

**Minutes  
Mental Health Partners  
Board of Directors  
Thursday, March 25, 2010  
7:00 P.M.**

The Mental Health Partners (MHP) Board of Directors met on this date in Lake James Auditorium at Grace Hospital in Morganton.

Members of the Board present included: Joseph Beaman, Jr., Kitty Barnes, Lori Faulkner, Dr. Anthony Frasca, Ray Von Beatty, Michele Hamby, Ronald Kendrick, and Elizabeth Young. Excused and/or absent for other equivalent circumstances were Danny Graves, Bruce Hawkins, Sr., and Cynthia Houser. Mental Health Partners' staff present included John Hardy, Melanie Britt, and Janice Cornett. Jane Duckworth, Director of Behavioral Health at Grace Hospital, was also in attendance to present an overview of the psychiatric services provided at the hospital.

A quorum was present.

The meeting agenda was mailed to Board members and the media on March 17, 2010. A public notice of the change in meeting dates from March 18 to March 25 was also mailed to the media and posted in both locations of Mental Health Partners. There were no representatives of the media present.

#### **Handouts**

An amended budget revision for Fiscal Year 2009/2010 was distributed prior to the opening of the meeting.

#### **Call to Order and Welcome of Guests**

Joseph Beaman, Jr., MHP Board Chair, called the meeting to order at 7:00 P.M. and welcomed all in attendance, with a special welcome to Jane Duckworth from Grace Hospital.

#### **Invocation**

Ronald Kendrick led the invocation.

#### **Presentation – Grace Hospital**

Chair Joe Beaman, Jr. then turned the meeting over to Jane Duckworth, Director of Behavioral Health, for an overview of the psychiatric services offered at Grace Hospital. Ms. Duckworth noted that Grace Hospital has a 22 bed inpatient psychiatric unit that has been in place for approximately 20 years. The hospital recently added to the medical staff in the psychiatric unit. The beds are usually filled at a rate of about 93 percent with an average daily census of six days. About 26 percent of the patients in the psychiatric unit are self-pay and over 65 percent are Medicaid and Medicare.

There is some frustration with the sheriff in not being able to get patients placed, sometimes resulting in deputies having to spend days in the Emergency Department. Ms. Duckworth noted that the biggest challenge is getting people moved out of the Emergency Department. Grace Hospital is in the process of

setting up a meeting with Catawba Valley Medical Center to see if Catawba can offer any additional assistance with this problem. The hospital is also looking at two different spaces at Grace to expand for a sub-acute, crisis stabilization, 23-hour facility with 5-8 chairs.

The hospital currently has a combination of private and semi-private rooms. Due to the layout, a patient who is aggressive or violent presents a special concern in bed placement as patient safety is always a top priority. Grace Hospital gets psychiatric referrals from as far away as Surry and Haywood Counties, Charlotte and Gastonia. Ms. Duckworth noted the need for geriatric psychiatric services, medical psychiatric services, and detoxification services.

Upon conclusion of her presentation, Ms. Duckworth answered additional questions for the Board. She then excused herself from the room and the regular Board meeting resumed.

### **Minutes**

The minutes of the February 18, 2010 meeting of the Board of Directors were presented for review.

Ronald Kendrick made a motion to accept the minutes of the February 18, 2010 meeting of the Board of Directors as presented. Von Beatty seconded the motion.

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

### **Citizen Comments**

There were no citizen comments.

### **Commissioner Comments**

Catawba County Commissioner Kitty Barnes noted that a synopsis of the March 15, 2010 commissioners' meeting was included in the Board packet. It was a fairly routine meeting. Commissioners are in the process of looking at the budget for FY 2010/2011. Commissioner Barnes noted that about 72 Catawba County employees have been impacted thus far with a RIF (Reduction in Force) or reduced hours. About \$6.5 million was cut from the budget this year and projections are on target. It is anticipated that next year will be more difficult.

Burke County Commissioner Bruce Hawkins, Sr. was unable to attend tonight's meeting due to a prior commitment. The Burke County Commissioners' Minutes of the February 2, 2010 meeting were included in the Board packet.

