

**Minutes
Mental Health Partners
Board of Directors
Thursday, August 20, 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, Ray Von Beatty, Lori Faulkner, Dr. Anthony Frasca, Danny Graves, Bruce Hawkins, Sr., Ronald Kendrick, and Elizabeth Young. Excused and/or absent for other equivalent circumstances were Joseph Beaman, Jr., Todd Carswell, Michele Hamby, and Cynthia Houser. Mental Health Partners' staff present included John Hardy, Melanie Britt, and Janice Cornett.

A quorum was present.

The meeting agenda was mailed to the media and Board members on August 14, 2009.

Handouts

One handout, "Financial Picture as of August 20, 2009", was distributed prior to the opening of the meeting.

Call to Order and Welcome of Guests

In the absence of MHP Board Chair Joseph Beaman, Jr., Vice Chair Von Beatty called the meeting to order at 7:15 P.M. and welcomed all in attendance.

Invocation

Vice Chair Von Beatty led the invocation.

Minutes

The minutes of both the open session and the closed session of the July 16, 2009 meeting of the Board of Directors were presented. Also presented were the minutes of the August 12, 2009 meeting of the Budget/Finance and Executive Committees.

Dr. Tony Frasca noted one correction to the minutes of the open session of the July 16, 2009 meeting of the Board of Directors. Under "*General Operations*" on page three of the minutes, the sentence, "These people are mostly adult males and that is a change to the traditional ratio where the number of females was higher" should simply read as, "These people are mostly adult males." This amendment will be made to the minutes.

Kitty Barnes made a motion to accept the minutes of the open and closed session of the July 16, 2009 Board of Directors' meeting and the minutes of the August 12, 2009 meeting of the Budget/Finance and Executive Committees as amended. Danny Graves seconded the motion.

There was no discussion, and it was unanimously voted to accept all three sets of minutes as amended.

Citizen Comments

There were no citizen comments.

Commissioner Comments

Catawba County Commissioner Kitty Barnes noted that the August 17, 2009 Commissioners' meeting was lengthy due to a public hearing on a rezoning request. Commissioners are still waiting to hear the final details of the State's budget and its impact on Catawba County. The synopsis of the July 20, 2009 and the August 3, 2009 meetings were included in the Board packets.

Burke County Commissioner Bruce Hawkins, Sr. stated that the commissioners have experienced a very hectic schedule since April with budget hearings, adoption of the budget, and now the lawsuit by the School Board. He gave a brief overview of the business of the last couple weeks and stated that he expects the School Board to ask for a change in venue. Mr. Hawkins feels the issue with the School Board is a Burke County issue and should be managed in Burke County. He also expressed concern about the legal fees to the citizens of the county and stated that he hopes for a quick resolution to the lawsuit.

Director's Report

1. The State budget was finally passed and the implications of the budget are still being sorted. Health and Human Services experienced a major reduction (about \$1.4 billion) and there will be obvious impacts felt in all corners of the community. We can expect to see increased demands in emergency rooms (such as the recently publicized event in Burke County), reductions in provider services, reductions in professional staff, and consumers experiencing both reductions in services and losses of services in some cases. Providers will be affected by the reduced rate changes that will be effective October 1.
2. MHP is now in its second month of single stream funding. It seems to be working well so far and the State's cash flow has improved somewhat. Funding is currently being received at the 85 percent level which is working since our first quarter contracts with providers were written at 85 percent of the amounts ending on June 30, 2009.
3. One of the major changes in the world of child mental health services is the radical reduction in funding for Level III and Level IV group homes. As a result of that, informational meetings and discussions have been taking place with a variety of providers, families, legal guardians, social service agencies, schools, and juvenile justice counselors and judges to explain what is happening. The State's thrust is to place fewer children in group homes and to provide more in-home services and therapeutic foster care services. There are about 45 children from Burke and Catawba County in these kinds of circumstances. Of those 45, about one-third of the children are in the custody of the Department of Social Services and about two-thirds have active family involvement.

4. Media focus has died down for the moment. However, there will continue to be incidents when others say that an event was not handled correctly, wonder why people had to wait for services, or why there are no longer any services of a certain type. The level of adopted reductions does and will continue to have an impact and ripple into other aspects of the community. MHP has supplied the public information recently requested from us except for information that was deemed confidential.
5. A full ice cream social staff meeting was held on August 6 to thank staff for their continued hard work during hard times and to share some of the wider legislative decisions made. While all the details are not known about the implication of the budget, it is less catastrophic than originally projected. Staff needed to hear that.
6. The next Board meeting is scheduled for September 17, 2009 at 7:00 P.M. at North Liberty School in Morganton. However, it may be necessary to change the meeting date to accommodate the budget. There may be a need to meet in late September or early October depending on when the budget information is received. It is possible that the September and October Board meetings may be combined.

Consideration Items

Board Assessment

An evaluation form requesting an assessment of Board members' individual experience as a MHP Board member was included in the Board packets. Melanie Britt, Policy Analyst for MHP, thanked the Board members for taking time to complete the survey and for returning them at this meeting. A few Board members were not able to attend tonight's meeting and we need to get those surveys back also in order to have input from all the Board members. Once all the surveys are returned, Melanie will gather the results of the data and bring that back to the Board within the next couple of months. The Board will then discuss the results and make any recommendations for changes. The survey will provide an opportunity for Board members to express how they feel the Board is performing.

Financial Picture from FY 08-09 to FY 09-10

Director Hardy gave an overview of the handout, "*Financial Picture as of August 20, 2009*" that was distributed prior to the opening of the meeting. He noted that the numbers used are rough estimates as much is still unknown at this time. MHP has an unaudited gross net from FY 2008-2009 of about \$1,195,000.

