Alliance Behavioral Healthcare  
Area Board Meeting  
Thursday, August 7, 2014  
4:00 p.m. – 6:00 p.m.  

MINUTES

PLACE:  Alliance Behavioral Healthcare, 4600 Emperor Blvd. Room 208, Durham, NC 27703

MEMBERS PRESENT:  Ann Akland, Cynthia Binanay, Christopher Bostock, Dr. George Corvin, Kenneth Edge, James Edgerton, Phillip Golden, Dr. John Griffin, Rev. Michael Page (via phone), Robert Robinson, Vicki Shore, William Stanford, Chair; Caroline Sullivan, Scott Taylor, Amelia Thorpe, and Lascel Webley, Jr.

MEMBERS ABSENT:  Lodies Gloston, George Quick

GUESTS PRESENT:  Roanna Newton, DMH; Diana Wydo, Fellowship for Human Resources; and Mark Jacques, Chair of Alliance CFAC

STAFF PRESENT:  Erica Bing, Cathy Estes, Doug Fuller, Amanda Graham, Carol Hammett, Tina Howard, Veronica Ingram, Wes Knepper, Susan Knox, Geyer Longenecker, Ken Marsh, Beth Melcher, Lloyd Merithew, Ann Oshel, Monica Portugal, Al Ragland, Sara Simms, Sean Schreiber, Jennifer Ternay, and Doug Wright

1. Call to Order  
Chairman William Stanford called the meeting to order at 4:03 p.m.

2. Announcements  
A. Scheduling Photographs of Board Members on September 4, 2014, from 2:30-4:00 pm  
   Doug Fuller, Director of Communications, organized the schedule for Board members’ photographs.

   B. ZixOne Update  
   Lloyd Merithew, Chief Information Officer, presented an update to the Board. ZixOne is software that allows secure access to Alliance emails on personal devices.

   C. URAC Review  
   Beth Melcher, Chief of Program Development and Evaluation, provided an update on yesterday’s URAC review for Credentialing module. She mentioned the positive feedback at the conclusion of the review. Also, Dr. Melcher, Mr. Robinson, and Chairman Stanford commended staff for their hard work.
3. **Oath of Office**  
Veronica Ingram, Executive Assistant, administered the oath of office to new Board member Curtis Massey.

4. **Agenda Adjustments**  
There were no adjustments to the agenda.

5. **Public Comment**  
Marc Jacques, Chair of Alliance’s Consumer and Family Advisory Committee (CFAC), provided a brief overview describing CFAC’s purpose and invited Board members to attend a CFAC meeting. He offered suggestions and stated CFAC’s desire to continue working with and advising the Board to best meet the needs of consumers.

6. **Finance Committee Report**  
The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Area Board. The Finance Committee meets monthly at 3:00 p.m. prior to the regular Board Meeting. This month’s report includes the budget to actual report and ratios for the period ending May 31, 2014, and the draft minutes of the June Finance Committee meeting.

   Alliance Interim CFO, Jennifer Ternay, provided an update regarding a recent financial audit and stated that this information would be included at the September Board packet. Chairman Stanford noted that the Finance Committee report was part of the Board packet and that this agenda item is an opportunity for Board members to ask questions. There were no additional comments or discussion.

7. **Committee Reports**  
   A. Quality Management Committee Report  
   B. Human Rights Committee Report  
   C. Consumer and Family Advisory Committee Report  
   D. Executive Committee Report

   Commissioner Kenneth Edge commended staff for a thorough and professional presentation at Tuesday’s County Commissioner Advisory Committee meeting where County Commissioners and County Managers from Cumberland, Durham, Johnston and Wake counties attended. He provided an overview of this meeting and offered recommendations to share this information with community stakeholders. The full report will be submitted as part of the September Board packet. There were no additional comments or discussion about the Committee reports.

   **BOARD ACTION**  
   A Motion was made by Mr. Scott Taylor to accept the Committee reports. Seconded by Dr. George Corvin. Motion passed unanimously.

8. **Consent Agenda**  
Draft Board Minutes from the June 5, 2014, Board Meeting  
Chairman Stanford reminded Board members that the consent agenda was included in the Board packet. There were no additional comments or discussion about the consent agenda.
BOARD ACTION
A Motion was made by Mr. Lascel Webley to approve the minutes from the June 5, 2014, Board meeting. Seconded by Mr. James Edgerton. Motion passed unanimously.

9. HR Report: Classification and Grade Schedule
Al Ragland, Chief HR Officer, presented an update of Alliance’s Classification and Grade Schedule. Mr. Ragland stated that this information was included in the packet; it includes recent changes to twelve positions. There were no additional comments or discussion.

BOARD ACTION
A Motion was made by Commissioner Kenneth Edge to accept the classification and grade schedule. Seconded by Mr. Phillip Golden. Motion passed unanimously.

10. Proposal to Change the Location of October 2, 2014, Board Meeting
As stated in the by-laws and in accordance with provisions set forth in the Open Meetings Act, the Board holds regularly scheduled meetings on the first Thursday of each month at Alliance’s corporate site. Alliance CEO, Rob Robinson, presented the proposal to change the location of the October 2, 2014, meeting. There were no additional comments or discussion.