### **Director's Report**

1. MHP is aggressively pursuing a United States Department of Justice , Bureau of Justice Assistance grant that would increase public safety through cross-system collaboration for individuals with mental illness/substance abuse who come in contact with the criminal justice system. The hope would be to assist those charged with lesser crimes to get released more quickly and to stay out of the criminal justice system. A case manager would provide long-term follow up. This is a two year, \$250,000 grant with a match of \$62,500, some in-kind and cash. The counties have agreed to split the cash portion of \$27,500 at 60/40, with Burke contributing

\$11,000 and Catawba \$16,500, each amount split over two years. This is both a planning and implementation grant to be submitted April 1, 2010 with a start date of October 1, 2010. MHP has met with representatives from local law enforcement and the counties to discuss the details and to get their buy-in, which is what has happened.

2. A Plan of Correction on six minor items will be submitted to CARF (Council on Accreditation of Rehabilitation Facilities) for completion of the accreditation process. These were technical adjustments to a few policies and procedures.
3. There was a recent meeting with the local landlord association to clarify any questions they had on the Homelessness Prevention and Rapid Re-Housing Program. Several of them have tenants that are participants in the program. Mostly this was a positive exchange with the landlords being appreciative of the information and the existence of the program.
4. At the State level the two initiatives of Waiver and CABHA (Critical Access Behavioral Healthcare Agency) continue to be pushed. More will be said on the Waiver program and what it is later in this meeting. Various provider agencies are completing their CABHA applications. It will be interesting to see how all of that falls out. MHP has scheduled a meeting on April 6 with providers in our catchment area who are interested in being a CABHA.
5. The State's cash flow to local programs continues to ebb and flow, but it has been more on the flow side lately, allowing providers to breathe a little easier.
6. MHP has survived two more audits. One audit was for the expenditure of Federal Funds, Mental Health and Substance Abuse Block Grants, and the other was a settlement audit for the past two years on State non-UCR and LME funds. There were a few details that required correction both at the provider and LME level, but for the most part MHP did very well. Staff need to be complimented on their preparation, how well they keep up with the volumes of information, and how they respond when auditors are on site. Final reports have not yet been received.
7. A renewal of the agreement with Catawba County for the provision of payroll, IT, and benefit services administration has taken place. The total amount is slightly less than last year with a cost of \$113,000. The majority of the cost relates to IT connectivity, access to certain critical software, and support of the system. This has been a smooth process, with an agreement to continue for three more years with annual adjustment based upon actual cost.
8. Health benefits for employees is making a major shift with a greater cost being carried by the employee. Continued double digit cost increases in healthcare have caused Catawba County, who is self insured, to shift some greater participation to employees. Information has been distributed to all and a major meeting is being held next week to review all the details and options with staff. Three separate plans are being offered including a HSA (Health Savings Account) via the State Employees Credit Union. For all it will cost more to have health insurance and with no anticipation of any salary increase at the same time.
9. The Burke County Board of Commissioners held an informal budget workshop to which the Director attended and discussed next year's issues.

10. A regional Area Directors' meeting was hosted at MHP to discuss the possibilities of either future merger or collaboration in order to be able to respond to future waiver conditions. This was the first time this set of people had gathered, and it was a fruitful discussion.
11. Staff will engage in a strategic planning process next week and will develop an 18 month draft plan to bring to the Board.
12. The next Board meeting will be at 7:00 P.M. on April 15, 2010 at CVBH (Catawba Valley Behavioral Healthcare) in downtown Hickory.

Following the Director's report, there was a brief discussion about the establishment of CABHAs. While the Board is generally in agreement with the concept and purpose of CABHAs, there is concern about the time frames for implementation. Ronald Kendrick made a motion that the Board write a letter to Secretary Cansler expressing this concern and the need for some flexibility and possibly a "phase in" implementation for CABHAs. He suggested that copies of the letter should also be sent to Martin Nesbitt and Verla Insko, Co-Chairs of the Legislative Oversight Committee. Lori Faulkner seconded the motion.

