

**WESTERN HIGHLANDS AREA AUTHORITY
APRIL 13, 2007, SPECIAL MEETING**

BOARD MEMBERS PRESENT: Susan Hendrick, Chair, Presiding; Nancy Carey; John W. Condrey (Via Telephone); William J. Cook, Jr.; Patricia Franklin; Minnie Jones; Abigail Karroubi; Steve Wyatt (Via Telephone); Steve Smith; Robert Ratcliffe; and Arthur C. Wilson, Jr. (Ryan Whitson who will be sworn in at the April 20 meeting participated vic telephone.)

BOARD MEMBERS ABSENT: Mandy Stone; Michele Lawhern.

MEMBERS OF THE PUBLIC PRESENT: Jackie Combs, Sixth Avenue Psychiatric Rehab. Partners; Joe Martin, Alpha-Omega; Sandy Feutz, RHA; Judy Dunn, Families Together; Dan Zorn, Families Together; Jane Ferguson, Appalachian Counseling; Sandra Layton, Parkway Behavioral; Bob Carey, CFAC; Liz Smith, NAMI; Leslie Boyd, Asheville Citizen-Times; Scott Parrott, Times News Hendersonville;

ALSO PRESENT: Arthur D. Carder, Jr., Chief Executive Officer; Sharon Lentz, Chief Financial Officer; Sonia Eldridge, Provider & Consumer Relations; George Scott, Business Office; Lynn Trotter, Provider & Consumer Relations; Victor W. Buchanan, Legal Counsel; and Sonya Price, Acting Clerk to the Board.

CALL TO ORDER: The area board ("Board") of the Western Highlands Area Authority met on Friday, April 13, 2007, at 9:35 a.m. in the second-floor Conference Room (Room 312/315) of 356 Biltmore Avenue, Asheville, North Carolina. The Chair called the meeting to order.

CONFIRMATION OF NEW BOARD MEMBER: Ms. Hendrick welcomed Mr. Steven Smith, Health Director, Transylvania County who is replacing Mr. Keith Parker. Mr. Cook made a motion to confirm Mr. Smith as a member of Western Highlands Board. Mr. Wilson seconded the motion, which carried by a unanimous vote.

PUBLIC COMMENTS: Mr. Joe Martin, Alpha Omega made comments relative to the Community Support rate cuts. He reported that Representatives Ray Rapp and Representative Phillip Fry met with Michele Lawhern in Yancey County about this latest potentially crippling blow. He stated that Community Support services could be done by paraprofessionals and the rate was cut because DMA thought more credentialed staff were delivering most of the services. That is not true in many cases.

Mr. Carey had signed up to speak but relinquished his time so others could speak.

Ms. Jane Ferguson, Appalachian Counseling made comments regarding the cut in CS rate. She has been crunching the numbers since last week. Senators and Representatives are outraged. They are on the side of providers. Senator Nesbitt has said that psychiatry money has not been tapped into. If the decision stands they will be bankrupt and closed in thirty (30) days. She thanked Mr. Carder for his leadership.

Mr. Dan Zorn, Families Together also, made comments relative to the rate cuts. Mr. Zorn stated that the State concluded that \$40.00 is the appropriate rate because the vast majority of services are being provided by paraprofessionals. This was before doing work to see what the general industry is; they went from \$60.00 to \$40.00 and made it retroactive. Companies that have built their services around a \$60.00 rate are wondering what to do now. Mr. Zorn reported that the State will be fast tracking a cost study which he will participate in next week. Because of Western Highlands advocacy they have removed the retro issue.

Ms. Jackie Combs, Executive Director, Sixth Avenue Psychiatric Rehab. Partners, commented that they started a non-profit in November, 2006 in response to the closing of New Vistas/Mountain Laurel. She thanked Mr. Carder, Mr. Wyatt and Western Highlands Board for the support they received to save Sixth Avenue. Community Support is the service that enables them to serve adults with serious mental illness. It is the critical pivotal service that links consumers to the things they need in a community. The three clubhouse programs in

the eight county area will not survive without the Community Support service being funded and carried out with integrity.

