

**Minutes
Mental Health Partners
Board of Directors
Thursday, May 21, 2009
7:00 P.M.**

The Mental Health Partners Board of Directors met on this date in the conference room at Goodwill Industries in Conover, North Carolina.

Members of the Board present included: Kitty Barnes, Ray Von Beatty, Todd Carswell, John Dayberry, Dr. Anthony Frasca, Danny Graves, Michele Hamby, Bruce Hawkins, Sr., Cynthia Houser, Ronald Kendrick, and Elizabeth Young. Excused/and or absent for other equivalent circumstances were Joseph Beaman, Jr. and Lori Faulkner. Mental Health Partners staff present included John Hardy, Lori Mathes, Melanie Britt, and Janice Cornett.

A quorum was present.

The meeting agenda was mailed to the media and Board members on May 15, 2009. There were no representatives of the media.

Handouts

The following items were distributed prior to the opening of the meeting:

1. Handout of HB 1188 and HB 672, both related to Local Managing Entities (LMEs)
2. Schedule for Remaining House Budget Deliberations
3. Commissioners' Synopsis – May 18, 2009
4. Burke Board of Commissioners Summary – May 19, 2009
5. NC Council Update – April/May 2009

Tour/Overview of Goodwill Industries

Mary Patton, Hickory District Director for Goodwill Industries, greeted Board members upon their arrival. She distributed a handout containing information about Goodwill Industries. Ms. Patton then gave Board members a tour of the Conover facility.

The Conover site was previously occupied by Econoforce, which began in the late 1970's. Goodwill Industries absorbed Econoforce in 2004 and renovated the facility. Goodwill works with other organizations in the community to create opportunities for people to enhance their lives through training and workforce development services. Based in Winston Salem, Goodwill Industries covers 31 counties in northwest North Carolina. The Hickory District includes the counties of Iredell, Wilkes, Catawba, Burke, and Alexander. Ms. Patton noted that the Iredell site is a "stand alone" site and is revenue producing. The other locations partner with community organizations. The Conover site partners with Catawba Valley Community College to provide workforce training opportunities.

There are a total of seven workforce development centers in the Hickory District. The Conover site operates 8:00 A.M. – 3:30 P.M. with thirty minutes for lunch each day. The site provides adult day vocational programs and currently has approximately 55 clients in the program. The maximum number for the program is 60. The program also does skills training for Vocational Rehabilitation (VR).

Participants in the program are paid a sub-minimum wage through the Department of Labor because their disabilities do not allow them to work at a normal pace. It is necessary to count every piece of work produced by each person in order to gage productivity and determine their pay. The standards are set by an industrial engineer.

Upon conclusion of the tour, Board members returned to the conference room for a brief question and answer session. Ms. Patton then excused herself from the room.

Call to Order and Welcome of Guests

In the absence of Board Chair Joseph Beaman, Jr., the meeting was called to order at 7:39 P.M. by Vice Chair Von Beatty. Mr. Beatty welcomed all present and expressed appreciation to Mary Patton for the information about Goodwill Industries and tour of the Conover site.

Invocation

Cynthia Houser led the invocation.

Minutes

The minutes of the April 16, 2009 meeting of the Board of Directors and the minutes of the May 13, 2009 meeting of the Budget/Finance and Executive Committees were presented.

Ron Kendrick made a motion to accept both the minutes of the April 16, 2009 Board of Directors' meeting and the minutes of the May 13, 2009 meeting of the Budget/Finance and Executive Committees as presented. Bruce Hawkins, Sr. seconded the motion.

There was no discussion, and it was unanimously voted to accept both sets of minutes as presented.

Citizen Comments

There were no citizen comments.

Commissioner Comments

Catawba County Commissioner Kitty Barnes referred to the copies of the "*Commissioners' Synopsis*" that were included in the Board packet. The commissioners recognized the North Carolina 4-H Program for its 100 years of service. There is an industry in Catawba County working on an expansion which would add jobs. Commissioners are proceeding with an architectural design for an expansion to the current animal shelter. Three million dollars in stimulus funds have been awarded to the county for the Blackburn-Plateau Water Loop. Of that amount, \$1.5 million would be in the form of a loan that does not have to be repaid and the other \$1.5 million would be a loan with zero percent interest for a twenty year term.

