

**WESTERN HIGHLANDS AREA AUTHORITY
OCTOBER 5, 2006, SPECIAL MEETING**

BOARD MEMBERS PRESENT: Justin Hembree, Vice Chair, Presiding; Susan Hendrick (Via Telephone); Nancy Carey; John W. Condrey (Via Telephone); William J. Cook, Jr.; Patricia Franklin; Minnie Jones; Abigail Karroubi (Via Telephone); Michele Lawhern (Via Telephone); Rick McDevitt; G. Keith Parker (Via Telephone); Robert Ratcliffe; Ryan Whitson; and Arthur C. Wilson, Jr.

BOARD MEMBERS ABSENT: Mandy Stone and Michael Talbert

MEMBERS OF THE PUBLIC PRESENT: Leslie Boyd, Asheville Citizen Times; Carleigh Knight, The Transylvania Times; Nancy Baker, CFAC, Co-Chair; Robert Huntley, NAMI; Bob Carey, NAMI, MHA; Leslie Huntley, CFAC Co-Chair; Dan Zorn, Families Together; Sandra Layton, Phoenix Behavioral Health; Don Reeves, Phoenix Behavioral Health; Matt Hembree, CNC Access; Anthony Devore, CNC Access; Tom Voegeli, CNC Access; Jerry Rice; and Curtis Venable.

ALSO PRESENT: Arthur D. Carder, Jr., Chief Executive Officer; Sharon Lentz, Chief Financial Officer; Anne Doucette, Director, Provider & Consumer Relations; Sonia Eldridge, Provider & Consumer Relations; Rose Stouder, Provider & Consumer Relations; Marsha Ring, Access & Services Management; Kathy Rubendall, Access & Services Management; Charlie Schoenheit, Director, Access & Services Management; 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 Thursday, October 5, 2006, at 9:35 a.m. in the second-floor Conference Room (Room 312/315) of 356 Biltmore Avenue, Asheville, North Carolina. The Vice Chair called the meeting to order.

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

CHIEF EXECUTIVE OFFICER'S REPORT: Mr. Carder presented an update with respect to the New Vistas transition. Mr. Carder reported that many meetings have taken place-involving most of the board particularly the County Managers. Mr. Carder stated that one critical issue being dealt with is new consumers and where they go now that New Vistas is not opening new cases; he sent a memo to providers about this issue in hopes to stabilize this soon. With respect to the doctors, Dr. Stein has contacted all New Vistas doctors and physician extenders and six have expressed a strong desire to work with WHN. There is a committee working on the rate structure. Mr. Carder stated that another issue of great concern is tail insurance, which is insurance coverage for professional and clinical staff when an organization closes. This coverage protects against claims made after the organization closes. Mr. Carder is concerned that New Vistas may not purchase this coverage for its employees as the board has left the decision up to management. Mr. Carder stated that just as a precaution, he has gotten a quote of the cost of such coverage for NV staff; the cost for a three-year tail, which is the standard, is \$361,522.35. This coverage must be purchased no later than the date they close otherwise the coverage cannot be purchased. Mr. Carder recommended that \$361,522.35 be set aside out of the \$1million available until such time as WHN has confirmation that NV has purchased the coverage for its employees. Mr. Carder then discussed the 6th Avenue Clubhouse program in Hendersonville. Mr. Carder reported that from the data that was provided to the County Manager in a meeting with New Vistas Board; the 6th Avenue property did not have a mortgage and the estimated value of the property is \$400,000. When NV requested funds to cover payroll, Mr. Carder requested that NV sign over the 6th Avenue property. Because of a misunderstanding, this did not happen. Mr. Hembree stated that the Henderson County Commissioners are concerned about making sure the continuity/continuation of services and ensuring that there are places available for folks to go for services. The message from the Commissioners is that the propoerty not be sold to anyone other than someone who would continue to provide the same type of service. Mr. Hembree stated that his understanding when the Western Highlands Board voted to set aside \$1 million, that as much as possible, the money would be secured

either by real assets or be repaid and that services would continue to be provided through the transition period until October 31. After much discussion, Mr. Carder went on to discuss the issue of services. He reported that two of the major services currently being addresssed, emergency services the first priority, Alpha Omega has agreed to take over this function in the Northern three counties mid to late October, in the other five counties (Buncombe, Henderson, Polk, Rutherford, Transylvania) Pheonix Behavioral Health is the provider and they began that service October 1. With respect to Mobile Crisis project for Buncombe and Henderson, Dan Zorn, Families Together, will lead this effort and the assets associated with this project will be transferred as the assets are part of a two-year grant.

Mr. Carder discussed the provider information that was distributed. The grid is brokern down by county and shows the service, number of NVstaff currently, number of consumers, provider options, and target date. The provider information in dark print indicates firm commitments to deliver additional services in the area. The goal is to get a minimum of 30% State IPRS consumers to 70% Medicaid match so there will be a balance.

Mr. Carder reported that the response from the NC Division with respect to "Single Stream funding" and the request for the NC Division to help repay the \$1 million, the answer to both is no. They are available to provide additional technical assistance and support. Mr. Carder has made an additional request for \$100,000 to help address the medical records transition process.

Mr. Carder reported that during this process the Counties have really stepped up to offer help and he apprecaites their hard work.

Ms. Baker, Co-chair, CFAC asked that the board make a decision about the tail insurance for New Vistas staff.

At this point, Mr. Wilson made a motion to authorize the CEO as a last resort to purchase the extended (tail) insurance coverage following discussions with Mr. Callison. Ms. Carey seconded the motion, and it carried by a unanimous vote.

CHIEF FINANCIAL OFFICER'S REPORT: Ms. Lentz presented proposed budget amendment for FY 07. Ms. Lentz reported that the budget amendment includes allocation letters 1-7 along with a reinstatement of \$972,977 for administration until a new cost model is formulated. Mr. Whitson made a motion to approve the budget amendment as presented. Mr. Wilson seconded the motion, and it carried by a unanimous vote.

Ms. Baker reported that CFAC is putting together a Candidate/Legislative Breakfast. One has already been done in Mitchell County and they had a great turnout. The other three are scheduled for 8:00-9:30 a.m., October 19, 2006, Buncombe/Madison at the NC Extension Office in Marshall, Rutherford County October 23, 2006, at the Extension Office in Spindale and October 26, 2006 Henderson/Polk/Transylvania at Grace Luthran Church, Hendersonville.

Mr. Hembree announced that this would be his last board meeting as he has taken a position in the private sector with an Engineering Firm in Cary. He will stay in the area doing sales, marketing and consulting. He thanked the Board for helping him grow as a Board member and he stated that it has been a pleaseure serving as a member of the Westen Highlands Board.

ADJOURNMENT: Mr. Wilson made a motion to adjourn the meeting. Mr. Whitson seconded the motion, which carried by a unanimous vote; and the meeting adjourned at 11:05 a.m.

Respectfully submitted,

Beverly Atkins
Clerk to the Board