APPROVAL OF AGENDA: Ms. Karroubi made a motion to approve the agenda. Ms. Jones seconded the motion, and it carried. (A copy of the agenda is included in the minute book with these minutes.)

COMMUNITY SUPPORT RATE: Mr. Carder shared some of the things he is hearing from Raleigh in reference to this issue. CS was never intended to be a permanent ongoing service. The problem is the structure for the rates and the services were not designed in a way to provide incentive to providers for developing other services; for example, the ACTT program. Providers would be better to deliver CS services; this has resulted in some of the ACTT Programs shutting down in the rural areas because they could not get referrals from the current CS providers. It has been a lack of management on the part of ValueOptions. There was no accountability or justification for the utilization of the services; which means this system sky rocketed. This got out of control, as the State/ValueOptions did not take responsibility to manage these dollars on an ongoing basis. Not good leadership. Western Highlands has:

- contacted all Legislators in WHN district by phone or email
- contacted the Governor's Office and spoke to his Administrative Assistant and shared his concern
- Lt. Governor's Office and spoke to his Administrative Assistant and shared his concern
- Senator Nesbitt and Representative Insko
- contacted Director, NC Council to advocate for them to participate in the press conference on Tuesday as a partner
- special board meeting
- special meeting with CS providers
- email to WHN staff
- talked with Representative Shuler's staff 3 times
- talked with Alan Dobson's Administrative Assistant
- spoke directly with Mike Moseley (waiting on updated implementation memo)
- called Secretary's office but no one to talk to
- newspaper articles—Asheville Citizen-Times and Hendersonville Times News

In the discussion with providers the question was what action can Western Highlands take. One alternative that WHN can do with respect to IPRS dollars, which are State dollars for which WHN has responsibility, would be to authorize outpatient therapy units of service which is a \$70.00 per hour reimbursement rate. This would offset some CS losses for a couple of months. Provider must provide the service. Not all providers have the staff to provide this service. At the meeting one Provider asked if there was a way to cut out some of the paper work. One thing that is being looked at is rolling over current authorizations in the systems for about 60 days so they do not have to reapply. Trying to fast track other services such as ACTT and intensive In-home services. He made a commitment at the meeting that he would cover the difference between the \$40-60 rate for the month of March, however, this will not be necessary since the retroactive part was rescinded. There are still providers at risk until the rate gets stabilized. Mr. Carder just signed advance checks for a provider so they could meet payroll. Mr. Carder requested the Board to authorize up to \$500,000 from the reserve funds to be used to help stabilize providers who are in crisis. They will need to identify what the crisis is and the ability for them to repay Western Highlands in the future. This will be enough to get providers through the next 2 to 3 weeks. He does not want any provider to go under over this poor management decision by the State. This is another issue he wants the Board to think about in terms of a proposal today. Mr. Carder stated that he is not a big fan of letters but in this case an open letter to the Governor and the media is appropriate. The other thing is phone calls and emails. Keep the pressure on so that whatever decision is made gets front page attention.

Mr. Carder then discussed the two handouts which were distributed.

- (1) Details month-by-month of Medicaid services by provider in terms of claims payments through WHN system.

- (2) Lists claims paid for all providers according to use of Medicaid dollars highest to lowest. Substantial economic problem for providers and one they did not create; the dilemma is a problem the State created by the way it structured the process. Hopefully, the reports and actions that will come out of the study, which he is anticipating having completed Thursday, will shed more light on this.

Ms. Carey stated that she is pleased that Mr. Carder has stressed that members advocate with Legislators as well as others. Recently, she read again the draft LOC recommendations and toward the end it recommends three different rates for Community Support depending on the training of the person delivering the service. When writing to Legislators this needs to be pointed out and that these recommendations should stay.

Mr. Wyatt stated that he and his County Commissioners are very angry and do not believe that those in Raleigh have a clue as to what is happening on the front lines of mental health services in North Carolina. In talking to Bill Moyer, Chair of Henderson County Commissioners they believe that it is time for someone to step up and get a hold on this situation and move NC in right direction. He suggested that the letter to the Governor request Carmen Hooker-Odom and Michael Moseley be replaced.

