



## BOARD OF DIRECTORS Minutes

**Meeting Date:** December 13, 2011, Lane Tree Country Club, Goldsboro, North Carolina

**Members:** (noted **PRESENT** with an "X" mark)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> - Lee Smith, Committee Chair (Wayne County) | <input checked="" type="checkbox"/> - J. W. Simmons (Sampson County)     |
| <input checked="" type="checkbox"/> - Rita Hodges, Vice-Chair (Lenoir County)   | <input checked="" type="checkbox"/> - Rebecca Judge (Duplin County)      |
| <input checked="" type="checkbox"/> - Dr. John Fisher (Wayne County)            | <input checked="" type="checkbox"/> - Floyd McCullouch, (Wayne County)   |
| <input type="checkbox"/> - Zettie Williams (Duplin County)                      | <input checked="" type="checkbox"/> - Albert Kirby, Jr. (Sampson County) |
| <input checked="" type="checkbox"/> - John Bell (Wayne County)                  | <input checked="" type="checkbox"/> - Emily Moore (Lenoir County)        |
| <input checked="" type="checkbox"/> - Tom Fleetwood (Wayne County)              | <input checked="" type="checkbox"/> - Anne Turner (Wayne County)         |
| <input checked="" type="checkbox"/> - David Sanderson (Duplin County)           | <input type="checkbox"/> - Wanda Boyette (Sampson County)                |
| <input type="checkbox"/> - Eric Rouse (Lenoir County)                           |  |

**Staff:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> - Ken Jones, Director and Chief Executive Officer | <input checked="" type="checkbox"/> - Dr. Bryan Spader, Medical Director        |
| <input type="checkbox"/> - Bob Canupp, Chief Financial Officer                        | <input checked="" type="checkbox"/> - Anna North, DMA Contract Manager          |
| <input type="checkbox"/> - Becky Cale, Provider Relations Director                    | <input checked="" type="checkbox"/> - Nancy Moore, CFAC Chair                   |
| <input checked="" type="checkbox"/> - Venessia Hill, Ombudsman & CFAC Liaison         | <input checked="" type="checkbox"/> - Jose Coker, Board Attorney                |
| <input type="checkbox"/> - Dr. Susan Corriher, Clinical Director                      | <input checked="" type="checkbox"/> - Connie W. Price, Adm. Asst./Minutes Clerk |
| <input checked="" type="checkbox"/> - Leatte Black, UM Administrative Assistant       |   |

**Others:** Spouses, Family Members, and Special Guests of Eastpointe Board Members;  
Wayne County Commissioners and Spouses

▪ **Agenda Items Presented:**

1. Approval of Minutes
2. Director's Report
3. Business Office Report

▪ **CALL TO ORDER & INVOCATION:**

The Eastpointe Board of Directors met in regular session on December 13, 2011 at Lane Tree Country Club in Goldsboro, North Carolina. Chairman Lee Smith called the meeting to order at 6:00 p.m., and welcomed the Board members, staff, and their guests to the Eastpointe December Board meeting and Christmas celebration. There were twelve Board members present at the October meeting, and three were absent. Eric Rouse, Wanda Boyette, and Zettie Williams were absent due to prior commitments. Chairman Smith also welcomed and recognized members of the Wayne County Board of Commissioners who attended the December meeting. Floyd McCullouch delivered the invocation.

▪ **COMMUNITY INPUT:**

There was no community input for the month of December. However, Chairman Smith reminded the Board that Eastpointe is about to undertake a merger with The Beacon Center and Southeastern Regional LMEs within the upcoming months, which will bring together twelve counties; and thereby creating a very large organization. Chairman Smith expressed his appreciation to Eastpointe staff and management, and stated that Eastpointe has a great leader in Ken Jones as CEO. He mentioned a recent article appearing in the December 6<sup>th</sup> edition of *The Wilson Times* spotlighting mental health issues and advocates, which also recognized Mr. Jones's leadership for bringing together and promoting mental health in North Carolina.

▪ **APPROVAL OF MINUTES:**

The Minutes of the October 25, 2011 Board meeting (Attachment 1) were presented for approval. No corrections were noted.

Emily Moore made a motion to approve the October Minutes. Dr. John Fisher made a second. The motion carried.

