

**Minutes
Mental Health Partners
Board of Directors
Thursday, June 18, 2009
7:00 P.M.**

The Mental Health Partners (MHP) Board of Directors met on this date in the first floor conference room of the First Plaza Building in Hickory.

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

A quorum was present.

The meeting agenda was mailed to the media and Board members on June 12, 2009. Notice of a public hearing for the purpose of allowing citizens and service providers an opportunity to express concerns or provide input to the Mental Health Partners' proposed budget for FY 2009-2010 was mailed to the media on approximately May 27, 2009. There were no representatives of the media present at this meeting.

Handouts

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

1. Legislative Update: Relative to Mental Health (as of June 16, 2009)
2. Process Improvement Project Synopsis
3. Synopsis of Board Training Module – *"Making Decisions and Setting Directions"*
4. Supplement to Human Resources Report – Insurance Package
5. Summary of Burke County Board of Commissioners Meeting of June 16, 2009
6. Synopsis of Catawba County Board of Commissioners Meeting of June 15, 2009
7. Letter and Questionnaire from Martin Starnes & Associates, CPAs, P.A. (auditors for MHP)
8. Memo from Nominating Committee

Call to Order and Welcome of Guests

MHP Board Chair Joe Beaman, Jr. called the meeting to order at 7:04 P.M. He welcomed all in attendance, especially Maynard Taylor. Mr. Taylor previously served on the MHP Board as the commissioner representative for Burke County.

Invocation

Beth Young led the invocation.

Recognition of Outgoing Board Members

Chair Beaman recognized John Dayberry and Maynard Taylor for their service to the MHP Board. Mr. Taylor served as a member of the MHP Board from July 1, 2008 through November 30, 2008. He had also served as a member of the Mental Health Services of Catawba County Board of Directors from July 1, 2007 through June 30, 2008. During that time, Mr. Maynard served on the Integration Committee, which was instrumental in guiding the transition to Mental Health Partners. He was invited to attend tonight's meeting so the Board could formally recognize him and express their appreciation for his hard work and service to the citizens of both Burke and Catawba Counties.

Mr. Dayberry has served on the MHP Board for the past year and served as a member of the Mental Health Services of Catawba County Board of Directors from March 2003 through June 30, 2008. Mr. Dayberry has experienced many changes as a Board member over the past 6+ years and has helped make the difficult decisions required to transform this agency from a single county area program functioning as a department of Catawba County to a separate entity functioning as a multi-county area program.

Chair Beaman presented plaques to both gentlemen as a token of the Board's appreciation for their dedication and service.

Minutes

The minutes of the May 21, 2009 meeting of the Board of Directors and the minutes of the June 9, 2009 meeting of the Executive Committee were presented.

Von Beatty made a motion to accept both the minutes of the May 21, 2009 Board of Directors' meeting and the minutes of the June 9, 2009 meeting of the Executive Committee as presented. Kitty Barnes seconded the motion.

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

Public Hearing for Proposed FY 2009-2010 Budget

Chair Beaman declared the public hearing regarding the proposed FY 2009-2010 budget open at 7:12 P.M. There being no one present to make comment, the hearing was declared closed at 7:13 P.M.

Citizen Comments

There were no citizen comments.

Commissioner Comments

Catawba County Commissioner Kitty Barnes referred to the synopsis of the June 15, 2009 meeting of the Board of Commissioners that was distributed prior to the opening of the meeting. She noted that budget hearings were conducted most of the day on June 15, with the regular Board meeting convening at 7:00 P.M. During the public hearing, commissioners heard comments about funding for the Sex Offender Treatment Program and consequently, commissioners moved \$8500 to that program by reducing the contracted amount for Psychiatric Support and Transcription Services through Catawba

Valley Behavioral Healthcare (CVBH) by that same amount. Catawba County has evenly divided its allocated dollars for contracted services between the two primary providers, resulting in a shift of \$167,616 away from adult services purchased through CVBH to expanded children's services through Family N.E.T. Commissioner Barnes also commented that revenue from sales tax is down by 7-9 percent and is anticipated to be even lower next year. Catawba County has budgeted 95 percent of its available funds.

Burke County Commissioner Bruce Hawkins, Sr. was unable to attend tonight's meeting due to the commissioners' budget work sessions.

