

**Minutes  
Mental Health Partners  
Board of Directors  
Thursday, May 27, 2010  
7:00 P.M.**

The Mental Health Partners (MHP) Board of Directors met on this date in the Administrative Building Conference Room at J. Iverson Riddle Developmental Center in Morganton.

Members of the Board present included: Ray Von Beatty, Kitty Barnes, Ronald Kendrick, Donna McNulty, Elizabeth Young, Brandon Barrier, Michele Hamby, Danny Graves, Lori Faulkner, and Dr. Anthony Frasca. Excused and/or absent for other equivalent circumstances were Joseph Beaman, Jr., Cynthia Houser, and Bruce Hawkins, Sr. Mental Health Partners' staff present included John Hardy, Lori Mathes, Lesa Silver, and Janice Cornett. Several staff members of J. Iverson Riddle Developmental Center were present at the beginning of the meeting to give Board members an overview of the services provided at the Center. These staff members included Dr. Art Robarge, Marsha Walker, Vicki Houston, and Joyce Jensen. In addition, Michael Blackburn, Ed Salyards, Sherry Henderson, and Lerryn Crocker from Frye Regional Medical Center in Hickory were present for the public hearing of MHP's proposed budget for FY 2010-2011. Penny Whited, a staff member of RHA Health Services, Inc., was present as an observer of the Board meeting.

A quorum was present.

The meeting agenda was mailed to Board members and the media on May 21, 2010. Public notice of the public hearing regarding MHP's proposed budget for FY 2010-2011 was e-mailed/mailed to media and service providers in MHP's catchment area on May 13, 2010. There were no representatives of the media present.

#### **Handouts**

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

1. North Carolina Council Update – May 2010
2. Proposed Revision of MHP Board *Volunteer Information and Interest Sheet*

Prior to the opening of the Board meeting, Vice Chair Von Beatty introduced Dr. Art Robarge, Director of J. Iverson Riddle Developmental Center. Dr. Robarge welcomed all in attendance and stated that the Center has been happy with the services it has received from Mental Health Partners. J. Iverson Riddle Developmental Center opened in 1963 as a residential facility for citizens with developmental disabilities. The Center is almost totally funded by the Federal Government and serves citizens of the 31 counties in western North Carolina. Dr. Robarge gave a brief synopsis of the residents living at the Center. He noted that the Center is home to 300-325 residents annually. The number has dropped over the years as an increase in service availability has allowed more integration into the community.

#### **Presentation – J. Iverson Riddle Developmental Center**

Dr. Robarge then referred to Marsha Walker, Director of Program Services, for a presentation of the services offered at J. Iverson Riddle Developmental Center and a description of the various buildings on campus. Ms. Walker introduced Vicki Houston, Director of Quality Improvement at the Riddle Center,

and Joyce Jensen, Director of Residential Services. The ladies had planned a brief tour of some of the residential buildings on campus, but in the interest of time this evening, it was decided that it would be best to direct the available time to the Power Point presentation. Ms. Walker invited Board members to schedule individual tours and come back to visit the Center again.

As a center for individuals with developmental disabilities, J. Iverson Riddle Development Center is part of the North Carolina Division of Health and Human Services. There are 70 buildings on campus, mostly residential and day sites. The Center's desire is to stay very connected with the home communities of its residents. Currently there are 318 residents, mostly males. Ages range from 16-78 with an average age of 48. There are 49 residents from MHP's catchment area ranging in age from 24 to 69.

The level of intellectual disability of the Center's residents is mostly severe to profound. A Person Centered Plan (PCP) is developed for each resident annually with the largest treatment focus on self care. A specialized unit was created this year for persons with autism. The unit has four apartments and there are currently two individuals living in the unit.

The Center has a "Special Friends" Program in which over 100 of its staff members volunteer their own time to assist residents in activities which enhance their lives. Ms. Walker then turned the presentation over to Joyce Jensen, Director of Residential Services. Ms. Jensen shared pictures and gave brief overviews of the residential apartments. She also shared pictures of other buildings on campus such as the church, gym, horse stables, outdoor areas, etc.

