

Update: September 2011
Transition to Managed Care Organization (MCO)

The area boards of directors for Mental Health Partners, Crossroads and Pathways met on Saturday, August 20, 2011 to jointly discuss and plan the next key steps in our transition to form the new Managed Care Organization. Since this was a special joint retreat, the decisions reached will be ratified by each board.

- 1) **Governance Structure** → The new board will consist of 26 members, one member being a Consumer and Family Advisory Committee (CFAC) representative. The other 25 members will be based on the population of each of the eight counties with a minimum number of two members per county. A county commissioner will represent each county and the boards of county commissioners will appoint the additional representatives. The total representation for each county is as follows: Cleveland – 3, Gaston – 6, Lincoln – 2, Burke – 2, Catawba – 4, Iredell – 4, Surry – 2 and Yadkin – 2. The CFAC member would be selected by the membership of the Consumer and Family Advisory Committee and could be from any county.
- 2) **Organizational Structure** → The new eight county Managed Care Organization will be set-up in a hub and spoke model. The central office or hub will be located in Gastonia with regional offices in Elkin and Hickory.
- 3) **Transition Structure** → A merger committee will be comprised of three members from each board and the three Area Director/CEOs. Members will be appointed by the respective boards and their work will involve governance details.
- 4) **Transition Financing** → A fund will be established from the fund balance reserves from all three organizations. Startup costs are estimated at \$4.9 million.
- 5) **Leadership** → The new MCO Chief Executive Officer will be Rhett Melton (presently Area Director/CEO of Pathways). John Hardy (Area Director/CEO of Mental Health Partners) will be the Community Relations Director and David Swann (Area Director/CEO of Crossroads) will be the Clinical Operations Director.

6) **Naming** → The new Managed Care Organization will have a new name.