

**WESTERN HIGHLANDS AREA AUTHORITY  
APRIL 25, 2008, SPECIAL MEETING**

**BOARD MEMBERS PRESENT:** Nancy Carey (via conference call); John W. Condrey; William J. Cook, Jr.; Susan Hendrick; Minnie Jones; Abigail Karroubi; Steve Garrison; Steve Smith; Mandy Stone; Charles Vines; Arthur C. Wilson, Jr.; and Steve Wyatt.

**BOARD MEMBERS ABSENT:** Patricia Franklin; Michele Lawhern; Robert Ratcliffe; and Ryan Whitson.

**MEMBERS OF THE PUBLIC PRESENT:** Kelly Rodriguez, CFAC member; Gina Tipton; Curtis Venable; Dan Zorn; and Paul Tax.

**ALSO PRESENT:** Arthur D. Carder, Jr., Chief Executive Officer; Sharon Lentz, Chief Financial Officer; Charlie Schoenheit, Chief Operating Officer; Don Herring, Director, Clinical Services; Donald Reuss, Director, Provider & Consumer Relations; Lynn Trotter, Provider & Consumer Relations; Kris Booker, Quality Management; George Scott, Director, Information Services; Victor W. Buchanan, Legal Counsel and Beverly Atkins, Clerk to the Board.

**CALL TO ORDER:** The area board ("Board") of the Western Highlands Area Authority met on Friday, April 25, 2008 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.

**PUBLIC COMMENTS:** Mr. Jerry Rice made comments relative to school issues around children and mental health. Children with community based needs are not getting help.

**APPROVAL OF AGENDA:** *Ms. Hendrick moved to amend the agenda by moving the CEO update to follow approval of the minutes. Ms. Jones seconded the motion, and it carried by a unanimous vote. (A copy of the amended agenda is included in the minute book with these minutes.)*

**APPROVAL OF MINUTES:** *Mr. Wilson made a motion to approve the minutes for the April 4, 2008, Regular Meeting as presented. Ms. Jones seconded the motion, and it carried by a unanimous vote. (A copy of the April 4, 2008, Regular Meeting minutes is included in the minute book with these minutes.)*

**CHIEF EXECUTIVE OFFICER UPDATE:** Mr. Carder made a report with respect to the following:

- ⇒ Mercer Report and Secretary's proposal. Secretary Benton presented his proposal to the LOC on April 17<sup>th</sup>. He would like the Governor to be able to appoint 1/3 of the membership of the LME board effective July 1, 2008. This would mean that expiring membership would be replaced by an appointment by the Governor's office until 1/3 has been appointed. He also proposed approval of the hiring of the LME CEO. The other item was regionalizing the LMEs into West, Central and East. All of the LMEs are opposed to this plan except three. WHN staff met to discuss the options presented in the Secretary's proposal. Mr. Carder will be contacting the other LMEs in the Western Region about possible consolidation but hopes the legislature will delay the plan. The Secretary's plan was that the proposal would come out in June for an RFA with response due in August for implementation no later than January, 2009 with full implementation by July, 2009.
- ⇒ LOC (Legislative Oversight Committee). The LOC drafted a Bill following the meeting on April 17<sup>th</sup>. In their Bill, they identified three critical points that impact WHN. First, the Department shall not contract with outside vendor for service authorization, utilization review, or utilization management or otherwise obligate the State for these functions beyond June 30, 2009. Last two sections ask that the Department submit a plan to the General Assembly for review by the Appropriations Committee, Senate and House Appropriations Committee, Joint Legislative Oversight Committee, and the Fiscal Research Division no later than March, 2009 on any plan the Governor or the Secretary wants to have moving toward a regional model. Section 4.1 (b) of the Bill states that the Secretary shall not take any action prior to January 1, 2009 that would result in the merger or consolidation of LMEs operating on January

1, 2008 or that would establish consortia or regional arrangements for the same purpose, except for LMEs that do not meet the catchment area requirements of G.S. 122C-115 as of January 1, 2008.

Mr. Wyatt stated that if the issue advances in the way it is proposed WHN board would change drastically. One concern is the Secretary having the authority to appoint the CEO. The reality is that the CEO would no longer report to the Board but would report to someone in Raleigh. This Board then becomes an Advisory Board. He would like the Board to take a position and communicate that to the Secretary with a copy to Legislators.

