called for contract negotiation with CEO. This will be explained and discussed during the Closed Session.
- Planning for the Annual Board Retreat on Thursday, April 21, at Irish Creek Country Club, was discussed. We will use the retreat for transition planning.
- In February, we agreed to form a Merger Committee. Volunteered Board Members are Jack Burke, Gene Herrell and Bill Burgin. Committee discussed having one rep from each county and decided against it; it would be more difficult to gather a larger group together. First meeting is April 6.
- Dan advised us about some IT System acquisitions coming to fruition
- With the new building completion on May 15, there was a request for committee to roll out the dedication. Dean Vick, Betty Babb and Sabrina Bronson will be on the committee to work with staff.
- Dan requested moving the June Board meeting date from June 16 to June 23 because he can't make the June 16th meeting. This will be his last official meeting. We will complete his final review.
- Dan discussed the possibilities for governance and models in a merged system.

5. Area Director's Report:

A. Legislative Update:

- Political Pam has been in Raleigh for the last two weeks; everything is going well and she is constantly updating us. Mike Taylor advised Pam spoke about the waiver in the Appropriations Committee and fielded questions. Debra Welch listened in live stream and was very impressed.
 - IT System – The CI System is in two LMEs currently; Five County and OPC.
 - Board Question: Have we thought about selling the system outside of NC? We have customized software that is specially designed for the NC system and b/c waiver it is not on the shelf software for out of state – it mirrors our entire business process map and is reflected in functionality of the software.
- Governance Model – Diagrams of governance model were provided as a conceptual think piece. There are two major organizational challenges with expansion: 1) LMEs that partner with us want to maintain significant local presence and 2) they want to come under a larger organization that does the centralized functions. Discussion ensued. Mike Taylor advised on the issue.

6. Monitoring Reports:

A. Services Report: Network and Clinical Performance: Dr. Craig Hummel, Medical Director at PBH, reviewed the report attached to the Board packet. He provided a quick overview of Clinical Operations that consists of Utilization Management, Utilization Review, Access Call Center and Clinical Support departments which are located in the Church Street office but will move to the Regional office. The PBH Clinical Design Plan dictates how we do business, how consumer walks through the system, how we authorize and review the service, and what the various staff and committee roles are. The Utilization Management Plan is a more fluid document that is created yearly by Dr. Hummel and the Director of Clinical Operations. The plan sets the goals for the next fiscal year.

Utilization Management manages the care and Utilization Review looks backwards to ensure the provider used a clinically correct process.

The Access Department provides telephone assessments, crisis interventions and referrals (34 counties after hours) and has fielded 28,000 calls. PBH Clinical Support unit involves enrollment & eligibility, the appeals unit and data unit.

Dr. Hummel reviewed the outcome analysis for FY2009-2010.

7. Information Only Items:

A. Administrative Building Update: Photos taken during the February building tour were reviewed; compliments of Jack Burke.

B. Status of Merger Committee: Committee membership was already announced in the Executive Board Committee's report. The committee will meet with the Alamance-Caswell Board on April 6 and will report back to entire board.

8. Operations Reports: Information Only

i. **COO Report:** Pam has been in Raleigh and would like to wait to report back with an ending scenario.

ii. **Legal Issues: PBH Operations:**

Richard Topping presented a Board Resolution for authorizing the execution and delivery of various documents in connection with the acquisition of the "Dr. John W. Varner Building" in Davidson County, North Carolina. The hospital and title insurance company have asked for this resolution. The Board voted previously for the Davidson CRC, \$800,000 budget is set aside; no additional funds will be spent to develop the CRC right now. This is not a resolution to do anything but give Dan authority to sign closing documents. The building will have a certain use restriction – the Title Company and hospital are in agreement. This affects the deed and a Board Resolution was requested.

o Question asked if we have a commitment to insure this building. Response was yes with Chicago Title Company. When ready to fund the project, there will be a bidding process that will come back to the Board. Mike Taylor advised on the issue. Richard clarified this resolution allows us to sign the closing documents.

Fred McClure made a motion to approve the Board Resolution as presented, seconded by Jack Burke. All in favor. Motion carried.

9. Legal Issues: Board Matters:

Mike Taylor requested Board to move into Closed Session for Consult with Legal Counsel and to discuss a personnel matter.

Pursuant to N.C.G.S. §143-318.11(a)(3) and (6), Fred McClure made a motion to move into Closed Session; seconded by Barbara Whitley. All in favor. Motion carried.