Director's Report

1. Budget remains the largest pending issue. Catawba County made its decisions on Monday (June 15). Burke County and the State are still working on the budget process. Catawba County supported MHP's request of \$1,328,138, but reprioritized \$167,616 from adult related services to children's services. MHP will have to look at the State dollar, what remains from FY 2008-2009, and how some of those critical services can or cannot be supported. There is no doubt that the current demand for services is greater than the resources to support them. The application of the State Benefit Plan is more critical than ever as it provides a rational way to manage what resources are available. Providers are feeling a financial squeeze from all angles – state, local, first party, and insurance pay. Thus, they are forced to make fairly restrictive decisions about how they do business in order to remain financially viable. MHP is hosting two provider forums next week, one in Burke County on Tuesday, June 23 and the other in Catawba County on June 26. One topic of discussion at the forums will be the budget and how MHP anticipates it will affect contracts with providers.
2. Director Hardy referred to the legislative update that was distributed as a handout prior to the opening of the meeting. The handout illustrates the proposed House budget cuts relative to mental health as of June 16, 2009. He gave a brief overview of each proposed cut. It is expected that the State's budget might be finalized by the end of June or the first week of July. Director Hardy hopes to arrange a meeting with Secretary Cansler and officials from Burke and Catawba Counties once the budget process is completed. The purpose of the meeting would be to discuss the State's plans for Broughton Hospital.
3. Director Hardy referred to the handout, "*Process Improvement Project Synopsis*". MHP is committed to looking for opportunities for improvement in an effort to meet or exceed customer expectations and increase efficiency. We believe streamlining our processes is more important than ever in this climate of budget restraints. MHP hopes to increase efficiency and customer satisfaction by maximizing the use of technology, collecting only essential information from providers, better communication across departments, identifying and eliminating non-essential functions, etc. The handout provides information about this project. We are currently working to identify essential and non-essential functions in each department.
4. As noted earlier, provider forums are being held in both counties next week. We will discuss with providers how business will be done under the new benefit plan as well as within the limits of restricted State dollars. Contracts will start to go to providers next week, and MHP is starting contract funding for three months at the 85 percent level. Director Hardy met with the seven largest providers (\$500,000 or more from the LME) the first week of June to discuss the issue of

contract funding. All the providers were in agreement that they prefer to start funding low and add rather than starting high and reducing funding. MHP is also requiring all providers to connect with us electronically by October 1, 2009. Many already enter their authorizations electronically, but it is important that all do.

5. Director Hardy has been a participant with the NC Medical Society's Task Force on Mental Health to forge some recommendations for the society to adopt and promote. The primary focus has been on the integration of care between physical care and behavioral healthcare as well as the quality of care issues.
6. The next Board meeting will be held at 7:00 P.M. on July 16, 2009 at the First Plaza Building in Hickory. The Board will discuss its calendar and meeting locations for FY 2009-2010. Any future budget information (including final numbers) received between now and the July meeting will be electronically sent to all Board members.

Review of Institute of Government Board Module

Board members reviewed the Institute of Government's Board Training Module, "*Making Decisions and Setting Direction*" prior to tonight's meeting. This was the last of five training modules. Dr. Tony Frasca had prepared a summary of the training module and forwarded it to Janice Cornett, Clerk to the Board, for distribution to Board members. The summary was distributed as a handout prior to the opening of the meeting. In the absence of Dr. Frasca, Janice presented a brief overview of the summary.

The objectives of this training module were to recognize the six different types of decisions, describe the decision-making process, and determine who takes the lead in decision making – the Board or the Director. The Board has the primary responsibility for strategic and quality decisions. Administrative and resource decisions are the shared responsibility of the Board and the LME staff. The staff is primarily responsible for decisions regarding standard operating procedures and rules.

The ideal situation between a Board and LME Director is a balanced shared involvement in the decision-making process.

Action Items

FY 2009-2010 Salary Plan

Lesa Silver, Personnel Officer for MHP, presented the FY 2009-2010 Salary Plan. This is a fairly routine item that must be formally adopted by the Board annually to meet the obligations to the Office of State Personnel (OSP). The OSP looks at the range between minimums and maximums for salary grades, as well as reviews to ensure the correct differentials exist between titles (such as Administrative Assistant I versus Administrative Assistant II). The report is due by July 1 each year and any changes during the year must be communicated to the OSP.

The plan presented to the Board reflects the current positions of MHP, their grades, and associated salaries. The plan for FY 2009-2010 is the same as the existing plan and there are no recommended changes at this time. The only difference is the title changes that were incorporated earlier in the year to better align with titles under the OSP.

Ron Kendrick made a motion to formally adopt the FY 2009-2010 Salary Plan for MHP as presented. Danny Graves seconded the motion.

There was no discussion, and the FY 2009-2010 Salary Plan was adopted by unanimous vote of the Board.