BOARD ACTION
A Motion was made by Mr. Christopher Bostock to have the October 2, 2014, Board meeting at Alliance’s Cumberland location. Seconded by Mr. James Edgerton. Motion passed unanimously.

11. FY 15 Board Training Schedule
As stated in NCGS 122C-119.1 all Board members of the Area Authority are required to receive training on Board members’ responsibilities, fiscal management, budget development and fiscal accountability. This information was included in the Board packet. Rob Robinson, CEO, presented the recommended training schedule for FY 2015. He requested input from Board members regarding additional training topics that will be presented at future Board meetings through June 2015. There were no additional discussion or comments.

BOARD ACTION
The Board accepted the presentation. No further action required.

12. Proposed Leases for Alliance’s Durham and Cumberland Sites
A. Lease Amendment for Space at 414 E. Main Street, Durham
B. Lease for Space at 711 Executive Place, Fayetteville

Carol Hammett, General Counsel, presented the proposed leases. The Board discussed the leases, space options for future growth, previous lease rates and ownership of equipment at each site.

BOARD ACTION
A Motion was made by Mr. Phillip Golden to approve the lease amendment for the space at 414 E. Main Street, Durham. Seconded by Mr. Christopher Bostock. Motion passed unanimously.

A Motion was made by Mr. Scott Taylor to approve the lease for 711 Executive Place, Fayetteville. Seconded by Dr. John Griffin. Motion passed unanimously.
13. Board Training: NC General Statue 122C, Board By-laws and Board Media Policy
Carol Hammett, General Counsel, introduced Erica Bing, Assistant General Counsel. She stated that Board members had a hardcopy of the by-laws and part two of NCGS 122C before them. She presented a detailed overview of the Board by-laws, the Board Media Policy and part two of NCGS 122C noting sections applicable to Area Board members: Ms. Hammett stated general provisions of LME-MCOs, the definition of the Area Authority and Area Authority Board, and the powers and duties of the Area Board. She reviewed the Board By-laws and Media Policy. The Board discussed the training, specifically funding aspects, and needed revisions.

BOARD ACTION
The Board received the training. No further action required.

14. Update: Follow Up to the Article on Wake Forensic Evaluations
Dr. Carlyle Johnson, Program Director of Provider Network Strategic Initiatives, provided an update to an article on the timeliness of court ordered forensic evaluations. He also provided an update regarding the status of plans to improve evaluation timeliness: including technical aspects and the plan to train additional staff to complete forensic evaluations; this training is offered by the State twice a year.

Diana Wydo, Fellowship Health Resources, noted her agency’s response to the article and stated that she sees this as an opportunity to improve gaps in the system and quality of care issues. Board members discussed the topic and requested an update within six months depicting how corrective actions have been implemented.

BOARD ACTION
The Board received the update. No further action required.

15. Chairman’s Report
Chairman Stanford addressed the Board regarding Board committees and appointments for fiscal year 2015. He stated that an updated list of committee assignments is forthcoming.

16. Adjournment
With all business being completed the meeting adjourned at 5:45 p.m.

Next Board Meeting
Thursday, September 4, 2014
4:00 – 6:00

Respectfully submitted:

Robert Robinson, Chief Executive Officer 9/4/2014
Date Approved
ITEM: Finance Committee Minutes from June 5, 2014, meeting

DATE OF BOARD MEETING: August 7, 2014

REQUEST FOR AREA BOARD ACTION:
The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Area Board. The Finance Committee meets monthly at 3:00 PM prior to the regular Area Board Meeting. The financial statements for the period ending May 31, 2014, and the draft minutes of the June Finance Committee are attached.

REQUEST FOR AREA BOARD ACTION:
Accept the report.

CEO RECOMMENDATION:
Accept the report.

RESOURCE PERSON(S):
Rob Robinson, CEO
Jennifer Ternay, Interim CFO
Members Present: Lascel Webley, Jr., MBA, MHA, George Quick, MBA, Chris Bostock, Jim Edgerton, BS, Vicki Shore

Members Absent: Philip Golden, BS, Ann Akland

Guest Present: William Stanford (Board Member, guest of Finance Committee)

Staff Present: Rob Robinson, LCAS, Jennifer Ternay, MBA, CPA, Catherine Eaton, Business Operations-Administrative Assistant

Staff Absent: Sara Pacholke, BS, CPA

Opening: Meeting opened by Mr. George Quick at 3:00PM at Alliance Behavioral Healthcare’s Corporate Office

Approval of Minutes: George Quick made a motion to approve the Minutes from the May 1, 2014 meeting with a second from Lascel Webley, Jr.

The monthly financial reports were discussed which includes Statement of Revenue Expenses – Actual Budget for the Ten Months Ending April 30, 2014 and Benchmark Ratios As of April 30, 2014.