Prior to beginning of closed session, all staff was excused with the exception of Dan Coughlin and Judy Uthe who stayed to record closed meeting minutes.

Guest Susan Manning remained for the personnel matter discussion. Board met in closed session.

Board returned to Open Session.

Fred McClure made a motion to adjourn the meeting; seconded by Dale Poplin. All in favor. Motion carried.



**PBH Board Retreat/Meeting Minutes
April 21, 2011**

The PBH Board met on Thursday, April 21, 2011, at The Club at Irish Creek, 1196 Fairway Drive, Kannapolis, NC, 28081.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Tana Hartsell, Gene Herrell, Fred McClure, Joshua Morton, Dale Poplin, Dean Vick, Barbara Whitley, and CFAC Board Liaison David Bullins.

Members Absent: Bob Carruth, Raymond Coltrain, Lucy Drake, Leonard Saltzman, Jonathan Thomas, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping, Steve Tomlinson, Deanna Campbell and Ada Watson-White

Board Attorney: Mike Taylor

Facilitator: Dick Dougherty

National Perspective on Healthcare – Dick Dougherty:

- Implementation status of the Accountable Care Act (Healthcare Reform)
- Behavioral Health and Developmental Disability Specialty system impact

North Carolina Perspective – Pam Shipman:

- Impact of National Healthcare Reform to date
- Trends

Discussion – Dick Dougherty:

- What this means for PBH

Lunch

Business Meeting

1. **Call to Order:** Bill called the meeting to order at 1:10 p.m.
2. **CEO Report:**
 - A handout about the Support Needs Matrix was provided. There will be a presentation at the May Board meeting.
 - Alamance-Caswell LME Merger Update. Outstanding issues relating to the merger were discussed.
 - **Timeline**
 - Alamance-Caswell LME completed October 2011
 - Five County LME completed January 2012
 - OPC LME completed April 2012
 - **Governance**
 - The required changes to governance needs to be discussed in closed business meeting.

Input regarding Resolution:

- Ensure County dollars stay in county; list advantages

Dean Vick made a motion to adjourn the Business meeting; seconded by Willi Beilfuss. All in favor. Motion carried.

Board Retreat resumed.

Health Systems of the Future – Dick Dougherty:

- Likely characteristics of the systems in the future
- Individual organizations
 - Required competencies
 - Operation advantages
 - Risk factors

PBH: Future Visions – Dick Dougherty:

- Advantages and Threats
 - Agency Strengths and Weaknesses (Board subcommittee planning document)
- Steps for PBH toward a healthy future for agency and mission
- Strategic plan: PBH goals



**PBH Board Meeting Minutes
May 19, 2011**

The PBH Board met on Thursday, May 19, 2011, at 300 Copperfield Boulevard, Suites 202/203, Concord, NC.

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lucy Drake, Gene Herrell, Fred McClure, Joshua Morton, Dale Poplin, Barbara Whitley, Gail Whitehead, and CFAC Board Liaison Melanie Frick.

Members Absent: Raymond Coltrain, Tana Hartsell, Leonard Saltzman, Jonathan Thomas, Dean Vick, Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping (PBH General Counsel), Steve Tomlinson, Deanna Campbell Renee Snipes, Judy Uthe, and Pamela Campbell

Board Attorney: Mike Taylor

1. Call to Order: Bill called the meeting to order at 6:50 p.m.

2. Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board.

3. Matters of the Board – Approval of Consent Agenda: Chair asked if anything should be removed from the Consent Agenda. No requests were made.

A. Chair provided a brief overview of the reorganization:

- ❖ Pamela Campbell will be Executive Support for the CEO and CAO and function as Clerk to the Board

B. Approval of March 17, 2011 and April 21, 2011 Meeting Minutes

C. Board Dashboard

D. HR Dashboard 3rd Quarter Report

Jack Burke made a motion to approve the Consent Agenda; Willi Beilfuss seconded the motion. All in favor. Motion carried

4. Matters of the Board – Consideration and Action Items:

A. Report of the Finance Committee:

Budget Revisions April 2001

- Reduced Medicaid FFS by \$47,290.00
- Reduced Other Service Expense by \$47,290.00
- Reclassed \$336,557.00 from State Service Revenue to State Administrative Revenue.
- Reclassed \$160,520 from Outpatient to Residential Service Expenses.