Upon conclusion of the presentation, the ladies and Dr. Robarge answered questions from Board members. They once again extended an invitation to come back and tour the facilities, and then excused themselves from the meeting.

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

Vice Chair Von Beatty called the meeting to order at 7:25 P.M. and again welcomed all in attendance. He recognized five guests at the meeting and asked them to introduce themselves. Four of the guests (Michael Blackburn, Sherry Henderson, Ed Salyards, and Lerryn Crocker) were representing Frye Regional Medical Center in Hickory and planned to make a presentation at the public hearing regarding MHP's proposed budget for FY 2010-2011. The other guest, Penny Whitled, stated that she is employed with RHA Health Services, Inc. and was attending the meeting as an observer.

### **Invocation**

Danny Graves led the invocation.

### **Minutes**

The minutes of the April 15, 2010 meeting of the Board of Directors and the minutes of the May 12, 2010 meeting of the Budget/Finance and Executive Committees were presented for review.

Dr. Tony Frasca made a motion to accept the minutes of the April 15, 2010 meeting of the Board of Directors as presented. Kitty Barnes seconded the motion.

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

Kitty Barnes made a motion to accept the minutes of the May 12, 2010 meeting of the Budget/Finance and Executive Committees as presented. Beth Young seconded the motion.

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

### **Public Hearing for Proposed FY 2010-2011 Budget**

The Board meeting was closed temporarily at 7:36 P.M. and the public hearing for MHP's proposed FY 2010-2011 budget was opened. Michael Blackburn, CEO of Frye Regional Medical Center in Hickory, expressed his desire to speak to the Board regarding concerns about MHP's proposed budget. Mr. Blackburn noted that he would like consideration of a three-way contract between the State, Frye Regional Medical Center, and MHP for Frye's South Campus. The three-way contract provides State funds for the establishment and usage of local psychiatric inpatient beds for indigent acute care. Catawba Valley Medical Center currently has a three-way contract. Frye was awarded a three-way contract in February 2009 with a term that ended in June 2009. The contract was not renewed after June 30, 2009. The proposed budget includes \$3,285,000 to Catawba Valley Medical Center for the three-way contract and zero dollars to Frye. Mr. Blackburn stated that he feels it is unfair for one hospital in the county to receive all the funds under the three-way contract.

Lerryn Crocker, Vice President of Patient Care Services at Frye, distributed copies of a letter written to the MHP Board members as well as copies of a letter written to Senator Austin Allran. She spoke of Frye's desire to expand psychiatric services. Upon conclusion of Ms. Crocker's remarks, the guests from Frye Regional Medical Center thanked Board members for listening to their concerns and excused themselves from the room.

The public hearing was closed and the regular Board meeting reopened at 7:55 P.M.

### **Citizen Comments**

There were no citizen comments.

### **Commissioner Comments**

Catawba County Commissioner Kitty Barnes noted that the synopsis of the April 19 commissioners' meeting and the synopsis of the May 17 meeting were included in the Board packet. Danny Graves and Von Beatty were both reappointed at the May 17 meeting to second terms on the MHP Board. Commissioners are in the process of budget hearings and plan to complete the process next Thursday (June 3) with budget adoption slated for June 7. Commissioner Barnes attended the groundbreaking today for a new middle school in the county.

Burke County Commissioner Bruce Hawkins, Sr. was unable to attend tonight's meeting due to work obligations pertaining to the budget process in Burke County.

