

**STATE OF NORTH CAROLINA )  
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COUNTY OF STOKES                  )  
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**OFFICE OF THE COMMISSIONERS  
STOKES COUNTY GOVERNMENT  
DANBURY, NORTH CAROLINA  
NOVEMBER 12, 2014**

The Board of Commissioners of the County of Stokes, State of North Carolina, met for Special Meeting in the third floor conference room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Wednesday, November 12, 2014 at 10:00 am with the following members present:

Chairman James D. Booth  
Vice Chairman Ronda Jones  
Commissioner J. Leon Inman  
Commissioner Jimmy Walker  
Commissioner Ernest Lankford

County Personnel in Attendance:  
Clerk to the Board Darlene Bullins  
County Manager Richard D. Morris  
Social Work Supervisor II Allison Pinnix  
Social Work Supervisor II Kimberly Childress  
Social Work Supervisor III Diane Hayden  
EMS Director Greg Collins  
Detective Terry Dalton  
Chief Deputy Craig Carico

CenterPoint Human Services:  
Chief Administrative Officer Ronda Outlaw  
Chief Financial Officer Kevin Beauchamp

Chairman James Booth called the special meeting to order and welcomed those in attendance.

Commissioner Lankford delivered the invocation.

**GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE**

Chairman Booth opened the meeting by inviting everyone in attendance to join the Board in the Pledge of Allegiance.

## **GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA**

Chairman Booth entertained a motion to approve or amend the November 12, 2014 Agenda.

Commissioner Inman moved to approve the November 12<sup>th</sup> Agenda as presented.

Commissioner Lankford seconded and the motion carried unanimously.

### **CenterPoint Human Services**

Chairman Booth expressed appreciation to Chief Administrative Officer (CAO) Ronda Outlaw and Chief Financial Officer (CFO) Kevin Beauchamp, CenterPoint Human Services, for their attendance at today's special meeting to discuss the "New Direction of Mental Health in North Carolina".

Chairman Booth noted that CEO Betty Taylor was not feeling well and was unable to attend today's meeting.

CAO Ronda Outlaw provided Board members with a handout detailing the new direction of mental health in North Carolina which included: Timeline, Process, Overview, and Merger Details.

CAO Outlaw discussed the following:

- Governor's proposal for reforming Medicaid, it talked about four regions and the reduction of managed care organizations like CenterPoint
- At that time, about a year and a half ago, CenterPoint thought about the idea of a western regional partnership; CenterPoint and its four counties would join with Partners Behavioral Health and the Smoky Mountain Center to the west
- These three combined entities would cover an area of Western North Carolina with 35 counties and would be in compliant with the Governor's vision for Medicaid and where it needed to go
- Our thought was to position ourselves so that whichever the way the Legislature went, we would be in a position to move and advantages would be gained by working with these other Managed Care Organizations (MCOs) to standardize processes and procedures for providers
- The Western Regional Partnership was formed which was supported by the State
- This partnership began to standardize processes and procedures
- CenterPoint's Board approved that concept in October 2013
- A Futures Committee was formed to review data and information, to try to stay abreast of what was happening at the state level and compare data pertaining to MCOs that would be merger options for CenterPoint; that work has continued during the last year

- Recently, there was a need to step up the pace with the Smoky Mountain Region
- Couple of things were happening simultaneously
- Information from the Legislature indicated that each entity should have a plan of where each entity would go prior to December 2014 (before the long session of the Legislature begins in January)
- At the same time, Smoky Mountain Center, one of the three MCOs, while not withdrawing from the process, refocused their attention and energy forming an Accountable Care Organization with Mission Hospital in the west
- At that point, Futures Committee began to look at other options: Cardinal Innovations Healthcare Solutions and Partners Behavioral Health Management
- Futures Committee made their recommendation, which will go to the full board at their next meeting, to pursue a merger with Partners Behavioral Health Management
- The full Board will receive lots of comparative information regarding the Futures Committee's recommendation at their regular board meeting next week
- The full Board will then have a Special Called Meeting in December to make a decision regarding the merger with Partners
- The beginning point will be a Letter of Intent (LOI) which declares officially that the parties will begin negotiating an agreement such as a merger
- This LOI will show the Legislature what CenterPoint intends on doing with the merger happening July 1, 2015

CFO Kevin Beauchamp commented:

- Will still be part of the Western Region, but Smoky Mountain Center is really putting their efforts towards the forming of an Accountable Care Organization with Mission Hospital; Smoky Mountain has pulled back from the overall region
- CenterPoint, based on information from some legislators, started to move forward to have something in place before the long session began
- No decisions, as indicated in a recent newspaper article, have been made
- The decision will be made by the full Board as indicated by CAO Outlaw
- The Futures Committee was formed to research and make a recommendation to the full Board
- If the Board approves to go forward with a partnership with Partners, it will be 12 counties; it would position CenterPoint with more population and more eligible individuals
- Must remember, it will ultimately be decided by the Legislature

Vice Chairman Jones commented:

- Not surprised to hear that Mission Hospital is doing what they are doing; they basically monopolize that whole area; they will probably be very upset if they are told by the Legislature that they have to join

Commissioner Inman commented:

- Have served on the CenterPoint Board for 12 years
- I made a comment in a recent meeting that the CenterPoint Board had been proactive at looking at options

- Want to make it perfectly clear, CenterPoint was perfectly happy with our 4-county region; this is not something that CenterPoint decided to do on its own
- CenterPoint Board decided a year ago, based on the fact that the Legislature and Department of Health and Human Services (DHHS) were going to consolidate into four MCOs, to move forward
- First mentioned was the Smoky Mountain Region (35 counties), but Smoky Region has decided to go with Accountable Care Organization with Mission Hospital
- CenterPoint has continued to explore all options
- CenterPoint does not have any choice
- During my 12 years on the CenterPoint Board, there has always been change
- It is still a work in process
- Personally, Partners is our better alliance – 12 counties which CenterPoint fits much better geographically
- Each MCO will have one commissioner on their board

CFO Kevin Beauchamp commented:

- If the partnership with Partners materializes, we will follow under the hospital authority, similar to Cardinal Governance Board

Commissioner Walker requested more information regarding the Smoky Mountain Region and what makes them the powerhouse they seem to be?

CFO Beauchamp responded:

- It is a hospital system
- Smoky Mountain Region is the biggest hospital system in that region, based out of Asheville

CAO Outlaw responded:

- They would become an Accountable Care Organization (ACO) which is like a capitated contract that money would flow to serve the whole person; it would be an integration of the patient's medical and behavioral health needs
- Integrated care is another hallmark of the governor's vision which is supported by CenterPoint
- CEO Brian Thompson of the Smoky Mountain Region has volunteered to come and talk to our board about what they are doing
- Baptist Hospital is looking at forming an accountable care organization with CornerStone
- Health care is moving towards people being treated as a whole person which is a very good thing

County Manager Rick Morris confirmed with CFO Beauchamp that CenterPoint would be forming a MCO with Partners while Smoky Mountain Region would be forming an ACO with Mission Hospital if approved by the Legislature.

CFO Beauchamp responded:

- Feel Smoky Mountain would request to operate the ACO as a “pilot site” because it would be the first ACO set up between a public MCO and a private hospital
- Smoky Mountain is putting their focus on the ACO instead of forming the western region
- CenterPoint has been working with the Smoky Mountain Region to standardize processes to make it easier for clients and providers
- Have agreed that all providers have to be credentialed and will be credentialed at the Smoky Mountain Region; thus saving the provider having to get credentialed in all regions
- All regions will do the monitoring of the provider all at one time

CAO Outlaw commented:

- There are streamlining and cost savings to be had
- If alignment is approved with Partners, Stokes County residents will be able to use providers in Surry County and Rockingham County; this should broaden network providers

CFO Beauchamp commented:

- By merging with Partners, there would still be a local connection
- If CenterPoint merges with Cardinal, you basically are just joining, they already have their Governing Body established; everything is decided at corporate in Kannapolis
- Any merger have to be contiguous except for Cardinal, who was already in place and was grandfathered
- The East Carolina Behavioral Health and Coastal Care have reached an agreement to merge 07-01-15 into one MCO
- Eastpointe has not made a decision
- Sandhills Center has decided that they will wait and see what the state decides
- If you have not decided, the state will decide and tell you where you will be going
- CenterPoint wanted to make the decision before the state decided

Commissioner Lankford commented:

- Confirmed with CFO Beauchamp that the recommendation from the Futures Committee is to merge with Partners Behavioral Health Management
- Requested CFO Beauchamp to discuss what happens once the two entities decide to merge

CFO Beauchamp commented:

- The beginning point will be the signing of a Letter of Intent (LOI) which is usually not binding on the parties
- Have been advised that the LOI needs to be in place by the end of the year to show the Legislature that you are actually moving towards consolidation
- A due diligence period will follow the LOI
- The purpose of the due diligence is to conduct evaluation that contributes to informed decision making by enhancing the amount and quality of information available to the decision makers

- The information generated is used to deliberate on the decision to move forward and all its cost, benefits, and risks

Commissioner Lankford confirmed with CFO Beauchamp that no decision has been made by the Legislature.