Agenda Items:

April Statement of Revenue and Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Service Revenue</td>
<td>$340,258,725.91</td>
</tr>
<tr>
<td>Total Administrative Revenue</td>
<td>$33,170,063.13</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$373,428,789.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Service Expenditures</td>
<td>$320,940,381.49</td>
</tr>
<tr>
<td>Total Administrative Expenditures</td>
<td>$25,456,505.56</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$346,396,887.05</td>
</tr>
</tbody>
</table>

The difference between the service revenue and service expenditures is about $20 million.
The difference between the administrative revenue and administrative expenditures is $8 million.
Total revenues over expenditures $27.3 million on a year to date basis.

Benchmark Ratios:
Review of Current Ratios’ attachment. Alliance continues to exceed what the benchmark for each ratio. The definition of the ratios was discussed. Medical loss ratio is the difference in service dollars in comparison to service revenue and the defensive interval is a measure of how
many days of cash you have. The defensive interval ratio represents the daily amount of cash based on the expenses to date for both service and admin dollars. The measure shows how many days in cash you have. The benchmark is at 30 days and as of April 30th we are up above 60 days.

**FY15 Budget:**
Current Budget was presented with no adjustments from last month. Recommendation from the Finance Committee to the Board is to approve the current budget.

**Guest Reimbursement:**
Discuss was held regarding whether Board members that attend subcommittee meetings but are not actual members of the subcommittee should receive reimbursement. The issue was deferred to the policy committee to review guest reimbursement stipend and mileage. In the interim, Alliance will continue to reimburse stipend and mileage until clarified by a policy.

**HMS Audit:**
HMS is the firm selected to review our compliance with Senate Bill 208 which included the calculation of the required ratios as well as a review of our compliance for security for HIPAA and accuracy of claims processing. The audit results were positive and concluded that Alliance was compliant.

**DMA Financial Report Restatements:**
The Finance Committee was informed that some of the monthly reports that are communicated to DMA were restated. The restatements updated the financial information by individual fund type (Medicaid, State/Federal and County) but did not affect the amounts reported in total.

**Action Item** – Finance Committee recommends approval of the Budget.

Meeting adjourned at 3:50PM

Respectfully submitted,

Catherine M. Eaton
Business Operations-Administrative Assistant
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Q2 Budget</th>
<th>Amendment</th>
<th>Current Period</th>
<th>Year To Date</th>
<th>Balance</th>
<th>% Received/ Expended</th>
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<tbody>
<tr>
<td>Service</td>
<td>Original Budget</td>
<td>35,860,112.00</td>
<td>$35,854,086.00</td>
<td>$7,697,563.21</td>
<td>$35,601,890.29</td>
<td>$362,195.71</td>
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<td>39,357,964.00</td>
<td>3,779,345.66</td>
<td>32,662,179.78</td>
<td>6,796,784.22</td>
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<td>Federal</td>
<td>7,640,334.00</td>
<td>7,170,988.00</td>
<td>409,372.98</td>
<td>4,790,515.84</td>
<td>2,380,472.15</td>
<td>66.80%</td>
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<td>Medicaid Waiver</td>
<td>308,126,720.00</td>
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<td>267,404,050.50</td>
<td>45,121,494.50</td>
<td>85.56%</td>
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<tr>
<td>Miscellaneous Revenue</td>
<td>89.50</td>
<td>(89.50)</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Service Revenue</td>
<td>389,300,562.00</td>
<td>394,908,583.00</td>
<td>37,795,240.82</td>
<td>340,258,725.91</td>
<td>54,649,857.09</td>
<td>86.16%</td>
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<td>Administrative</td>
<td>1,017,828.00</td>
<td>1,816,854.00</td>
<td>268,436.79</td>
<td>1,162,109.71</td>
<td>653,744.29</td>
<td>64.00%</td>
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<td>County</td>
<td>State</td>
<td>4,538,540.00</td>
<td>4,588,482.00</td>
<td>413,151.38</td>
<td>4,211,107.87</td>
<td>377,374.13</td>
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<td>Medicaid Waiver</td>
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<td>31,747,176.00</td>
<td>2,658,168.00</td>
<td>27,475,877.07</td>
<td>4,271,298.93</td>
<td>86.55%</td>
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<td>In Kind Revenue</td>
<td>1,130,287.00</td>
<td>1,130,287.00</td>
<td>267,251.25</td>
<td>663,035.75</td>
<td>23.64%</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>26,000.00</td>
<td>98,900.00</td>
<td>988.50</td>
<td>53,717.23</td>
<td>45,182.77</td>
<td>54.31%</td>
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<tr>
<td>Total Administrative Revenue</td>
<td>38,058,135.00</td>
<td>39,368,699.00</td>
<td>3,340,744.68</td>
<td>33,170,063.13</td>
<td>6,210,635.67</td>
<td>84.23%</td>
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<tr>
<td>Total Revenues</td>
<td>427,368,697.00</td>
<td>434,289,282.00</td>
<td>41,135,985.50</td>
<td>373,428,789.04</td>
<td>60,860,492.96</td>
<td>85.99%</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td>Service</td>
<td>Original Budget</td>
<td>36,047,755.00</td>
<td>36,047,755.00</td>
<td>1,978,860.46</td>
<td>28,590,243.56</td>
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<tr>
<td>County</td>
<td>State</td>
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<td>39,357,964.00</td>
<td>5,602,640.99</td>
<td>32,001,153.72</td>
<td>7,356,810.28</td>
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<tr>
<td>Federal</td>
<td>7,640,334.00</td>
<td>7,170,988.00</td>
<td>400,041.11</td>
<td>3,406,661.87</td>
<td>3,752,296.13</td>
<td>47.53%</td>
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<tr>
<td>Medicaid Waiver</td>
<td>308,126,720.00</td>
<td>312,525,543.00</td>
<td>28,103,632.37</td>
<td>296,940,292.34</td>
<td>55,585,260.66</td>
<td>82.21%</td>
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<td>Total Service Expenditures</td>
<td>389,488,205.00</td>
<td>395,102,250.00</td>
<td>36,084,904.93</td>
<td>320,940,381.49</td>
<td>74,161,868.51</td>
<td>81.23%</td>
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<td>Administrative</td>
<td>Operational</td>
<td>5,814,903.05</td>
<td>6,983,065.00</td>
<td>321,904.22</td>
<td>2,719,844.23</td>
<td>4,243,221.77</td>
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<td>Salaries, Benefits, and Fringe</td>
<td>25,945,140.63</td>
<td>26,033,266.00</td>
<td>2,008,875.64</td>
<td>19,510,606.91</td>
<td>8,513,659.09</td>
<td>74.98%</td>
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<td>Professional Services</td>
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<td>5,060,413.00</td>
<td>331,267.07</td>
<td>2,949,803.17</td>
<td>2,110,609.83</td>
<td>58.29%</td>
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<tr>
<td>In Kind Expenses</td>
<td>1,116,287.00</td>
<td>1,130,287.00</td>
<td>267,251.25</td>
<td>863,035.75</td>
<td>23.64%</td>
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</tr>
<tr>
<td>Total Administrative Expenditures</td>
<td>37,880,492.00</td>
<td>39,187,032.00</td>
<td>2,662,046.93</td>
<td>25,456,505.56</td>
<td>13,730,526.44</td>
<td>64.96%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>427,368,697.00</td>
<td>434,289,282.00</td>
<td>38,746,951.86</td>
<td>346,398,887.05</td>
<td>87,892,394.95</td>
<td>79.76%</td>
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<tr>
<td>REVENUES OVER EXPENDITURES</td>
<td>2,389,033.64</td>
<td>27,031,901.99</td>
<td>(27,031,901.99)</td>
<td>0.00%</td>
<td></td>
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</tr>
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DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
The Global QMC is the standing committee that is granted authority for Quality Management by the MCO. The Global QMC reports to the MCO Board of Directors which derives from General Statute 122C-117. The Quality Management Committee serves as the Board’s Monitoring and Evaluation Committee charged with the review of statistical data and provider monitoring reports. The goal of the committee is to ensure quality and effectiveness of services and to identify and address opportunities to improve LME/MCO operations and local service system with input from consumers, providers, family members and other stakeholders.

