



BOARD of DIRECTORS MEETING

August 18, 2009

The Alamance-Caswell Local Management Entity Board of Directors met Tuesday, August 18, 2009 at 6:30 p.m. at the Alamance County Human Services Center, 319 N. Graham-Hopedale Road, Burlington, NC

BOARD MEMBERS PRESENT: Mr. Bill Franklin, Dr. Russell Gill, Ms. Edith Collins, Ms. Patsy Smith, Ms. Ann Slaughter, Ms. Teri Ludwig, Dr. Ernest Eason, Mr. Norman Melton, Commissioner Jeremiah Jeffries, Mr. Sam Isley, Commissioner Linda Massey

BOARD MEMBERS ABSENT: Chairman David Carter, Ms. Ethel Gwynn, Ms. Brenda Page

AREA PROGRAM STAFF PRESENT: Mr. Daniel S. Hahn, Executive Director; Ms. Jandy Andrews, Finance; Ms. Lynette Gordon and Mr. Andy Bissell, UR/STR staff, Ms. Selena Clinkscale, Executive Assistant and Ms. Welch, acting Clerk to the Board

GUESTS: Mr. Mike Taylor; LME Attorney, Ms. Judy Truitt, CEO, Orange-Person-Chatham LME; Ms. Yvonne French, DMH Liaison; and Mr. Cleon Currie, private provider.

- I. Norman Melton called the meeting to order in the absence of Chairman David Carter.
- II. Commissioner Jeffries gave the invocation.
- III. Mr. Melton introduced and welcomed guests and staff as noted above.
- IV. Mr. Melton asked for approval of the June 16, 2009 Board minutes.

ACTION: *Motion made by Commissioner Jeffries to approve the June 16, 2009 Board minutes as written. Motion seconded by Mr. Franklin. All approved.*

V. Election of Vice-Chairman

Mr. Hahn discussed the change in Board membership. He asked the Board to identify a Vice-Chairman to act in the absence of the Chairman. Mr. Bill Franklin has volunteered to serve as Vice-Chairman.

ACTION: *Mr. Franklin was approved as Vice-Chairman by unanimous vote.*

VI. Chairman Comments

Mr. Melton discussed the "Letter of Intent" from OPC. He then read a letter of response from NAMI to Chairman Carter stating that AC should seek a better partner.

VII. Amended Bylaws

Board members were sent a copy of the Amended Bylaws with proposed changes. Bylaws may be amended after such amendments have been read and approved at two separate successive regular or special Board meetings.

ACTION: Motion made by Commissioner Jeffries to approve the Amended Bylaws with changes as presented. Motion seconded by Dr. Eason. All approved.

VIII. Interim Client Records Agreement

Mr. Hahn explained the process of transferring medical records when Rockingham decided to withdraw. The LME had to legally enter into an agreement to disengage Alamance-Caswell-Rockingham and engage Rockingham/Centerpoint. The recommendation to the AC Board is to accept this Interim Client Records Agreement.

ACTION: Motion made by Dr. Gill to accept the Interim Client Records Agreement as presented. Motion seconded by Commissioner Jeffries. All approved.

IX. Executive Director's Report – Daniel Hahn

- Mr. Hahn welcomed Commissioner Linda Massey as the newest member to the Board. Commissioner Massey is the sitting Chair of the Alamance County Board of Commissioners. On behalf of the Board, Mr. Hahn expressed his appreciation to Commissioner Massey for accepting the challenge faced by the AC LME Board of Directors. Commissioner Massey stated that Dan Hahn is a great advocate for mental health. She noted that she rearranged her schedule and gave up representation on Recreation and Parks Committee to serve on the Mental Health Board.
- Mr. Hahn stated that David Carter is in Washington, DC and was unable to attend tonight's meeting. He thanked Mr. Melton for chairing the Board meeting tonight. Mr. Hahn acknowledged a great article in the Times-News recently that featured Mr. Carter. He noted that Mr. Carter has devoted a majority of his time to this community and especially this Board. Mr. Hahn commended Mr. Carter and the entire Board for their efforts and commitment to this community and its consumers.
- Mr. Hahn discussed the current Board membership with the departure of the Rockingham members noting that there are spots that are vacant. Historically, with Alamance being the largest county, they have had a larger representation than Caswell who is smaller. Mr. Hahn asked the Board to think about a larger representation from Caswell.
- The State Budget has been passed. Preliminary indications represent a 12% reduction in IPRS funding. All of our providers were offered contracts that represented at 15% reduction to prepare for anticipated cuts. Contracts will be adjusted according to age disability categories to ensure maximum funds are available to the provider network.
- The LME continues a three-way contract with ARMC Behavioral Health Unit. Adjustments/reductions by the State were identified and communicated to all parties. The LME continues to be in close contact with the Unit. We have representation on a newly formed Clinical Review Team to address the unacceptable issue of individuals being kept in the Emergency Department for days.
- The Drop-in Center's provider, Allied Churches, is having financial difficulties due to reduced contributions. The LME has given them 1/12 of the funds. If Allied

Churches is unable to continue to operate this vital center, the LME will seek alternative ways to ensure the continuation of this key service.