▪ **CHIEF EXECUTIVE OFFICER'S REPORT:**

Ken Jones welcomed everyone to the December meeting, and thanked the Board for their continued support of Eastpointe staff and management as the LME moves toward future endeavors. The updates listed below were presented which addresses the 1915(b)(c) Waiver and Merger plans:

- State-Wide LME Map - Mr. Jones pointed out that approximately 23 Local Management Entities (LMEs) across the State are being reduced down to 11 LMEs; thereby, Eastpointe is not alone in this venture. There is also a possibility that in the end there may be even less than 11 LMEs in North Carolina. Eastpointe should be prepared to respond to additional request for county mergers.
- LME Medicaid / Total Populations - Eastpointe, Southeastern Regional, and The Beacon Center together rank 6<sup>th</sup> in the State with a total population of 802,055. Our geographical land mass is huge. As to Medicaid population, the three LMEs jointly rank 3<sup>rd</sup> across the State with a total of 178,775 lives. Mr. Jones pointed out that Medicaid population and the historical usage of Medicaid determines total funding for the 12 counties. Serving a large Medicaid population will reduce the financial risk of managing a Medicaid Waiver. Eastpointe's implementation date for the Medicaid Waiver is January 1, 2013. Eastpointe will need to be ready for the Waiver 90 days prior to going live.
- Organizational Chart - The Managed Care Organization (MCO) will be governed by a newly formed Board of Directors. Management-Level Staff have been identified. Key positions include Chief Executive Officer (Ken Jones), Chief of Quality Management (Jeanette Jordan-Huffam), Chief of External Operations (Karen Salacki), Chief Clinical Officer (Dr. Susan Corriher), and Chief of Business Operations (Bob Canupp). The Medical Director has not been identified at this time, but will fall under the CEO, along with the Director of Human Resources. After much consideration, it has been determined there is a need to look outside the three LMEs to fill the Human Resources Director position due to the vast amount of recruiting, dealing with numerous personnel issues,

and other H.R. expertise that is needed within this department in order to manage over 340 employees that will operate the MCO. Key positions that will fall under the Chief Clinical Officer include: Director of Customers Services, Director of Utilization Management, Director of Care Coordination, and Director of Clinical Support, Grievances & Appeals. Chief of Quality Management will supervise the QM Data Director, QM Review Director, and Training Director. Chief of External Operations will supervise the Network Operations Director, Community Relations Director, and Provider Monitoring Director. The Chief of Business Operations will supervise the Director of Financial Operations, and the Director of Management Information Systems. In order to comply with the Utilization Review Accreditation Commission (URAC) standards, the new organization will require many licensed staff members. Care Coordination is one of the enhanced benefits of the new organization. They will ensure that consumers do not fall through the cracks, along with working with high-cost, high-need consumers. Job descriptions for all positions have now been completed, and the type of education needed for each position will be determined by the salary plan.

- LME Site Locations – Beulaville will provide the back office function for the three LMEs housing Finance, Information Technology, and Utilization Management. Site Functions will be distributed among offices at Goldsboro, Rocky Mount and Lumberton which will include Community Relations, Housing, Provider Endorsement and Monitoring, Advocacy, Care Coordination for Intellectual Developmental Disabled, and Quality Management.
- Interviewing / Hiring - In order to be fair in determining the “best person for the job”, all staff within the three LMES will be required to submit an application which will be held in the Human Resources Department. When job postings are circulated internally, staff who are interested in a particular position will notify the H.R. Department, and their application will be put in the folder for consideration and possible interview. Employees that have been laid off by one of the three LMEs within recent months will also have an opportunity to apply. Structured interviews will be conducted by LME Directors and Departmental Directors. Staff will also be educated on the functions of the MCO.
- Salary Survey - Eastpointe has requested assistance from Mark Rosenberg and the BHM Consulting Group in preparing a “Market Rate Salary Survey” for the three LMEs. The results will be used to prepare the salary plan for the MCO. A draft has been completed and was sent to the three LME Directors on November 16<sup>th</sup>. Mr. Jones pointed out that it’s about 95% of where it needs to be. Management plans to have a final copy ready to present to the Governance / Advisory Committee at the January meeting.
- Merger Activities - Several sub-committees are working weekly with BHM Consultants on moving towards the Mergers and Waiver functions. The sub-committees include: Human Resources Committee (addressing hiring strategy and benefit plans); Communications Committee (identifying stakeholder groups and publishing weekly “Q & A” staff emails); Finance Committee (focusing on inventory and contracts); and the Information Technology Committee (addressing merging data, developing the MOC system, and moving into a unified system for phones, finances, and hospital paid claims data).