FY 2009-2010 Budget

The draft budget proposed and reviewed at the May Board meeting projects MHP's budget for FY 2009-2010 at \$23,520,925. This budget reflects beginning July 1 with the same budget that will end June 30, 2009. It was recommended for adoption by the Budget/Finance Committee and was advertised for public comment. Information received since May indicates that there will be significant changes (reductions) to the budget. However, the impact of the anticipated changes will not be known until legislative decisions are final.

For consistency, MHP is recommending that the draft budget reviewed in May be adopted with the understanding that it will be revised as soon as decisions from the General Assembly and State Department of Health and Human Services are finalized.

Ron Kendrick made a motion to adopt the recommended budget for FY 2009-2010 as presented. Von Beatty seconded the motion.

There was no discussion, and the motion unanimously passed.

Report of Nominating Committee and Election of Officers for FY 2009-2010

A Nominating Committee was formed in May for the purpose of presenting a slate of officers for FY 2009-2010. The committee consisted of Todd Carswell as Chair, Danny Graves, and Dr. Tony Frasca. Each Board member received a copy of the Nominating Committee's report prior to the opening of the meeting.

Nominating Committee Chair Todd Carswell presented the report to the Board. Because MHP is still a relatively young organization and the current Chair and Vice Chair have only served for a limited time, the Nominating Committee recommends that Joe Beaman, Jr. and Von Beatty continue as Chair and Vice Chair respectively for FY 2009-2010. The committee also recommends Todd Carswell as Treasurer for next year.

The Board voted unanimously to approve the recommendation of the Nominating Committee for officers for FY 2009-2010.

Kitty Barnes made a motion to go into **Closed Session** for discussion of a personnel matter as provided under NC GS143-318.109. Todd Carswell seconded the motion.

The Board unanimously voted to go into **Closed Session** at 8:10 P.M., and Director Hardy was excused from the room at this time.

The Board returned to **Open Session** at 8:23 P.M., and Director Hardy returned to the room.

Renewal of Employment Agreement with Director

Board members expressed appreciation to Director Hardy for his hard work, guidance, and dedication to the citizens of Burke and Catawba Counties over the past year. The Director's annual performance review was recently conducted and has been intensely reviewed by the Executive Committee.

It is time for renewal of the annual employment agreement between the Board and the Director. This agreement outlines the basis relationship between the Board and the Director. It also sets forth the conditions that would manage any desire by either party to terminate the working relationship. The annual renewal allows an opportunity for either party to revisit the conditions or to alter the general terms of the agreement. There have been no changes made to this agreement since last year.

Ron Kendrick made a motion to retain John Hardy as the Area Director for MHP for FY 2009-2010, approve the employment agreement between the MHP Board and the Director as presented, maintain the Director's salary as it currently stands with the possibility of an adjustment (increase) at a later date dependent upon improved economic conditions, and approve the Director's outcomes for FY 2009-2010 as presented. Von Beatty seconded the motion.

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

Policy on Director's Succession Plan

A new policy, "*Succession Plan for Area Director*" was presented for review and adoption. Lesa Silver presented an overview of the policy. While this policy was prompted by CARF accreditation, it is also a tool to illustrate to stakeholders that MHP has an emergency plan to minimize the negative impact of any planned or unplanned absence of the Director. The policy addresses a plan of action in the event of any of the following:

- Temporary, Unplanned/Planned, Short-Term Absence – greater than 30 days, but less than 3 months in which it is expected that the Area Director shall return to his/her position
- Temporary, Unplanned/Planned, Long-Term Absence – greater than 3 months in which it is expected that the Area Director shall return to his/her position
- Permanent Change in Area Director, either Planned or Unplanned – Area Director will not be returning to his/her position.

Ron Kendrick made a motion to approve the policy, "*Succession Plan for Area Director*" as presented. Kitty Barnes seconded the motion.

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

Other – Response Requested by MHP Auditors

Chair Beaman referred to a letter from Martin Starnes & Associates, CPAs, P.A. that was distributed to each Board member prior to the opening of the meeting. In preparation for MHP's June 30, 2009 audit, the auditing firm is asking for input from all Board members. Board members are requested to respond to the three questions attached to the letter. All responses should be sent directly to the auditors at the e-mail or mailing address listed below the questions. Please be sure to respond by June 30.

Information Items

Chair Beaman reviewed the information items with the group. Lesa Silver noted that the handout regarding the insurance packet is a supplement to the Human Resources Report. It is an educational piece to inform the Board about projections for MHP's liability insurance premiums for next year. The premium for the business insurance package for FY 2009-2010 is not expected to exceed \$66,739. The premium for last year's package was approximately \$75,100. The reduction is probably due to MHP building a little history with the insurance carriers.

Adjournment

With no other business for discussion, Ron Kendrick made a motion to adjourn. The meeting was adjourned at 8:44 P.M.

Respectfully submitted,

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