It is estimated that MHP will have a 4.19% reduction in operational dollars. The reduction would be calculated on the beginning numbers in July 2008 rather than the ending numbers in June 2009, and that is a positive factor.

Service dollars have been reduced statewide by \$60 million as described below:

- \$40 million – direct state funding services
- \$16 million – CAP services
- \$4 million – Comprehensive Treatment Services Program (CTSP)

Some services, such as Mobile Crisis, Walk-in Clinics, and cross area services will be exempt from cuts. The majority of Medicaid services are billed directly by the providers so MHP is not managing those reductions.

The State is mandating that LMEs make up at least some portion of the \$40 million service dollar reduction from fund balance. Fund balance varies among the LMEs from large or nominal to none. It is not yet known how this will be managed. Some dollars would also be needed for the maintenance of fund balance (current fund balance is \$1.6 million). Overall, MHP could face a potential impact of a \$1.5 million reduction from LME operational and service dollars.

The following items are known at this time:

- Some instructions from the State are expected within the next 10 days.
- LMEs are required to submit a plan of where and how reductions will be managed. There is to be a process where representative stakeholders, like providers and consumers, participate in the final decisions.
- MHP's current provider contracts go through September 30, 2009 (written with a 15 percent reduction against the ending contract amounts on June 30, 2009). Some adjustments will need to be initiated.
- There is a major reduction in funding for Level III and Level IV group homes for children. A process is underway to review all cases (45) to determine what is most or more appropriate for the children involved.
- Community Support Services as we know them now will be eliminated. Some transition to a different type of case management service is yet to be defined.

Once the LME receives clearer financial information, Director Hardy suggested that staff will sort through the details and develop some options for funding LME operations and services. The goal is to sustain services as they are as much as possible. The financial plan and revised budget will be presented to an enhanced Budget/Finance Committee consisting of existing members, a few providers, and consumer representatives from CFAC. This group will make a proposal to the full Board for consideration and adoption – ideally at the September meeting.

There was a brief discussion of how providers would be chosen to participate in this process. Director Hardy stated that providers would be chosen based on the amount of services they provide, representative of all arenas of disability, etc. The Board was in agreement with the Director's suggested action for developing a financial plan to manage reductions and with the method of choosing providers to participate in the process.

Update on Broughton Hospital

Hospital Operations

Dr. Tony Frasca noted that the bad news continues for Broughton Hospital. The hospital has lost 125-126 positions in the State's budget (about 10 percent of its workforce). Fortunately, only two people were affected. The other positions were not filled, but were very much needed. This loss of positions impacts Broughton's ability to help the community.

Dr. Frasca stated that he was at Rutherford Hospital a couple of weeks ago and the staff there expressed gratitude for Broughton Hospital. He also noted that Western Highlands will probably exhaust their

diversion bed money for community hospitals by October or November and with the reductions Broughton has experienced, it will be unable to absorb the overflow of patients.

New Hospital Project

An e-mail from Dr. Frasca was forwarded to all Board members on Monday of this week. The e-mail gave an update of Dr. Frasca's recent efforts on behalf of Broughton Hospital and the State's plan for a new hospital. It also contained a Power Point presentation being used by Dr. Frasca as he speaks with various groups about this issue.

Secretary Cansler is tentatively scheduled to visit Broughton Hospital on September 30 to hear discussions on the new hospital project. Dr. Frasca hopes to have a group consisting of other professional staff at Broughton, local citizens, and a county commissioner representative from both Burke and Catawba Counties present at that meeting to express their concerns. One issue of concern noted by the Board was the need for a feasibility study to determine which current buildings on the Broughton campus could be utilized to provide additional services.

Action Items

Adoption of Policies

Two policies were presented for approval: (1) *Risk Management Plan Policy*; and (2) *Legal Proceedings for Medical Records*. These policies address their respective areas and offer operational guidance to address their subjects.

Many risk management policies were completed about one year ago. The "*Risk Management Plan Policy*" ties all these policies together under one plan that will be revised as needed. It states that MHP shall maintain an active Risk Management Plan that will serve as policy on how risk management goals and programs will be implemented and maintained. The Risk Management Plan will be reviewed by the MHP Management Team and the Quality Management Team annually or as revisions occur.

The "*Legal Proceedings for Medical Records Policy*" outlines the procedure for managing any requests involving the release of disclosure of confidential consumer information. There was a delay in bringing this policy to the Board as it was sent to legal counsel for review first.

Kitty Barnes made a motion that both the "*Risk Management Plan Policy*" and the "*Legal Proceedings for Medical Records Policy*" be approved as presented. Bruce Hawkins, Sr. seconded the motion.

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

Appointment of Human Rights Committee Member

It is recommended by the Human Rights Committee and Director Hardy that Sharon Brown of Burke County be appointed to the Human Rights Committee. Ms. Brown will represent people in recovery from substance abuse, filling a vacant position with a term ending June 30, 2010.

Dr. Tony Frasca made a motion that the appointment of Sharon Brown to the Human Rights Committee be approved as requested. Danny Graves seconded the motion.

There was no discussion, and the appointment of Sharon Brown to the Human Rights Committee was unanimously approved.

Information Items

Vice Chair Beatty reviewed the information items with the group. He directed attention to the purple paper listing the Board's meeting locations for FY 2009-2010.

Bruce Hawkins, Sr. informed the group that Burke County has a new Clerk to the Board of Commissioners, Doris Smith. Once Ms. Smith is acclimated to the position, summaries of the commissioners' meetings will be forwarded to Janice Cornett for inclusion into the Board packets.

Adjournment

With no other business for discussion, the meeting was adjourned at 8:40 P.M.

Respectfully submitted,

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