## Director's Report

1. MHP mailed the major Federal Grant application for Burke County today. The grant is for \$5.6 million over four years and addresses the mental health and substance abuse issues that come out of a community going through major economic stress. Credit for preparation of the grant application goes to Vanessa Anderson and Judy Dahlstrom in the Customer Service Unit of MHP. We hope to hear by the end of September as to whether or not MHP will receive the grant. We also hope to hear by the end of September on our first grant application for increased services in jails for individuals with mental health and substance abuse issues and more follow up upon their release from jail.
2. As a result of budget adoption, the contracting process with providers will begin. Two factors under consideration for determining contract amounts are (1) actual utilization of contract dollars in this current year and (2) not to exceed what has been available this year. The sum of all contracts is not to exceed what is budgeted at this point. It is expected that MHP will have contracts distributed to providers by June 11<sup>th</sup>. If available dollars change, then the budget and associated contracts will be amended based upon a combination of prior utilization, the importance of the service as illustrated by demand and priority, and programmatic directions.
3. Lots of collaborative work is occurring with many different groups such as the courts, housing, treatment providers, law enforcement, and various community groups as it relates to both children and adults. Both child and adult collaborative are very active. Some efforts are resulting in solutions and some are not.
4. State Issues: Two provider agencies, Family N.E.T. and A Caring Alternative, have completed the CABHA certification process. Two others, Catawba Valley Behavioral Healthcare and Quality Family Services, are in the process. There was a start and stop on the appointment of a new Division Director and apparently there are several organizational changes in the works at DHHS (Department of Health and Human Services).
5. The State's cash flow to local programs is on the ebb at the moment.
6. In the General Assembly, the House has received the Senate's budget and has begun hearings and deliberation. Eventually the House will create its own budget and the two versions will be sorted through a conference committee process. The House anticipates a vote this week. The key will be timing as much as the results. We are waiting to see if the \$12 million proposed for three-way contracts is included in the final budget for the State and if the \$40 million in service dollars taken last year will be restored.
7. Counties are in the middle of their budget deliberations. It appears there will be a reduction of 2.4% from Catawba County and Burke is still in conversation as to whether it will annualize what was begun in February. All should be settled by mid June.
8. A sub regional group of area directors will meet tomorrow to further discuss regionalization. These are "what if" conversations and it is too early to appreciate their general directions.
9. The next Board meeting will be on June 17, 2010 at 7:00 P.M. at Clay Wilson and Associates in Hickory.

## **Consideration Items**

### **Volunteer Information and Interest Sheet**

There was a lengthy discussion at the April 15 Board meeting of the pros and cons of conducting background checks before appointments are made to the MHP Board. A motion was made and passed to add a self disclosure statement to the *Volunteer Information and Interest Sheet* that potential new Board members submit to indicate they have an interest in serving on the MHP Board. A draft of the revised *Volunteer Information and Interest Sheet* was distributed prior to the opening of the meeting.

Board members reviewed the new self disclosure statement and agreed that it serves the purpose intended. Ron Kendrick suggested expanding the space allotted for potential new members to explain why they want to serve on the MHP Board. This suggestion will be incorporated into the newly revised form.

## **Action Items**

### **FY 2010-2011 Salary Plan**

Lesa Silver, Human Resources Director for MHP, explained that the Office of State Personnel approves position titles and provides some guidelines on position grades and salary ranges. Governmental agencies are required to formally adopt a salary plan prior to the beginning of each fiscal year. The salary plan reflects current positions along with their associated grade and salary and is the basis for paying employees. The adopted salary plan must be submitted by July 1 to the Office of State Personnel.

MHP's salary plan for FY 2010-2011 was included in the Board packet. The first attachment is the actual salary plan which illustrates grades, entry level salaries, and maximum salaries. The second attachment shows MHP positions and where positions fall on the salary plan. The salary plan is the same as MHP's existing plan and there are no recommended changes at this time.

Ron Kendrick made a motion to adopt the proposed salary plan for FY 2010-2011 as presented. Lori Faulkner seconded the motion.

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

### **FY 2010-2011 Budget**

The Budget/Finance and Executive Committees met on May 12, 2010 to review the proposed budget for FY 2010-2011. The proposed budget is projected to be \$22,774,827. The budget does not include Medicaid that is directly billed by providers. The budget for Medicaid decreased due to more providers doing direct billing. No salary increases in any form are included in the budget.