Statement of Revenue/Expenses –YTD March 31, 2011

- PBH has a year to date surplus of \$7,566,384.00
 - ❖ Administrative deficit was \$7,204,303.00 after expensing \$8,637,637 of LME building expense.
 - ❖ Service surplus was \$14,602,674
 - ❖ The Medical Expense Ratio for Medicaid is 84.7%
 - ❖ The Medical Expense Ration for the State is 91.8%

Balance Sheet- March 31, 2011

- Assets are \$90.9 million.
- Liabilities are \$16.4 million
- Total Fund Balance is \$74.5 million

There are several POs over \$25,000.00 for legal matters. Richard to explain during closed session.

The finance committee makes a motion to accept the financial statements as reviewed and presented in the Board package. No discussion. All in favor. Motion carried.

Jack Burke also pointed out that Deanna Campbell brought the building costs in below budget and ahead of schedule.

B. Report of the Executive Board Committee:

- Bill Burgin reported on the May 5, 2011 Executive Board Committee meeting.
 - ❖ Minutes of the April 7, 2011 meeting were approved; copy provided at Board seats.
 - ❖ Building Retirement Party- June 24th 3-8pm
 - ❖ June Board Meeting June 23 at new building
 - ❖ Board Officers Nominating Committee and CEO / Board Attorney evaluation Committee membership was discussed- These were also agenda items
 - ❖ Reviewed recommended changes from Finance Committee on Board policies A-04 and A-15. The Executive Board Committee made further changes of A-04. An agenda item for Board consideration CEO/Board Attorney evaluation – Susan Manning is sending out evaluations and will present at the June Exec Committee meeting. At the June Board meeting an exit interview for Dan will be conducted.
 - ❖ Area Director's report:
 - Discussed security at LME meetings.
 - The Lake Concord building possibilities.
 - Update on the Legislative Bill.
 - ❖ Reorganization staff updates were given
 - ❖ Dan spoke about the Accountable Care Organization and the Governance Model.
 - ❖ Due process with Alamance Caswell LME was discussed and will be brought before the Board.
 - ❖ Board configuration with merger will be discussed at the May Board Meeting.
 - ❖ Reminder to Executive Board Committee that the June meeting has been moved to June 9th at 3:30

C. Support Needs Matrix:

- Pam provided an overview of the Support Needs Matrix
 - ❖ Funding based on a person's needs
 - ❖ Current capitation rates
 - ❖ Safeguards for PBH and the state
 - ❖ Piloting for the state
 - ❖ Capitation rates
 - ❖ Savings serve more people
 - ❖ Rates are down 8-10 million
 - ❖ Administrative budget and service budget reduced.
 - ❖ Comparison of children vs adult allocations

D. FY 11/12 Proposed Budget

Richard Topping mentioned that employee insurance benefits are being reviewed.

Jack Burke addressed several issues regarding the Alamance Caswell merger:

- ❖ Medicaid funding
- ❖ Contracts
- ❖ Budgets

Currently working on administrative budget.

- Budget issues relating to the expansion were discussed.
- Until the merger, need allocation of fund balance details for next meeting.
- Details of the FY 11/12 budgets discussed.
- Anticipating doubling Total Revenues and Expenses with the acquisitions.

E. CEO/Board Attorney Evaluation Committee

- ❖ Board members that are absent will be sent notification of the evaluations
- ❖ Susan Manning will present the evaluation results to the Executive Committee at the June 9th meeting.
- ❖ A final summary will be presented to the Board during the June Board Meeting.

F. Board Officers Nominating Committee

- ❖ Positions needed are Chair and Vice Chair.
- ❖ Vice Chair move up to Chair.
- ❖ Possibility of reappointing current Chair for a second term.

G. Board Policy Consideration Items- 30 Day Review

- ❖ Revision of the wording of A-04, Asset Protection pertaining to Bonded Personnel
- ❖ Archiving of A-15, Fees as it is no longer relevant to PBH policy.
- ❖ Policies will be included in the June 23 Board packet for approval.

H. Alamance-Caswell Merger Incorporating Resolution

- ❖ The recommended resolution was presented by Richard Topping.
- ❖ Alamance County approved the merger resolution at their Tuesday night Board meeting.
- ❖ Each commissioner will take the resolution back to their Board for presentation.
- ❖ PBH representatives can be present at each county meeting if requested.
- ❖ PBH is working on approval by all counties by the end of June.
- ❖ Section 4 of the resolution states that Board representation will consist of three (3) members from each county. Counties that currently exceed that amount will be reduced as terms of existing members expire.

Fred McClure made the motion to approve the resolution; Lucy Drake seconded the motion. All in favor. Motion approved.