Commissioner Lankford questioned the timetable of the merger?

CFO Beauchamp responded:

- Merge the two entities as of July 1, 2015, but mandate separate Medicaid contracts with DMA
- Biggest hurdle will be the merger of the IT Systems and Accounting Systems which would be done in 2016
- Would actually be one entity by 2017

Commissioner Lankford confirmed with CFO Beauchamp that the governor's thought process was this is going to make it more efficient, provide better service, at less cost.

CFO Beauchamp continued:

- It is yet to be seen if it will be at less cost
- The factor that continues to drive the Medicaid budget is the medical side, behavioral health only makes up approximately 6% of the Medicaid budget
- It has already been shown the MCOs are a cost savings

Commissioner Lankford confirmed with CFO Beauchamp that the county's funding allocation will remain the same.

CFO Beauchamp continued:

- Merging with Partners will create a new entity, a new governing body, etc.
- Under the general statutes, discretionary funding from the county must remain the same unless a new entity is created
- Will have to consult with the staff attorney to verify that the funding allocation could be changed since this is a merger creating a new entity
- Currently, discretionary funding from each county stays in the respective county
- Would have to work this out with Partners

Commissioner Lankford commented:

- Must continue to have open communication between the County and CenterPoint

Vice Chairman Jones commented:

- Commend CenterPoint for being proactive
- Confirmed with CFO Beauchamp that once CenterPoint starts the merger with Partners, they will continue down that road even if the Legislature decides otherwise

- The trend now is everyone being under the same roof in the medical field because of cost factors and new regulations
- Feel after the merger is complete, this will be better
- Agree with Commissioner Inman's concerns regarding only one commissioner appointee

CFO Beauchamp responded:

- The governance has not be finalized
- Feel that will be worked out during the merger
- The merger will position CenterPoint better with the Legislature

Chairman Booth also commended CenterPoint for being proactive and feels this could possibly help with the Legislature's decisions.

Commissioner Walker commented:

- Appreciate the information being provided today, very informative
- Also commended CenterPoint for being proactive
- Questioned CFO Beauchamp how locked in would CenterPoint be once a certain direction is committed, especially if surprises were found during the due diligence?

CFO Beauchamp responded:

- Reiterated that the LOI is not binding
- During the due diligence, CenterPoint can pull back if something surfaces
- The disadvantage would be that the other option on the table is probably going under the umbrella of Cardinal
- While Cardinal is the oldest and most experience, CenterPoint would only have a regional advisory committee which would only recommend
- No decisions are made at the local level, only at corporate
- By going with Partners, CenterPoint will maintain that local decision making
- Could consider Sandhill, but Sandhill has already decided that they will not do anything until the Legislature decides, CenterPoint does not want to be in that situation

Commissioner Walker confirmed with CFO Beauchamp that all options are still on the table until a final decision is made.

CAO Outlaw noted that the information provided today shows some pretty significant differences between Partners and Cardinal.

CAO Outlaw discussed some of the differences between Partners and Cardinal.

CAO Outlaw commented:

- During the due diligence with Partners, feel there will be more opportunity to impact what the new entity will look like
- Negotiations can and will be done
- Can pull the best strengths from both organizations, there would not be that opportunity with Cardinal, it is basically their way
- Cardinal is very much more like a private organization with Partners being more diverse and de-centralized

Commissioner Walker continued:

- I am not concerned about going the cheapest route
- From a quality aspect regarding services delivered to our citizens, will the changes be better quality services for our citizens, about the same, or not as good?

CFO Beauchamp responded:

- Feel if CenterPoint is forced into the western region with 35-counties, it would not be as good; my personal opinion is that it is too big to manage and feel quality would go down
- By merging with Partners who is a strong MCO and with CenterPoint being a strong MCO, total of only 12 counties, it will be an opportunity to bring the strengths of the two together and there can be an impact on the quality of services, making things better
- The size merging with Partners is manageable

Commissioner Walker commented:

- Appreciate your personal opinion
- Very concerned about the Stokes Opportunity Center which is supported by this Board
- If there are changes, is there anything that might change concerning the Stokes Opportunity Center?
- Have always been a supporter of CEO Betty Taylor who has done an outstanding job at CenterPoint, what would be Betty's role and key staff should there be a change?
- Want Stokes County to maintain the direct connection that is in place currently with CenterPoint
- My job as a commissioner is to represent the county, its citizens, and staff
- Given the current situation, what is best for the citizens regarding the options that we are looking at and why?