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

## **Consideration Items**

### **State's Expansion of 1915(b)(C) Medicaid Waiver**

Melanie Britt, Policy Analyst for MHP, presented an overview of the 1915(b)(c) Waiver Expansion for Mental Health/Development Disabilities/Substance Abuse Services. The center for Medicare and Medicaid Services (CMS) has approved waiver expansion within North Carolina based on Piedmont Behavioral Health's success in their waiver endeavor. Under a waiver arrangement State and Federal dollars are managed at the local level. The responsible LME would set the rate for services and ensure that services are provided based on medical necessity. The provider network can be limited and the LME would be responsible for ensuring that the provider network maintains standards.

One, maybe two, programs will be designated as new waiver sites in July 2010, with implementation planned for January 2011. A second request for application will possibly be in July 2012. There are minimum requirements for waiver sites, including but not limited to a minimum Medicaid eligible population of 70,000 individuals ages 3 years and older, providing no services to consumers, full accreditation, single stream funding, and not serving as the legal guardian for wards. A LME interested in being a waiver site must also have the local approval of CFAC (Consumer and Family Advisory Committee), the Area Board, and the Board(s) of Commissioners in their respective catchment area. Participating programs would need to be savvy with their IT system as everything is data driven. A risk reserve of up to 16 percent would also be required.

Currently, there are only six programs that meet the requirement for a Medicaid eligible population of 70,000. MHP currently has a Medicaid eligible population of 34,734. Programs with less than 70,000 can merge with other entities with one entity taking control of the money. While the issue of waiver is a little more distant than the issue of CABHA and is not an immediate concern, MHP must begin to consider options and plan for the future.

## Action Items

### Budget Revision, March 2010

Revisions were made to the proposed budget revision for FY 2009/2010 after the mailing of the Board packets. Amended copies of the proposed revision were distributed prior to the opening of the meeting. The revision increases the current Mental Health Partners budget of \$22,293,257 by \$1,173,020, bringing it to \$23,466,277. Revisions are as follows:

- **\$109,270 Mental Health Fund Balance** – These dollars were determined from the SFY 08/09 Non-UCR, LME Administrative and Mental Health Trust Fund (MHTF) audit. MHP thought it had expended the Trust Fund Dollars, but some Adult Mental Health dollars had been spent first, resulting in \$109,270 Trust Fund dollars being left over and rolling into fund balance. The funds will be moved back into the FY 09/10 budget and probably used to assist providers working to be a CABHA. The funds must be utilized by the end of SFY 09/10.
- **\$1,063,750 State Contract** – MHP entered into a three-way contract with the State and Catawba Valley Medical Center at the beginning of SFY 09/10. The contract provided \$1,700,000 this year to purchase local inpatient psychiatric beds and assist with reducing admissions to State psychiatric hospitals, but expenditures have exceeded that amount. The State has approved an additional amount of \$1,063,750 to be added to the contract, increasing the total contract amount to \$2,763,750. We expect to utilize the additional funds by the end of June 2010.

Kitty Barnes made a motion to approve the proposed revision to the FY 09/10 budget as presented. Dr. Tony Frasca seconded the motion.

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

### Information Items

Chair Joe Beaman reviewed the information items with the group. In reference to the **Homeless Count** that was recently conducted, Director Hardy noted that he did not understand Burke County's dramatic decrease in the number of homeless people. Perhaps there was an error in the counting in Burke County last year. We also believe the "buddy" system was more evident this year due to the colder weather. With the closing of a major transitional housing unit in Burke County, more people seem to have doubled up in housing, thus excluding them from this year's homeless count. Also with the much colder weather this year, there may have been less people out to count.

The **Financial Report** as of February 28, 2010 shows revenue less than expenditures by \$543,286. Again, this is due to the cash flow from the State. LME Administrative Funding has only been received through December 2009. Single Stream Funding, Federal and Three-Way Contract payments for the month of January have not yet been received.

The NC Council's Spring Policy Forum will be held in Raleigh on May 3-4, 2010. Please let Janice Cornett know if you would like to attend the forum.

**Adjournment**

With no other business for discussion, the meeting was adjourned at 8:52 P.M.

Respectfully submitted,

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