*After some discussion, Mr. Wilson made a motion to authorize the Board Chair to send a letter to the Secretary with copies to Legislators and LOC outlining points of concern about the Secretary's proposal and supporting the LOC's draft Bill. Ms. Jones seconded the motion which carried by a unanimous vote.*

**SERVICE GAP STUDY:** Mr. Reuss discussed the Service Gap Study which was mailed to Board and CFAC members. The study was completed during the third quarter of this fiscal year as part of the performance agreement. Once the study is reviewed by the Board and CFAC it will be posted on WHN web page for community input. This particular study does not include the quality or quantity of services in the counties. Provider & Consumer Relations will be providing quarterly updates to the Board. Mr. Reuss went through the study. Mr. Wyatt stated that the study is excellent but the report needs to include a glossary of terms.

**FUND BALANCE EXPLANATION:** Ms. Lentz discussed the Fund Balance narrative that was distributed. LMEs are required by the State of NC Government Commission to have a minimum of 8% of the budget as unrestricted funds. The Department of Health and Human Services does not allow LMEs to retain more than 15% of the budget as unrestricted funds unless receiving approval from DHHS. Fund Balance requirements will increase if Medicaid payments flow through WHN. This is not reflected in the worksheet. Ms. Lentz then went through the Fund Balance worksheet line by line. Ms. Lentz reported that she will present a resolution for approval at the May 16, 2008 meeting to be sent to the Division for their approval. Ms. Carey requested updated information with respect to the number of clients served by disability area and county. Ms. Carey requested that in addition to the information she would like to have pie charts of the information as well. An update will be sent prior to the May 16 meeting.

**PERSONNEL COMMITTEE PROPOSAL:** Mr. Wilson reported that the Personnel Committee met prior to the Board meeting. Mr. Wilson requested approval of two new positions 1) Processing Assistant III to work with County Health Departments and jails to provide assessments/follow-up for inmates with MH needs. 2) Housing Coordinator to provide housing resources in the communities. This position is a requirement of the inpatient pilot project. This would bring FTE's to 83.95. The cost model allows for 87.36 positions.

*Mr. Wilson stated that this action comes as a recommendation from the Personnel Committee that these two positions be approved. Mr. Wyatt seconded the motion which carried by a unanimous vote.*

Mr. Wilson reported that the committee also discussed the Salary Plan, which is identical to last year's Plan. Approval of the Plan is due to the Office of State Personnel on or before July 1, 2008. Other items included in the budget were an increase of 2% to 401-k, 3% cost of living adjustment, 2% performance increase and 10% increase in health insurance. The Personnel Committee will further discuss these items.

Ms. Lentz distributed a copy of the preliminary budget for FY 2009 for review and approval at the June 6, 2008 Board meeting. After much discussion, it was decided to have a public hearing prior to the May 16, 2008 Board meeting.

**FINANCIAL REPORTS:** Ms. Lentz presented the financial report for March 2008.

**PUBLIC COMMENTS:** Mr. Rice made additional comments relative to children in schools.

Mr. Wyatt stated that in light of Mr. Rice's comments he proposed scheduling a meeting of the School Superintendents of the eight counties to hear what the issues are. Mr. Cook stated that it is not enough to just invite the Superintendents, Juvenile Court Counselors, Sheriff Department and Special Ed Directors. Mr. Carder reported that Don Herring has been working with a couple of the school districts around some of these specific issues as well as Senator Nesbitt around submitting a proposal to the Legislature for special funding for pilots. Mr. Herring could give a report with respect to what they identified as their critical issues.

After much discussion, Ms. Stone stated that a future Board agenda will be devoted on children in schools. The board is interested in hearing from Don Herring but would also invite Superintendents, Juvenile Court Counselors, Sheriff Departments, and Directors of Exceptional Children Services to come and speak directly to the Board.

Mr. Smith suggested that the May 16<sup>th</sup> meeting time be expanded by two additional hours to include lunch.

Mr. Wilson commended WHN staff with respect to the Mercer Report. He requested that Mr. Carder give a brief overview of the Mercer Report. Mr. Carder reported that in the overall rating WHN was in tier one which basically suggests that WHN is ready and able to proceed with being a managed care entity and be involved with Medicaid services, etc. In the finance and business management area WHN was in tier two mainly because of the cost associated with Western Highlands' high utilization of Broughton Hospital. They add and take away points for various kinds of things. In the clinical operations and governance area WHN is in tier two, he believes, because WHN is not organized as other LME's. Overall WHN is doing very well. There are areas that need to be improved. Ms. Stone requested that Mr. Carder bullet the strengths and weaknesses for Board members.

**ADJOURNMENT:** *Ms. Jones made a motion to adjourn the meeting. Mr. Wyatt seconded the motion, which carried by a unanimous vote; and the meeting adjourned at 11:45 a.m.*

Respectfully submitted,

Beverly Atkins  
Clerk to the Board