5. Area Director's Report:

- ❖ Discussed Healthcare and National Public Policy
- ❖ North Carolina needs to manage paying for healthcare
- ❖ PBH has become the new policy direction of the state
- ❖ Organization has been the factor in PBH success
- ❖ In order to go forward PBH needs to stay highly competent and a lot of organizational capacity in order to stay ahead of the competition
- ❖ PBH has evolved from area programs to a larger organization
- ❖ Governance is necessary to ensure success

6. Monitoring Reports:

A. CI Enterprise Application Audit

- ❖ A summary document of the audit conducted by Eastridge Technology, Inc. was included in the Board packet and presented by Travis Hargett and Michael Starr of Eastridge
- ❖ Pete Murphy, consultant reviewed current IT Infrastructure and future IT Infrastructure needs of PBH.
- ❖ Strategic Plan with investment phases to be presented at next Board meeting with a timeline of 18-24 months.
 - Phases to include
 - Support of the LME expansions

- Operating risks will be addressed
- Eastridge results will be the starting point

7. Information Only Items:

A. Administrative Building Update:

- ❖ The June Board Meeting will be held in the new building: 4855 Milestone Avenue, Kannapolis, NC 28081

B. Board Clerk- Fred McClure made the motion to accept the nomination of Pamela Campbell as Board Clerk; Lucy Drake seconded the motion. All in favor. Motion carried.

8. Operations Reports: Information Only

A COO and CAO Report:

- Pam Shipman will write out Legislative Report.
 - ❖ Bill 316 passed in the Senate and House.
 - ❖ One amendment passed
 - ❖ Add stakeholders to review process
 - ❖ Going back to the Senate on Tuesday then to the Governor
 - ❖ 916 Waiver Bill is coming up week after next.
 - ❖ Governance Bill on hold until 916 is passed.
 - ❖ Steve and Providers to meet with the Black Caucus
 - ❖ Need to reach out to Legislators to understand waiver
 - ❖ Seek letters of support for 916- Currently they are getting lots of letters about the impact of the bill.
- Steve Tomlinson presented the Operations Report
 - ❖ Discussed the Phases of Transition- there are now 190 people reporting to him.
 - ❖ Seeking to fill the positions for Director of Clinical Operations and Director of Network Operations
 - ❖ Analysis is currently under way to become more efficient.
 - Departments are working on strategic planning and process mapping.
- Deanna Campbell presented the CAO Report
 - ❖ Dates for the partnerships were reviewed.
 - ❖ Presented overview of the Operational Goals
 - ❖ Pay Performance Goals is still a major area of focus.

Pursuant to N.C.G.S §143-318.11(a)(3), Richard Topping requested Board to move into Closed Session to discuss General Counsel Report. Fred McClure made a motion to move into Closed Session; seconded by Dale Poplin. All in favor. Motion carried.

Prior to beginning of closed session, all staff was excused with the exception of Dan Coughlin, Pam Shipman, Judy Uthe and Pamela Campbell who stayed to record closed meeting minutes.

Barbara Whitley made to motion to come out of Closed Session; Lucy Drake seconded the motion. All in favor. Motion carried.

Board returned to Open Session.

9. Legal Issues: Board Matters:

A. Richard Topping provided an overview of:

- Open legal cases
- Law firms utilized by PBH
- PBH's legal spending

Willie Beilfuss made a motion to adjourn the meeting; seconded by Lucy Drake. All in favor. Motion carried.



**PBH Board Meeting Minutes
June 23, 2011**

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Bob Carruth, Lucy Drake, Tana Hartsell, Gene Herrell, Fred McClure, Joshua Morton, , Barbara Whitley, Leonard Saltzman, Dean Vick, CFAC Board Liaison Melanie Frick, and CFAC Member David Bullins.

Member Absent: Raymond Coltrain, Dale Poplin, Jonathan Thomas, and Gayle Whitehead

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping (PBH General Counsel), Steve Tomlinson, Deanna Campbell, Renee Snipes, and Pamela Campbell

Board Attorney: Mike Taylor

Guests: Susan Manning and Pete Murphy

1 Call to Order: Bill called the meeting to order at 7:05p.m.

2 Matters of the Public:

A. Any Citizen may address the Board: No citizens addressed the Board

3 Matters of the Board- Approval of Consent Agenda: Chair asked if anything should be removed from the Consent Agenda. No requests were made.

A. Approval of May 19, 2011 Meeting Minutes. Lucy Drake made a correction regarding Board Members present. Minutes were approved as corrected.