CAO Outlaw responded:

- Do not see anything happening with the Stokes Opportunity Center
- A lot of the discretionary funding from the County goes into the operation of the Center
- Our plan would be make sure the county funding stays in the county
- We also want the direct connection that is currently in place at the local level to remain



- The County has a strong and smart advocate in Betty Taylor, she will at table to protect the interests of the counties and the services
- CenterPoint is a desirable entity, we bring a lot of resources and a strong network

CFO Beauchamp responded:

- CenterPoint would be very adamant during negotiations that county discretionary funding stays in the county
- CEO Taylor and the Partners CEO have already had some informal discussions
- The final decision will be left up to the Boards
- In all likelihood, the Partners' CEO would probably be the new CEO with Betty having some type of leadership role in supporting him (per Betty); Betty may be looking at retirement down the road
- The roles of the CEO and staff are still to be determined
- We will maintain our offices in Winston with the Partners' merger, we will not go away
- With the Partners' option, we already share 75 providers
- With going with Partners, do not feel there would be any decrease in services, might open more opportunities

Commissioner Inman commented:

- Feel this has been a very productive meeting
- This Board has always made a strong commitment regarding the behavioral health area in its discretionary funding; that discretionary funding has been multiplied by the things that CenterPoint has been able to do in the area – medication, etc
- Passionate about many things, have always been very passionate about education and mental health
- Dare say that there is not a single person sitting in this room today who has not had someone who has been affected by the three areas of mental health (mental health, developmental disabilities or substance abuse) in their immediate family and/or extended family
- Can't afford to get this wrong; we have some of the most vulnerable people in our county that are depending on the people sitting in this room to get this right
- Proud to be a part of this decision making
- Can't say enough about CenterPoint
- We have a diverse board at CenterPoint, but that is fine, people are entitled to their opinions
- In spite of what you read in the media, it is not a dysfunctional board
- CenterPoint has done a great done with their catchment area
- Joining with Partners will give us that 1 million area threshold that will enable CenterPoint to do a lot more
- County commissioners statewide are very committed to the behavioral health area
- We have got to continue to make sure that our state legislators adequately fund for mental health services
- Reiterated that we must get this right

Commissioner Lankford commented:

- Confirmed with CFO Beauchamp that Cardinal will be a larger population which includes Mecklenburg County
- Feels the County will be better going with Partners – smaller population

Vice Chairman Jones commented:

- Feel comfortable with going with Partners
- Ready to go with the LOI
- Feel that CenterPoint has done their homework and worked hard to get the best opportunity for the counties currently being served by CenterPoint
- Appreciate the time and effort by CenterPoint to get the best opportunity

Chairman Booth commented:

- Agree with Vice Chairman Jones
- Feel being proactive is a great benefit

Chairman Booth opened the floor for questions from county staff that were in attendance for the meeting.

Chief Deputy Craig Carico confirmed with CFO Beauchamp that contracts with Pioneer Community Hospital of Stokes would remain intact.

CAO Ronda Outlaw responded:

- Always open to work with Pioneer to provide better services if possible
- See no negative impact regarding Pioneer

EMS Director Collins questioned if there might possibly be more access to crisis mobile units and training for law enforcement and emergency services personnel?

CAO Outlaw responded:

- Services will remain the same
- There are some changes coming in January 2015 that are currently being dealt with
- There are scholarships to cover wages for part time staff so that full time employees can attend training- held quarterly in Forsyth and Rockingham Counties

CFO Beauchamp responded:

- With the sharing of providers, could be some expanded services available

Commissioner Walker commented:

- What can the governing board in Stokes County do at this time, if anything, to help this go in the right direction?

CFO Beauchamp responded:

- Provide input to Commissioner Inman, who serves on the CenterPoint Board of Directors
- Contact state representatives which way you would like things to go

CAO Outlaw noted the strong voice from the NC Association of County Commissioners with the recent creation of the Mental Health Task Force.

Commissioner Inman requested that the item be placed on the next Commissioners' Agenda to make sure the direction of the Board, if it is Partners, is known.

Chairman Booth noted the item would be placed on the next meeting's Agenda.

Chairman Booth expressed appreciation to all those in attendance for the meeting.

CAO Outlaw and CFO Beauchamp expressed their appreciation to the Board for scheduling a meeting to discuss this very important issue.

### **Adjournment**

There being no further business to come before the Board, Chairman Booth entertained a motion to adjourn the meeting.

Commissioner Lankford moved to adjourn the meeting. Commissioner Inman seconded and the motion carried unanimously.

Special Meeting ended at 11:09 am

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**Darlene M. Bullins**  
**Clerk to the Board**

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**James D. Booth**  
**Chairman**