The Alliance Board of Directors Chairperson appoints the committee consisting of five voting members whereof three are Board members and two are members of the Consumer and Family Advisory Committee (CFAC). Other non-voting members include at least one MCO employee and one provider representative. The MCO employees typically assigned are the Director of the Quality Management (QM) Department who has the responsibility for overall operation of the Quality Management Program; the MCO Medical Director, who has ultimate responsibility of oversight of quality management; the Quality Review Manager, who staffs the committee; the Quality Management Data Manager; and other staff as designated.

In FY 14 members of the committee were:
George Corvin, MD, Committee Chair (Area Board Member)
Lascel Webley, Jr. (Chair, Area Board)
Joe Kilsheimer (CFAC-Durham member)
Vacant (CFAC member)
Bill Stanford, Jr. (Area Board Member)
John Griffin (Area Board Member)
Amy Neufeld (MH/SA Provider representative)
Lakisha Perry-Green (I/DD Provider representative)

The Global QMC meets at least quarterly each fiscal year and provides ongoing reporting to the Alliance Board. The Global QMC approves the MCO’s annual Quality Improvement Projects, monitors progress in meeting Quality Improvement goals, and provides guidance to staff on QM priorities and projects. Further, the Committee evaluates the effectiveness of the QM Program and reviews and updates the QM Plan annually.
The final minutes and materials from the May 2014 meeting are attached. The committee did not meet in April or July 2014. The June minutes will be reviewed at the August Global Quality Management Committee meeting and presented to the Board in September.

The committee met Alliance’s newest Quality Review Coordinator, Wes Knepper, who will be responsible, primarily, for internal quality reviews. Quality Management and Provider Networks is preparing for an onsite visit from our accreditation body, URAC, in July or August to review our compliance with credentialing standards. We submitted the application in early May.