Burke County Commissioner Bruce Hawkins, Sr. noted that the primarily focus has been on the budget for next year. The hope had been that projections would not be as dismal as first anticipated, but funding is down several million dollars. Burke County is now looking at the possibility of a reduction in force and unpaid furloughs for its employees. Several lawsuits have been filed against the Burke County

Board of Education, including one filed by the Burke County Commissioners this afternoon. The commissioners are seeking an injunction to stop all actions surrounding the termination of the school superintendent's contract until all issues can be investigated and resolved. It is anticipated that the Higher Education Center will open in late July or early August. The commissioners are also looking at the State's plan to close the North Carolina School for the Deaf in Morganton.

Director's Report

1. The fourth CIT (Crisis Intervention Team) training for law enforcement officers was held this week. The training is held at a community college and the focus is on understanding various mental health conditions and how to respond to them in a more effective way. Officers from Catawba, Burke, and McDowell Counties were in attendance at this training.
2. Catawba Valley Behavioral Healthcare (CVBH) is about to sign purchasing contracts on two properties in downtown Hickory as it moves forward to relocate. Financing is currently being negotiated. CVBH's target date for relocation and building modifications is on or before December 31, 2009.
3. Budget is the largest pending issue, with the counties and the State yet to declare their position as all are waiting on the latest revenue numbers to decide. Director Hardy will present a response once that information is given. Local budget hearings have been moved to June. There is no doubt that it will be a different year than those in the past.
4. The General Assembly is busy but quiet on the budget issue. Various comments have been made in both chambers saying that the budget will be solved before June 30th. Two draft bills impacting mental health governance have been proposed. Director Hardy referred to the handout distributed prior to the opening of the meeting which summarizes the details of HB 1188 (appointment of LME Directors and LME Board membership) and HB 672 (relates to LMEs' use of state funds for mental health, developmental disabilities, and substance abuse services). He also referred to the handout distributed earlier which provides an update on the schedule for the rest of the House's budget deliberations.
5. The application for CARF has been submitted with the intent to survey between September 21, 2009 and October 30, 2009. Beth Lackey and Melanie Britt have led this project and much work has gone into the preparation for the accreditation survey. Mental Health Partners (MHP) will be ready.
6. Most contract issues have been solved at some level even if not fully. Most providers have done a great job of providing some level of services and adjusting to work with consumers within the limits of their contracts. There are still a few issues to settle.
7. Director Hardy distributed several copies of the State's Performance Agreement for the Board's review. The director will be signing the Performance Agreement after working with other Area Directors and State officials to get different adjustments within the agreement and making certain measures and penetration rates are contingent upon the availability of funds. It is expected that there will be a modification once actual budgets are known.
8. The next Board meeting will be at First Plaza in Hickory at 7:00 P.M. on June 18, 2009.

Review of Institute of Government Board Module

Board members reviewed the Institute of Government's Board Training Module, "*Budgeting and Financial Management*" prior to tonight's meeting. This was the fourth of five training modules. Beth Young led the discussion of the training module. She distributed an outline of the information presented in the module. The two major learning objectives included: (1) the Board's obligation to meet the major fiduciary responsibilities required by the Local Government and Fiscal Control Act; and (2) descriptions of the major revenue sources of the LME – Medicaid, IPRS service funds, county funds, LME management funds, and miscellaneous funds (grants, fees for service, interest, etc.).

The training module also addressed the movement from categorical funding toward single stream funding. With categorical funding, the LME receives dollars from the State in multiple "pots" with specific categories of services designated for the use of each "pot" of money. The dollars may be designated for services for adult mental health, child mental health, adult substance abuse, child substance abuse, or developmental disabilities. The LME does not have the flexibility to easily move dollars from one category to another. This results in some categories exhausting their dollars before the end of the year, while unexpended dollars in another category may end up being returned to the State. With single stream funding, dollars are received by the LME in one block of money that can be distributed on a dollar basis rather than on a category basis. This removes the barriers of categorical funding and enables funds to be easily moved to meet the needs of the community.

Mrs. Young noted that the timing of this training module was very helpful as it coincides with the current budget and funding issues being considered by the Board.

Dr. Tony Frasca volunteered to lead the discussion of the final training module for the June meeting.