B. Board Dashboard

Bob Carruth made a motion to approve the Consent Agenda; Dean Vick seconded the motion. All in favor. Motion carried.

4 Matters of the Board- Consideration and Action Items:

A. Report of the Finance Committee:

Jack Burke presented information on the following:

- Reviewed Budget Revisions as of May 31, 2011
- Statement of Revenue/Expenses YTD April 30, 2011
- Balance Sheet as of April 30, 2011

The Finance Committee made a motion to accept the financial statements as reviewed and presented in the Board Package. Lucy Drake made a motion to accept the financial statements as presented. Bob Carruth seconded the motion. All in favor. Motion carried.

B Public Hearing FY 11/12 Budget Ordinance:

- Pursuant to requirement of NC General Statutes Sec 159.12 and 13 relating to budgets, PBH made available a copy of its proposed budget for FY 2011/2012. A legal notice was advertised advising any person(s) wishing to voice concerns at the Public Hearing on June 23, 2011. No one was present.

C Approval of FY 2011/2012 Budget Ordinance:

- The proposed Budget Ordinance was presented in the May 19, 2011 Board Packet. There was no discussion.

Gene Herrell made a motion to approve the FY 11/12 Budget Ordinance as provided and presented. Lucy Drake seconded the motion. All in favor. Motion carried.

D Board Resolution for FY 2011/2012 Board Designated Reserves:

- The proposed Resolution would give authorization to the Finance Director to reduce the Board Designated General Medicaid Risk Reserve by \$14,500,000.00 and to establish the Board Designated Reserves for amounts necessary for the Start Up Expansion Budget.
- Discussion about how PBH is re-investing back into the community
- Required amount will be maintained in the Medicaid Risk Reserve

Jack Burke made a motion to approve the Board Resolution as presented. Lucy Drake seconded the motion. All in favor. Motion carried.

E Report of the Executive Committee:

Bill Burgin gave a report on information discussed during the June 9, 2011 Executive Board Committee Meeting

- Reviewed details for the Building Dedication/ Retirement Party- June 24th
- Still working on a few snags regarding the Time Capsule. Newspapers dated June 24th from each catchment area were to be included in the Time Capsule.
- Concerns with questions that may be asked about the new building- suggested that there be Talking Points so that everyone is sharing the same information
- Discussed Chairman and Vice Chairman board positions for upcoming year
- Dan presented a Governance Committee Update-
- Willingness of the Secretary to list waivers around 122c and call it a Study Bill – gives us some time to work on this. Reviewed and approved the Plan of Work to be presented to the Board for FY 11/12
- Renee Snipes presented the Capital Budget Request and the Start Up Budget Request which was recommended to be presented to the Board June 23rd
- CEO/Board Attorney evaluation – Susan Manning presented evaluation results for the CEO and Board Attorney. Information to be shared at the June Board meeting

F Election of Board Officers:

- The Nominating Committee recommended the re-election of Bill Burgin as Board Chairman, and Dean Vick as Vice Chairman.
- Discussion focused on maintaining a consistency within the Board.

Bob Carruth made a motion to approve the officers presented by the Nominating Committee. Tana Hartsell seconded the motion. All in favor. Motion carried.

G Proposed Board Work Plan for FY 2011/2012

- The Executive Board Committee presented the proposed Work Plan for FY 11/12
- Board Members suggested that an August Board Meeting be added to the schedule.
- The main agenda item to be discussed at the August Board Meeting will be the Merger Update

Lucy Drake made a motion that we accept the proposed Work Plan for FY 2011/2012 as discussed to include the August Meeting. Tana Hartsell seconded the motion. All in favor. Motion carried.

H Governance Update:

- Update given on potential of the Study Bill being proposed by Secretary Cansler.

I Policy Action Items:

- Policy A-04 Asset Protection was revised by the Board Finance Committee to include that only "bonded" personnel have signature authority for bank accounts.
- Policy A-15 Fees was recommended by the Finance Committee to be archived as it is no longer relevant to PBH.

Bob Carruth made a motion to approve the recommendations for the policies as presented by the Finance Committee. Gene Herrell seconded the motion. All in favor. Motion carried.

5 Area Director's Report:

- Pam reported on Legislative Updates to include:
 - ❖ Senate Bill 916-
 - First plan since 2001 that defines state's policy on mental health system
 - State can not afford to pay for Case Management
 - Lays out guidelines for Medicaid Budget
 - Will force more mergers to take place
 - ❖ Budgets-
 - Pam emphasized that reductions were noted.
 - ❖ Dan suggested that an exit interview be conducted to share some insight on the direction of PBH.