Quality Management presented six proposals for FY 15 Quality Improvement Projects, which must be approved by this committee per URAC. Four of the six are continuations from the last two years because benchmarks were not met and two are new. New projects are: Care Coordination and Access to Care. Care Coordination involves reviewing Care Coordination internal processes, along with consumer outcomes. Access to Care involves improving consumer follow up with assessment appointments in order to meet state benchmarks. The continuation projects are: First Responder, tests of provider crisis lines; Reduce Emergency Department Admissions, focusing on Cumberland and Wake Counties; Inter-Rater Reliability, test of consistency in UM decision-making; and Mystery Shopper, reviews of calls to the Call Center and notes from our contractor who handles roll-over calls, review calls to UM staff, and continue reviews of individual plans. The committee will review proposals and email comments and approval/disapproval. Quality Management also presented results from two evaluation studies of a local crisis center and an outpatient substance abuse treatment program.

**REQUEST FOR AREA BOARD ACTION:**
Accept the report.

**CEO RECOMMENDATION:**
Accept the report.

**RESOURCE PERSON(S):**
Geyer Longenecker, JD, Quality Management Director
MEMBERS PRESENT: George Corvin, MD, Chair; Amy Neufeld, John Griffin, EdD, MeD, BS
STAFF PRESENT: Tina Howard, MA, Quality Review Manager; Geyer Longenecker, JD, Quality Management Director; Khalil Tanas, MD, Medical Director; May Alexander, MS, LMFT, Quality Management Data Manager; Sandra Ellis, Administrative Assistant; Doug Wright, Director of Consumer Affairs, Wes Knepper, QRC, MA
GUEST(S) PRESENT: None
SCRIBE: Sandra Ellis

WELCOME AND INTRODUCTIONS

REVIEW OF THE MINUTES - March 6, 2014. Meeting did not have quorum. Minutes were approved with minor spelling changes noted by Dr. Tanas and after QM staff and Committee Chair reached out to two Board members, Joe Kilsheimer and Bill Stanford, who concurred with approval.

<table>
<thead>
<tr>
<th>AGENDA ITEMS: (Geyer)</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW BUSINESS:</strong></td>
<td><strong>Staffing:</strong> Wes Knepper was introduced as the new Quality Review Coordinator (QRC) • David Odoms has been hired as a Business Process Specialist. He will work closely with QM, and other departments, to streamline internal processes</td>
<td><strong>Mercer Visit:</strong> Mercer will visit Alliance Behavioral Healthcare on May 8-9, 2014</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td><strong>Mercer Visit:</strong> Mercer will visit Alliance Behavioral Healthcare on May 8-9, 2014</td>
<td><strong>Update on URAC – Credentialing:</strong> QM staff are reviewing URAC information uploaded into online software system this week; updating final policy procedure for credentialing. • Information should be uploaded and submitted by the end of this week, even though it is not due until 6/1 • Alliance is anticipating an onsite visit by URAC in July or Aug o One URAC staff member will be present for ½ day to review Credentialing policies and procedures and to Prepare for URAC onsite visit, inform QMC of site visit</td>
<td>July/August 2014</td>
</tr>
</tbody>
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Page 1 of 4
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>conduct interviews. Only the Credentialing module will be reviewed.</td>
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<tr>
<td>DATA REVIEW: (QM Team)</td>
<td><strong>FY 15 QIP Proposals:</strong></td>
<td></td>
<td>Provide update at next meeting</td>
</tr>
<tr>
<td></td>
<td>• The QM Team is proposing six QIPs for FY 15—four are continuations from the last two years because benchmarks were not met and two are new.</td>
<td>• Move forward with IDD portion if Committee prefers inclusion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• New projects are: Care Coordination and Access to Care. Care Coordination involves reviewing Care Coordination internal processes, along with consumer outcomes. Proposal was written to include MH/SA Care Coordination, however, after several discussions, QM Team is recommending inclusion of I/DD Care Coordination. Access to Care involves improving consumer follow up with assessment appointments in order to meet state benchmarks.</td>
<td></td>
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<td></td>
<td>• Continuation projects involve changes in design to ensure benchmarks are met:</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>o 1st Responder – use actual plans to obtain crisis phone numbers that will be used to test, incorporate Innovations providers, test on schedule based on previous performance (better responses will be tested less frequently)</td>
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<td></td>
<td>o Reduce ED Admissions – target interventions related to crisis system development in Wake and Cumberland Counties</td>
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<td></td>
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<tr>
<td></td>
<td>o Inter-Rater Reliability – continue interventions for UM, close out project for Call Center</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>o Mystery Shopper – continue reviews of Access &amp; ProtoCall calls, add review of UM processes, close out IDD plan reviews</td>
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<td><strong>Other Quality Initiatives:</strong> DCA PIP, SA Program Evaluation (SABIOS)</td>
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<td>AGENDA ITEMS:</td>
<td>DISCUSSION:</td>
<td>NEXT STEPS:</td>
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<td><strong>Alliance’s QM Team conducted several performance improvement projects, quality reviews, program evaluations, and surveys over the last year. Data was presented on two performance improvement projects involving Durham Center Access and the SABIOS (substance abuse outpatient) program in Durham. Findings from additional QM activities will be presented to the GQMC as the results are finalized and reviewed internally.</strong></td>
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<td><strong>DCA PIP:</strong></td>
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<td>• Concerns raised about decrease in utilization of crisis facility, along with Mobile Crisis Team operated from DCA facility.</td>
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<td>• Interventions included technical assistance, revisions to the contract, and compliance actions</td>
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<td>• Results revealed increase in utilization and decrease in grievances</td>
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<td><strong>SABIOS Evaluation:</strong></td>
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<td>• Question was raised about effectiveness of flexible model used by the SA Program Evaluation (SABIOS) program as compared to SAIOP (Substance Abuse Intensive Outpatient Program)</td>
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<td>• Analysis showed little difference in length of stay, average number of sessions and use of crisis services</td>
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<td>• SABIOS is less expensive to fund</td>
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**DISCUSSION:**