Consideration Items

Draft Budget for FY 2009/2010

Director Hardy presented his budget message and the draft budget for FY 2009/2010. The draft budget continues the budget as it is ending on June 30, 2009. The proposed budget anticipates no salary, cost of living, or merit increases for MHP staff. It allocates \$4,855,076 for operational expenses and \$18,665,849 for the delivery of direct services to consumers through the provider network. The budget is projected at \$23,520,925, but the numbers will change when actual budget numbers are known. Therefore, revisions are expected in August or September.

The draft budget was reviewed in depth at the May 13, 2009 meeting of the Budget/Finance and Executive Committees. The draft shows revenue and expenditure projections through June 30, 2009 as well as the projections for FY 2009/2010. It also shows a breakdown of projected revenue by department for next year.

A public hearing to allow for external comments on the proposed budget will be held on June 18th, prior to the opening of the regular Board meeting.

Action Items

Budget Revision – May 2009

Lori Mathes, Finance Officer for MHP, presented a proposed revision to the budget for FY 2008/2009. The revision decreases the current budget of \$24,323,514 by \$33,024, bringing the current budget to \$24,290,490. The revision is as follows:

State Allocations

1. **Decrease of \$30,000** in funds for Traumatic Brain Injury (TBI) on a one-time basis
2. **Added \$4.00** to the budget to align MHP's budget with the State's IPRS budget due to the way that the LME administrative funds are budgeted

Burke County Funds

Due to their economic condition, Burke County reduced their initial county share funds of \$151,410 by two percent. This resulted in a **reduction of \$3,028** to MHP's budget for FY 2008/2009.

The Budget/Finance Committee recommends approval of the proposed revision. Ron Kendrick made a motion to approve the proposed revision to the FY 2008/2009 budget as presented. Todd Carswell seconded the motion.

There was no discussion, and it was unanimously voted to approve the revision to the FY 2008/2009 budget as presented.

Appointment of Budget Officer

As a multi-county area program, it is required by law that the Board formally appoint a Budget Officer. The Area Director serves as the Budget Officer in many LMEs. The Budget/Finance Committee recommends that the Area Director for MHP be so designated, as the LME Finance Officer reports directly to the Area Director and the Board holds the Area Director accountable for their joint actions.

Ron Kendrick made a motion that the Area Director of MHP be formally appointed as the Budget Officer. Bruce Hawkins, Sr. seconded the motion.

There was no discussion, and the motion was unanimously approved.

Appointment of Nominating Committee

A Nominating Committee needs to be appointed to consider a slate of Board officers for FY 2009/2010. The committee would bring their recommendations to the Board at its June 18th meeting. It has been recommended by the Executive Committee that the previous committee members of Todd Carswell as Chair, along with Danny Graves and Dr. Tony Frasca be designated.

Ron Kendrick made a motion to appoint Todd Carswell, Danny Graves, and Dr. Tony Frasca as the Nominating Committee as recommended by the Executive Committee. Kitty Barnes seconded the motion.

There was no discussion, and the motion was approved by unanimous vote.

Appointment of Human Rights Committee Members

It is recommended by the existing Human Rights Committee (previously Client Rights Committee), supporting staff, and Area Director that Board members Todd Carswell and Cynthia Houser be reappointed to the Human Rights Committee through the end of their respective terms on the MHP Board. Ms. Houser's term would expire June 30, 2011 and Mr. Carswell's term (after reappointment to the MHP Board) would expire June 30, 2012.

It is also recommended that new applicants Linda Martin-Deangelo and Pierre Vermette each be appointed for a first term of three years beginning July 1, 2009 and ending June 30, 2012.

Kitty Barnes made a motion that the appointments of the two new applicants, Linda Martin-Deangelo and Pierre Vermette, and the reappointments of Board members Carswell and Houser to the Human Rights Committee be approved as requested. Danny Graves seconded the motion.

There was no discussion, and the appointments were unanimously approved.

Single Stream Funding

Single stream funding is an opportunity created by the General Assembly two years ago. As noted in the earlier discussion of the Board training module, single stream funding gives LMEs the opportunity to move away from categorical funding in which dollars are specifically designated to a variety of age/disability categories. Single stream funding allows more flexibility and makes it easier for LMEs to move dollars to better serve the needs of consumers, thus enabling a fuller utilization of available dollars. All dollars are designated in one lump sum and are allocated to the LME on a 1/12 basis each month. Although the dollars come from one "pot", there are still requirements to track on how dollars are expended and many requirements (as shown on page two of the overview in the Board packet) to meet in order to initially qualify and continue with single stream funding. If approved for single stream funding, MHP would regularly report to the Board and CFAC as to how service dollars are being spent.