- CFAC Involvement – The three CFAC Boards hold regular Regional meetings to talk about merger issues; and also provide representation at the Division for the monthly LME progress meetings.
- Maintenance of Effort – A report listing County Allocations, population, and number of Board members for each of the 12 Counties was reviewed. Accordingly, County Allocations range from 92 cents per capita to \$4.13 per capita, with the average per capita being \$3.17. Mr. Jones pointed out there are three options for consideration of County Allocations for the MCO:
  - 1) Counties would continue with their current allocations, even if the same level of services would not be available to their County;
  - 2) Move to equalize the allocation to an average \$3.17 per County; and the new LME Board would make the final decision after the merger as to contribution rates; or
  - 3) Allow each County to manage their own County contributions and determine what services they will have, and what needs to be cut.

At the November 17<sup>th</sup> Governance / Advisory Committee meeting it was noted that now is not a good time to decide on the County Allocations due to the upcoming Medicaid changes, and suggested waiting until after the first year of the merger. Mr. Jones added we will also need to look at what each County would be able to contribute and proceed from there.

***Maintenance of Effort Recommendation*** - The Governance / Advisory Committee recommended that the current County contribution allocation remain the same during the first year of the merger.

- LME Board Structure - Mr. Jones briefly discussed Board structure for the new LME. The new Board will be very different than past Area Program / LME Boards. Traditionally, LME Boards have been comprised of 2 or 3 representatives from each County. However, it was noted that having this many representatives from each of the 12 counties will make the new LME Board much too large and harder to manage (basically involving about 43 members). The ideal size should be not fewer than 5 members, nor larger than 15 members, and should also have an odd number. During the November 17<sup>th</sup> Governance / Advisory Committee meeting it was suggested that the new LME have a total of 15 Board Members. The logic would be that all Counties could have one representative, and Counties having a population more than 90,000 (Robeson County, Wayne County and Nash County) would have two representatives. Based on the above information, the new LME Board would be comprised of an equal 5-5-5 ratio.

***LME Board Size Recommendation*** – The Governance / Advisory Committee recommended that a county population of under 90,000 be represented on the new LME Board with one member vote, and the Counties with a population over 90,000 would have two member votes.

Mr. Jones announced that the next Governance / Advisory Committee meeting is scheduled for January 19, 2012 and will be held at Mount Olive College. Agenda items will include: review of proposed Salary Plan; discussion of Compliance Benchmarks for the Managed Care Organization; identifying a Bylaws Committee; and discussion of legal issues prior to completion of Mergers.

▪ **BUSINESS OFFICE REPORTS:**

- Human Resources - Ken Jones gave an update on the "Recruitment and Personnel Actions as of November 22, 2011" report. One resignation was turned in by an employee who served as a Utilization Review MH/SA Care Manager in Beulaville. Two new staff were hired who will serve as I/DD Screeners at the Beulaville office. We are currently advertising for Utilization Review Clinicians to serve in the Mental Health / Intellectual Developmental Disability area. The SOAR (SSI Outreach, Access, and Recovery) Trained Benefits Specialist position for the Housing Department is still on hold. Mr. Jones pointed out that the seven positions listed on the "Waiver Personnel Actions as of November 22, 2011" report are purely for informational purposes only, and lists positions that have been identified for implementation of the Medicaid Waiver function. Those positions include: Director of the Utilization Management, Director of Quality Management, Director of Management Information Systems, Director of Customer Services, Director of Network Operations, Director of Care Coordination, and Claims Manager.

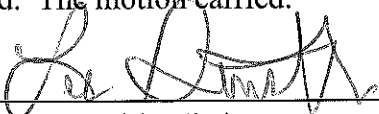
J. W. Simmons made a motion to approve the Human Resources Recruitment and Personnel Actions Report. Tom Fleetwood made a second. The motion carried.

- Finance Committee - The Finance Committee did not meet during the months of November or December.

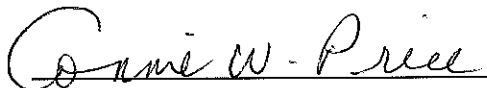
▪ **ADJOURNMENT:**

Chairman Smith asked for any further business to be brought before the Board. There being no other business presented, Chairman Smith requested a motion to adjourn the Board meeting so that attendees could participate in the Christmas celebration and entertainment.

Floyd McCullouch made a motion to adjourn the December Board meeting. John Bell made a second. The motion carried.

  
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Lee Smith, Chairman

1-24-2012  
Date Approved

  
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Connie W. Price, Secretary/Recorder

1-24-2012  
Date Approved