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<tr>
<td>• Only two (2) voting members were present for meetings</td>
<td>• Dr. Corvin will approach other Board members to review and approve minutes</td>
<td>Immediately</td>
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<td>• Tina review by-laws to see if voting can be taken via phone and also to see if provider members are authorized to vote.</td>
<td>Provide update at next meeting</td>
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</tbody>
</table>
**AGENDA ITEMS:**

**DISCUSSION:**

- Tina to investigate if GQMC folder can be set up on Board drive as Archive docs

**NEXT STEPS:**

- Provide update at next meeting

**TIME FRAME:**

<table>
<thead>
<tr>
<th>UPCOMING MEETINGS:</th>
<th>NEXT STEPS:</th>
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<tr>
<td>June 5, 2014: Final reports for FY 13/14 QIPS</td>
<td>Approval on Quality Management Plan and Process due by 6/30</td>
<td>FY 15 QIP voting by end of May</td>
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<td>FY15 Quality Management Plan</td>
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<td>Evaluation of Quality Management Department</td>
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**NEXT MEETING:**

August 7, 2014 – 2-3:30p – CR 252 (July meeting canceled for Summer Break)
Alliance Quality Management
Quality Initiatives
Types of Quality Initiatives

- Quality Improvement Projects
- Performance Improvement Projects
- Quality Reviews
- Mini-Studies
- Ongoing analysis of data
- Follow up on grievances, complaints, incidents
- Surveys
Types of Quality Initiatives

Quality Improvement Projects

• Problem & potential solution(s) has been identified
• Problem identified through ongoing data analysis
• Collect baseline and post-intervention data
• Test efficacy of intervention(s)
• Typically more resource-intensive, longer-term, satisfy requirements of contractors and URAC

Serving Durham, Wake, Cumberland and Johnston Counties
Types of Quality Initiatives

Performance Improvement Projects

• Problem identified through ongoing data analysis
• May involve additional data-dig to understand root causes
• Typically less resource-intensive, shorter-term or targeted
• May involve multiple interventions
Types of Quality Initiatives

Quality Reviews

• Review process or documentation against best practice standards
• Identified through ongoing data analysis, in contract as requirement, or request by department
• Create tool based on standards, performance rated as met/not met/partially met against standards
• Recommendations/action plans created, re-evaluated
# Types of Quality Initiatives

## Studies

- Concern identified through ongoing data analysis
- Conduct additional data-dig to gain better understanding of problems and root causes
- Typically less resource-intensive, shorter-term and targeted
- May evolve into PIP or QIP
Types of Quality Initiatives

Ongoing Analysis of Data

• Performance data is closely monitored:
  • HEDIS measures
  • Innovations measures
  • Crisis data

• Management reports

• Utilization, STR, MCO operations, financial, performance of network, crisis system, System of Care

Serving Durham, Wake, Cumberland and Johnston Counties
Types of Quality Initiatives

Grievances, complaints, & incidents

• Follow up on grievances and complaints
  • 92% resolved within 15 working days
  • 98% resolved within 30 days
• Incidents may identify concerns about providers
• Concerns taken to Compliance Committee
Types of Quality Initiatives

Surveys

• Develop & disseminate surveys to gather and incorporate feedback:
  • Consumers
  • Providers
  • Area Board members
  • Stakeholders
  • Consumers discharging from crisis/inpatient

Serving Durham, Wake, Cumberland and Johnston Counties
Results of Recent Initiatives

Durham Center Access PIP

Issue: Drop in Utilization of Services

Findings: 250 less people walking through door in 1st Q, FY 13; concerns about Mobile Crisis, record keeping, and staffing

Interventions: Provided technical assistance, revised expectations in contract, issued plan of correction

Re-Evaluation: Plan of correction closed (met all benchmarks), 8% increase in facility and 50% increase in Mobile Crisis utilization, and fewer grievances

Serving Durham, Wake, Cumberland and Johnston Counties
Results of Recent Initiatives

SABIOS (SA outpatient) Analysis

Question: Is SABIOS more effective than SAIOP?

Findings: Little difference in length of stay, avg # of sessions, & use of crisis services. Outcomes not comparable due to lack of data. SABIOS costs less.

Recommendations: Consider expanding pilot to other counties, continue to evaluate.
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<th>Project Name</th>
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| Care Coordination  | **Concern:** Since February 1, 2014, Alliance has served over 4,500 unduplicated consumers in MH/SA Care Coordination, which includes providing linkage to services, supports and resources in an effort to optimize clinical outcomes, decrease recidivism to crisis facilities, and foster longer periods of community tenure. As of 4/01/14, over 1,500 consumers have active cases in MH/SA Care Coordination. The impact of Care Coordination services to consumers is currently unknown. In January 2014, QM conducted a brief documentation review analyzing the Care Coordinators’ adherence procedures for outreach and contact with consumers (called Intensity Level Checklists). That review yielded an average rate of 61% adherence across all four counties. These results have been a catalyst to revamping and redefining interventions and caseload size.  