Director Hardy explained the concept of the three-way contract which first began in FY 2008-2009. At its inception, a hospital was not eligible for a three-way contract if the hospital had any other contracts with the State. Frye Regional Medical Center already had a contract with the State at that time, thus making the hospital ineligible for the three-way contract. Catawba Valley Medical Center had no other contracts with the State and was awarded a three year contract under the three-way concept. Frye's

contract with the State was later cancelled with no notice due to a financial crisis within the state. Director Hardy was able to assist in getting a three-way contract with Frye for six months which ended in June 2009. In July 2009, a State supplement to Frye to support its MR/MI Unit was also terminated. The first information received for FY 2009-2010 was that hospitals who received the contracts for six months would be given first consideration for full three-way contracts in 2009-2010. The State then made the decision that new three-way contracts should be expanded to areas not already having a contract, thus eliminating Frye since Catawba Valley Medical Center already had a signed three year contract in place. Board member Michele Hamby, who is an employee of Frye Regional Medical Center's South Campus, concurred that Director Hardy's description of the history of the three-way contract in this area was accurate.

Commissioner Barnes noted that the dollars in MHP's budget for the three-way contract with Catawba Valley Medical Center are from the State. MHP has no control over the dollar amount. The dollars are allocated by the State and MHP's role is to act as the administrator of the contract. Director Hardy stated that if the General Assembly approves the State's budget for FY 2010-2011 with the proposed \$12 million for three-way contracts, he would be willing to advocate to the Secretary for a contract with Frye Regional Medical Center.

Ron Kendrick made a motion that the Board adopt a resolution that the MHP Board should be allowed as much flexibility as possible to utilize and maximize the services of all community hospitals in its catchment area, namely Frye Regional Medical Center in Hickory and Grace Hospital in Morganton. Lori Faulkner seconded the motion.

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

Dr. Tony Frasca then made a motion that in the interest of giving the MHP Board a position to fully utilize all available resources in the community, if the proposed \$12 million for three-way contracts is included in the State's budget for FY 2010-2011, a delegation consisting of Commissioner Kitty Barnes, Director John Hardy, and a representative of one/both of the hospitals named in the resolution shall travel to Raleigh to meet with the Secretary to advocate for additional three-way contracts in MHP's catchment area. Ron Kendrick seconded the motion.

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

The Board then reviewed MHP's proposed budget for next year. Director Hardy stated that the budget for FY 2010-2011 begins July 1 as it ended June 30, with some adjustments. A budget revision will be needed once the State and county dollars are known, probably in September. The proposed budget has three columns showing the budget for FY 2008-2009, the current budget for FY 2009-2010, and the requested budget for FY 2010-2011. The current budget shown for this year reflects modifications made to the budget since July 1, 2009. The proposed budget also shows anticipated revenue and expenditures for FY 2010-2011. Any budget reductions will be taken from LME reserve.

The Budget/Finance Committee recommends adoption of the proposed budget. Ron Kendrick made a motion to adopt the proposed budget for FY 2010-2011 as presented. Dr. Tony Frasca seconded the motion.

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

## **Information Items**

Lesa Silver gave a brief synopsis of the Human Resources Report. Vice Chair Beatty noted that recommendations for MHP Board Officers for 2010-2011 will be presented at the June Board meeting. A Nominating Committee was appointed by the Budget/Finance and Executive Committees at their May 12, 2010 meeting. Danny Graves agreed to chair the Nominating Committee, with Beth Young and Dr. Tony Frasca serving on the committee.

Lori Mathes, Finance Officer for MHP, presented an overview of the Financial Report and Balance Sheet as of April 30, 2010. MHP is waiting on approximately \$3 million in outstanding funds from the State. LME Administrative Funding for March has now been received, but the funding for April and May are still outstanding. This accounts for total revenue showing as \$183,660 less than total expenditures as of the end of April.

With no other business for discussion, the meeting was adjourned at 9:17 P.M.

Respectfully submitted,

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