It is the recommendation of the Budget/Finance Committee that MHP pursue the opportunity of single stream funding. Dr. Tony Frasca made a motion that MHP submit an application for single stream funding. Cynthia Houser seconded the motion.

There was no discussion, and the motion was unanimously approved.

Relational Agreement with CFAC

The Relational Agreement with the Consumer Family Advisory Committee (CFAC) was presented for approval. This agreement formalizes the interplay between the MHP Board and CFAC. It defines the general responsibilities of the parties – CFAC and the Board/LME, as well as the additional responsibilities of each party as related to single stream funding. The LME shares information with CFAC, and this agreement defines how the LME functions with both CFAC and the Board.

Dr. Tony Frasca made a motion to approve the Relational Agreement with CFAC as presented. Kitty Barnes seconded the motion.

There was no discussion, and the agreement was unanimously approved.

Adoption of Policies

The Board packet included three new/revised policies for review. Melanie Britt, Policy Analyst for MHP, gave a brief overview of each policy. The policies are as follows:

Guardianship Role in End-of-Life Issues – MHP currently serves as the court appointed guardian for 96 persons who lack the capacity to make sound personal decisions and who have no family members or friends to serve in that capacity. As part of this role, MHP must assist those individuals who are facing end-of-life issues and/or life altering issues to do so in a peaceful and dignified manner. This new policy presents in written form the current procedure utilized by MHP. The procedure includes open communication with wards and their families, the protection of the rights of the wards, etc.

Voluntary Shared Leave - This new policy allows MHP employees to donate leave to another employee affected by a serious medical condition that requires their absence from work for a prolonged period of time resulting in the possible loss of income due to the exhaustion of accumulated leave. The policy defines the eligibility requirements to receive donated leave, the procedure for handling a request for donated leave, donor guidelines, general guidelines, and accountability for leave donations and use. A similar policy was in place while Mental Health was a department of Catawba County.

Human Rights Committee – This policy outlines the functioning of the Human Rights Committee (previously the Client Rights Committee) and has been revised to bring that content to current language and content.

Kitty Barnes made a motion that all three policies be approved as presented. Danny Graves seconded the motion.

There was no discussion, and it was unanimously voted to approve all three policies as presented.

State Funded Benefit Plan

There are actually two pieces to the *State Funded Benefit Plan* – the policy and the actual benefit plan organized by disability/age. Director Hardy gave an overview of the plan. The policy “*State Funded Benefit Plan*” states that MHP will maintain a comprehensive, multi-tier, written State Funded Benefit Plan that serves as the working policy guiding the Utilization Management and Utilization Review practices of MHP. The benefit plan attached to the policy will be based on guidelines from the State Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and will function as the primary tool for the management of funds allocated to MHP. With limited funds, the plan will define how MHP will consistently allocate funds to consumers. The benefit plan will be a “fluid” document that will be adjusted as needed due to allocations, de-allocations, number of consumers, changes in demographics, etc.

Director Hardy guided Board members through a review of the benefit plan for Adult Mental Health Services. He noted that the more severe the disability, the more eligible a consumer is for services. The acronym “GAF” means General Assessment of Function. On the page with the financial analysis for Adult Mental Health, an “E” beside the payment rate indicates **per event**; whereas, an “H” indicates that the rate is **per hour**. The dollar amounts are shown for both a minimum level of services and a maximum level of services.

In addition to Adult Mental Health, other categories are Adult Substance Abuse, Child Mental Health/Substance Abuse, and Child/Adult Developmental Disabilities. There are different services in each of the different categories. A State Funded Benefit Plan is also a requirement for single steam funding.

Todd Carswell made a motion to approve the "*State Funded Benefit Plan*" (policy and benefit plan) as presented. Kitty Barnes seconded the motion.

There was no discussion, and the motion was unanimously approved.

Information Items

Acting Chair Von Beatty reviewed the information items with the group.

With no other business for discussion, the meeting was adjourned at 9:20 P.M.

Respectfully submitted,

Janice D. Cornett
Administrative Assistant II/Clerk to the Board