**Need:** Determine which Care Coordination interventions are making the biggest impact on consumer outcomes.  

**QI Project:** Re-evaluate adherence to Care Coordination model (Intensity Level Checklists). Evaluate additional criteria including: number of consumers discharged from care coordination returning to care coordination, inpatient re-admission rates of consumers actively receiving care coordination, active treatment engagement prior to | Care Coordination caseload spreadsheets, Alpha PIE notes, Alpha authorization and/or claims reports | June 1, 2014 – June 30, 2015 | LME/MCO POC: QR Coordinator  
Additional Resources: QM Team members, Care Coordination, Medical Director or Asst. Medical Director, Chief Clinical Officer |
<table>
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<tr>
<th>Project Name (Areas of Focus, Status, Requirements Met)</th>
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<td>discharge from care coordination, linkage for barriers to engagement (housing, transportation, etc.), connection and/or referral to primary care physicians, number of days in care coordination, number of days community tenure, active provider/treatment engagement prior to care coordination, active provider follow-up and engagement post crisis discharge, number of consumers followed in care coordination with wrong contact information, number of consumers not engaging in treatment services with frequent crisis re-admissions, providers not meeting engagement standards post discharge from a crisis facility, number of consumers entering care coordination receiving an enhanced service, and number of consumers in care coordination with a primary substance abuse diagnosis not engaging in treatment services to determine effectiveness of current model. The interventions to improve adherence may include training, coaching, and direct supervision of Care Coordinators, along with considering a change in the intensity of Care Coordination contact depending on individual consumer needs.</td>
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Goals:
- Reduce crisis admissions of consumers connected with Care Coordination.
- Increase adherence to Care Coordination procedures.

*Proposing to include I/DD Care Coordination.
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<td><strong>Reduction of Admissions to Emergency Rooms</strong>&lt;br&gt;(Clinical, reduce ER use—local—Cumberland and Wake Counties)</td>
<td><strong>Concern:</strong> Although Alliance’s overall average rate of consumers admitted to Emergency Rooms (ER) is lower than the state average, the total number presenting and the care our consumers receive are concerning. Additionally, Alliance is responsible for paying for admissions directly related to Medicaid consumers’ behavioral health disorders. Cumberland &amp; Wake County continued to show an increase in the number of consumers admitted to the ER throughout FY 14. (Did not meet FY14 benchmarks). <strong>Need:</strong> Reduce ER admissions, particularly for high risk individuals (Medicaid recipients with unstable medical conditions, frequent utilizers of crisis services) <strong>New QI Project Suggestions:</strong> <strong>Target interventions in Wake and Cumberland Counties:</strong>&lt;br&gt;1. Promote recent expansion of Crisis &amp; Assessment Centers&lt;br&gt;2. Evaluate impact of newly-created Transitional Living services as a step down to crisis services&lt;br&gt;3. Improve quality/accountability/utilization of crisis services&lt;br&gt;4. Consider replication of High Utilizers of Emergency Services (HUES) model in Wake &amp; Cumberland</td>
<td>NC DETECT Mobile Crisis Management (MCM) Providers monthly, and semi-annual service reports Crisis Facility Providers 23-hour chairs and facility based monthly utilization reports</td>
<td>July 1, 2014- June 30, 2015</td>
<td>LME/MCO POC: QR Coordinator&lt;br&gt;Additional Resources: QM team members, Care Coordination, Alliance Medical Director, Housing Specialists in Cumberland and Wake sites, Crisis &amp; Incarceration Manager. Requires substantial staff resources</td>
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|              | counties (contingent housing data supports model or modified version). **Identified Barriers Past and/or New Needs:**  
1. Consistency and standardization of data tracking for data sources (i.e., MCM; and crisis facilities)  
2. Available software and/or data analysis program that will allow for prompt, clean data retrieval.  
3. Availability of housing data for Wake & Cumberland counties that show chronically homeless adults receive a significant percentage of the costly emergency care. (HUES model) |                      |            |                 |                  |
<p>|              | <strong>Goal:</strong> Reduce # of admissions and overall rate of admissions to ERs in Wake and Cumberland Counties |               |          |                  |</p>
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| **Inter-Rater Reliability** (Non-Clinical, Improve Clinical Quality, URAC UM (MH/SA and I/DD–MCO)) | **Concern:** Alliance needs to maintain a high-level of reliability between UM Care Managers to support the quality of their decision-making. Discrepancies detected during a reliability study can highlight areas that require clinical discussion and consensus or, at the very least, checks of UM activity against published standards.  
**Need:** As per Medicaid and URAC requirements, Alliance needs to conduct a study of inter-rater reliability of UM Managers’ service authorization decisions at least quarterly. Data from previous QIP indicated that Care Managers did not achieve benchmark of 80% agreement for UM Department. Thus, the project needs to continue.  
**QI Project:** Conduct inter-rater reliability studies of UM MH/SA and I/DD Care Managers using a tool consisting of at least five vignettes, questions about policies and procedures, and questions about clinical decisions. The tool includes background information on the Care Manager, such as years of UM experience and areas of expertise to determine if factors impact results. A small group from Project Advisory Team will consider the use of an online system to more efficiently conduct and analyze results. Studies are conducted in a group setting to monitor for answer-sharing, reduce responder fatigue, and allow respondents to ask clarifying questions before inserting scores. Care Managers who score below 80% will receive one-on-one supervision to address concerns. Additional variances will be addressed through training or other interventions. At the end of study, QM will | Scoring Tool  
SPSS spreadsheets and analysis  
Possible online system to conduct studies | Studies will take place quarterly: May 1, 2014 – June 30, 2015 | LME/MCO POC: QM Review Mgr.  
Additional Resources: QR Coordinators, UM staff, Alliance Medical Dir.  
Requires minimal to moderate staff resources |
determine if results have significantly changed due to interventions.
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| First Responder Evaluation of Providers (Clinical -MCO Catchment Area) *URAC: CORE and Health Network, Addresses Consumer Safety, Focuses on entire MCO catchment | **Concerns:**  
- Even after the RFP allowed only providers selected for their clinical competency to remain in the network, the rates of unreturned crisis calls has not decreased. Only 1 of the 5 benchmarks for Crisis Response from the previous QIP was met.  
- The previous monitoring tool did not fit mobile crisis.  
- Difficultly obtaining accurate information about crisis numbers for providers.  