Mr. Whitson asked if this step by the State is designed to force LME's to provide direct service? Mr. Carder stated that is the last thing they want. Most likely they want LME's to go under and someone like ValueOptions come in and manage the entire system. Both State and Federal funds. Mr. Wyatt stated that this will continue to happen until someone gets their attention. He suggested that Mr. Carder be empowered by the Board to take the interim action that is needed to make sure that service providers can make it through the crisis of the day. Mr. Cook asked about the downside of going after the Governor and Secretary directly which would be seen as an attack on the Secretary. Mr. Carder stated that Western Highlands does not have a good reputation with the Secretary. Mr. Cook asked what the next step should be; Mr. Carder and Ms. Hendrick will draft a one page letter identifying the issues and concerns about the action that was taken; and that WHN appreciates them rescinding part. However, the initial actions show a lack of concern about the needs of consumers and mental health providers. Mr. Smith recommended that WHN join with every other LME Board, NC Hospital Association, and Association of County Commissioners and demand a meeting with the Governor, Secretary, Alan Dobson and Mike Moseley. Mr. Carder reported that there is a meeting of the NC Council today in Raleigh and part of the discussion will be how to consolidate the activities for all the LME's around the State to impact this issue; hopefully, by 3:00 he will know what actions they are recommending. Mr. Wilson suggested that WHN organize and call radio stations and ask citizens to call and email the Governor's office on a daily basis as something needs to be done. Mr. Carder asked permission to apply directly to CMS for Western Highlands region to be a Medicaid waiver site just as we have in Piedmont.

Mr. Wilson made a motion to take the following steps:

- authorize up to \$500,000 from fund balance to be used for loans/advances to deal with shortfall due to CS rate reduction.
- open letter to Governor and Media regarding WHN concerns and recommending action steps including the request of firing Secretary Odom.
- researching steps necessary to apply for Medicaid waiver.
- make adjustments in IPRS allocations .
- meeting with the Governor from the various groups, NC Council, LME Boards, NC Hospital Association, and Association of County Commissioners to discuss the issues.
- any other reasonable or appropriate actions in consultation with the Board Chair to impact this issue of CS rate reduction.

Ms. Carey seconded the motion, and after discussion the motion carried by a unanimous vote.

A copy of the letter will be sent to all news papers in the eight county area, County Managers, Legislators, and Board members. Ms. Hendrick reminded the Board members to call/email/write the Governor's office. Ms.

Price will email contact information to Board members.

LME COST MODEL: Mr. Carder stated that in July the State took away a large sum of money from WHN when they took away Medicaid services which ValueOptions now authorizes. WHN was forced to have a reduction in staff; then the LOC said this is not acceptable. LME's need to be doing some of these functions and they restored approximately \$19 million dollars in the budget to LME's. WHN has hired 11 new staff in response. In the Secretary's proposal to the Governor she did not include the \$19 million in her budget request nor was it included in the Governor's request. The LOC saw this and again said this is not acceptable so they included it in their proposal. The Legislature is in its long session and may not get this passed before July, August or September.

CHIEF EXECUTIVE OFFICER'S REPORT: Mr. Carder stated that in this region because of the closing of NVML, we were able to forge a good working relationship with our providers. Because of that WHN was able to identify where the weaknesses are where in the system. He appreciates their willingness to speak up. At the provider meeting providers were very up front saying what they saw as problems and what would and would not work. Be cautious of short term solutions. They need long term solutions. The providers need to be commended for the work they have done. The activity that occurred this week was a combined effort of providers from around the State as well as advocacy groups. It was not lead by the LME. When he spoke with Yvonne Copland, NC Council he stressed that we must be at the table.

BOARD MEMBER COMMENTS: Ms. Franklin stated that it is unfortunate we always seem to pick on the "least of these". Ms. Hendrick stated that the Board will meet next week (April 20) for the regular meeting and she encouraged everyone to email her and copy Mr. Carder about what should go into the letter to the Governor.

ADJOURNMENT: Dr. Ratcliffe made a motion to adjourn the meeting. Mr. Smith seconded the motion, which carried by a unanimous vote; and the meeting adjourned at 11:15 a.m.

Respectfully submitted,

Beverly Atkins
Clerk to the Board