- Mr. Hahn discussed his intent to flatten out the organization. Staff are showing initiative, flexibility and patience in this transition. Leadership currently consists of Clayron McCain, Information Technology Director, and Debra Welch, Human Resources Director. Lynette Gordon has accepted the position of UR/STR Manager. Jandy Andrews will take the lead in Finance. Jody Meacham will lead the QI/QA/Provider Relations Unit and Trina Powell will take the lead in Special Projects. Leadership is also provided by contractual relationships in organization planning by Rachel Walker, RN and Medical Director, Dr. Phil Holding. Mr. Hahn noted that these staff members have already been instrumental in what has proven to be a very challenging time for the LME.
- Mr. Hahn discussed his letter of July 29, 2009 to Board members asking them to review the Letter of Intent from the OPC Board. This letter outlined their position about actions needed for consolidation. AC Board members were asked to share their ideas and concepts about what they see as acceptable and viable components of a working relationship with OPC or where they would suggest that no solution would be completely acceptable to anyone. As the State is in the midst of a severe budgetary crisis, AC has been left in a very undesirable situation by our former partner, Rockingham County, therefore, Mr. Hahn he is going to look at the LME's current situation as an opportunity for enhancement of services for our designated disabled populations in our counties keeping in mind the following:
 1. Consumers in need of services that we are here to ensure is available
 2. The community and our community partners
 3. Current employees that have remained faithful to the efforts we have made throughout the past seven years
 4. Retired employees that provided excellent service with the understanding that they would be compensated for their long-term service. From an OPC standpoint the AC retirees are a major liability. We are waiting on the results of an actuarial performed to identify liability regarding retiree health care. The State has language in the budget speaking to the forced use of fund balance to capture the millions that currently sit in LME coffers. If the Secretary looks to regain funding from those programs over the LGC allowable 15%, then the LME will be fine. If the Secretary takes an across the board amount via reduction in available IPRS funding then the Board will be forced to make some tough decisions.

Mr. Hahn has discussed options that the LME has regarding moving forward with the Finance Committee. He has been approached by Board members and those in the community to think hard about this merger. Negotiations start with what we want then we negotiate. As he sees it, AC LME has the following options:

- Respond to OPC by August 31, 2009, continue to negotiate and come to common ground
- Transition to a government provider organization and provide core services to the community
- Seek merger opportunities with another LME
- Work with the State and local government to continue to be an LME, however, if we do not meet LME population criteria, the State will cut 10% of LME funds each year that this criteria is not met.

A lengthy discussion ensued among Board members regarding the options that Mr. Hahn offered.

- Ms. Truitt, OPC Area Director, made the following clarifications:
 - OPC has no deadline, however, they tried not to linger. The August deadline was for AC LME.

- OPC absolutely supports what is best for AC LME
- AC will have as many Board votes as OPC; AC would become OPC

More discussion followed regarding pros and cons of merging with OPC with the general consensus of the Board being unfavorable to merge.

- Mr. Hahn read a resolution honoring Dan Ingle's services to the LME. This resolution will be presented to Mr. Ingle at a later date.

X. Budget/Fiscal Report – Jandy Andrews

Ms. Andrews discussed graphs showing ACR LME cash flow trend for fiscal year 2008-09. She also discussed AC LME cash flow trend for fiscal year 2009-10 through July, 2009 (see attached),

Assets as of 07/31/2009

- Total Cash and Investments - \$4,632,032.48
- Total Accounts Receivable - \$1,591,453.55
- Total Payables - \$1,272,881.25
- Total Fund Balance - \$6,335,368.90

Statement of Revenues, Expenditures

- Revenues for the current period are at \$956,500 with \$1,423,592 budgeted
- Expenditures for this period are at \$966,520 with \$1,423,592 budgeted reflecting a \$10,020 deficit

IPRS Expenditures as of 07/31/2009

- Total budget - \$7,078,283
- Total expended prior year - \$1,361,463 or 13.8%
- Total expended current year - \$0
- Total expended overall - \$523,592; percentage expended of budget 7.4%

ACTION: Motion made by Mr. Franklin to accept the Fiscal report as presented. Motion seconded by Commissioner Jeffries. All approved.

XI. Committee Reports

- CFAC met June 23, 2009. No action required
- Finance Committee met August 17, 2009. See Budget/Fiscal Report

XII. Adjournment

With no further business, the meeting was adjourned
Respectfully submitted by,

Debra Welch
Acting Clerk to the Board

The next Board meeting is scheduled for **Tuesday, September 15, 2009 at 6:30 pm** at the Human Services Center, 319 N. Graham-Hopedale Rd., Burlington, NC.