6 Corporate Compliance Report:

A Corporate Compliance Report:

- Richard to update and present at the October Board Meeting

B IT Strategic Plan:

- Pete Murphy presented an overview of the Technology Roadmap
 - ❖ The CI Platform and other business technology services require investment to be ready for successful PBH expansion and Software as a Service.
 - ❖ 2011 & 2012 are invest and build years while operating, but ongoing attention and investment are required
- Brief discussion pertaining to customers that are buying our software
 - ❖ There is no limit to the number of LME's we can manage
 - ❖ Software is reasonably priced
 - ❖ Importance of security was reiterated

7 COO and CAO Report:

- Steve reviewed the Hospital Emergency Department (ED) Diversion Plan.
 - ❖ Plan is being implemented to reduce the number of consumers who present to the ED.
 - ❖ The plan was introduced to all six (6) of the ED Hospital Directors and was well accepted.
- Deanna gave an update on the Mergers
 - ❖ PBH employees are deep in the first merger implementation at the time- Alamance-Caswell
 - ❖ She is receiving good response from staff and families

8 General Counsel Report:

- Richard reviewed several legal cases that are on-going

Bill Burgin requested a motion to go into Closed Session to discuss the case K.C. et al. v. Cansler and Shipman. **Pursuant to N.C.G.S. §143-318.11(a)(3), Willi Beilfuss made a motion that we go into Closed Session to discuss legal matters. Gene Herrell seconded the motion. All in favor. Motion carried.**

Meeting returned to Open Session. Bill Burgin requested a motion to recess the meeting to discuss the remainder of the agenda items until July 14, 2011 at 6:30pm.

Fred McClure made a motion that the meeting be recessed until July 14, 2011. Gene Herrell seconded the motion. All in favor. Motion carried.

Meeting was recessed.



**PBH Board Meeting Minutes
Recessed Meeting July 14, 2011 (from June 23, 2011)**

Members Present: Betty Babb, Willi Beilfuss, Sabrina Hafer Bronson, Bill Burgin, Jack Burke, Lucy Drake, Tana Hartsell, Gene Herrell, Fred McClure, Joshua Morton, Dean Vick, and Dale Poplin.

Member Absent: Bob Carruth, Raymond Coltrain, Jonathan Thomas, Leonard Saltzman, and Barbara Whitley

PBH Staff Present: Dan Coughlin, Pam Shipman, Richard Topping (PBH General Counsel), and Pamela Campbell

Board Attorney: Mike Taylor

Guests: Susan Manning

Call to Order: Bill called the meeting to order at 6:33p.m.

CEO and Board Attorney Evaluations:

Bill Burgin requested a motion that the Board go into Closed Session for an update on legal cases: K.C. et al. v. Cansler and Shipman; Clinton L. et al. v. Cansler and Coughlin. **Pursuant to N.C.G.S. §143-318.11(a)(3), Lucy Drake made a motion that we go into Closed Session. Tana Hartsell seconded the motion. All in favor. Motion carried.**

Meeting returned to Open Session.

Pursuant to N.C.G.S. §143-318.11(a)(6), Bill Burgin requested a motion to go into Closed Session to discuss CEO and Board Attorney evaluations. Lucy Drake made the motion to go into Closed Session. Tana Hartsell seconded the motion. All in favor. Motion carried.

Meeting returned to Open Session.

An exit interview was conducted with Dan Coughlin.

Lucy Drake made a motion that we retain Mike Taylor as Board Attorney for another year. Jack Burke seconded the motion. All in favor. Motion carried.

Bill Burgin requested a motion that Mike Taylor's evaluation meets expectations. **Fred McClure made the motion that Mike Taylor's evaluation meets expectations. Dale Poplin seconded the motion. All in favor. Motion carried.**

Bill Burgin made the recommendation that the Executive Board Committee review and present the terms of Mike Taylor's contract to the Board at the next Board Meeting. Tana Hartsell made a motion that the Executive Board Committee prepare a contract for Mike Taylor which will be presented at the August Board Meeting. Lucy Drake seconded the motion. All in favor. Motion carried.

Bill Burgin requested a motion to adjourn the meeting. Tana Hartsell made a motion that the meeting be adjourned. Lucy Drake seconded the motion. All in favor. Motion carried.

Meeting adjourned at 8:22p.m.