**Objectives:**  
Primary: Improve response rate for live answers and calls returned within 1 hour.  
Secondary: Create list of crisis numbers for active EB MH/SA providers.  
Secondary: Collect data on frequency of Comprehensive Crisis Plan use.  

**QI Project:** Alliance’s QM Department will conduct first responder studies of enhanced services providers on a tiered basis based upon results from previous QIP.  
Tiered monitoring of crisis lines:  
**Annually** – no issues on any of the Jan or Aug calls (called at least 2x). Roughly 25% of providers from previous QIP (Done 2nd Quarter)  
**Bi-Annually** – Issues on only one call (called at least 2x) (or those with no issues that were called | Crisis plans for active consumers with active providers will be reviewed as the source of 1st responder numbers. Providers will be called at various times during non-business hours. Standardized tools will be utilized to better ensure objective, quantitative and qualitative data. (Separate tools for EB MH/SA, Mobile Crisis, and IDD providers) | Calls will take place during the time period of July 1, 2014 through June 30, 2015 according to the schedule set by the tiered monitoring system. | LME/MCO POC: QR Coordinator  
Additional Resources: QM Team members, Contract Mgrs, Alliance Medical Dir.  

**Other factors to consider**  
Review grievance data for instances of complaints about 1st responders.  
Review records of crisis facilities for evidence of provider response to requests for information telephonically. |
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<td>x2 in Aug) Roughly 50% of providers from previous QIP (Done 1st and 3rd Quarters) <strong>Quarterly</strong> – Issues on more than one call. Roughly 25% of providers from previous QIP If providers in the Annual or Bi-Annual monitoring tier had a negative result they would be added to the quarterly monitoring for the remainder of the QIP. Crisis numbers will be obtained by reviewing Crisis Plans (Basic and Comprehensive) for consumers receiving services that have first responder requirements. Data obtained would include telephonic answer rate, telephonic response time, face to face response time, and credentials of staff serving as first responders (at a minimum). Separate monitoring tools will be developed for Enhanced Benefit MH/SA providers and Mobile Crisis providers in order to tailor questions to the expectations of the service. <strong>Interventions:</strong> Offer Additional PCP/Crisis Plan Trainings Crisis Coverage added as an item to routine provider monitoring tool Refer poor performers to compliance (need to set thresholds for making referral) Post RFP: some providers were not selected to continue with services</td>
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| **Mystery Shopper-Access Center & UM** | **Concern:** The Access Center is typically an individual’s portal of entry into the public behavioral health system. It is critical that the initial experience be positive to ensure consumers continue with needed treatment. Alliance’s modified contract with a private company for call overflow coverage is another reason for the project (ProtoCall). We plan to monitor the performance of the contractor closely. Results from monitoring recorded calls will help inform decisions about extending the contract.  
Our Utilization Management department works closely with providers to ensure needed services are reviewed in a fair and timely manner. Providers have suggested that we review our internal authorization processes to ensure we are operating in an efficient way.  
**Need:** The call monitoring has proven to assist in determining areas of inconsistency as well as what Access staff are doing well. Additional monitoring of the sub-contractor, ProtoCall, will continue as well. This monitoring has assisted internal and external staff with the enhanced ability to locate gaps in performance measures and to assist in heighten the overall quality of interactions between community stakeholders (callers) and Alliance. Additionally, we would like to implement a “mystery review” of our own authorization and UM procedures due to feedback we received from provider staff. | Score Sheet  
Call monitoring software (Oaysis)  
Alpha (UM Authorizations) | July 1, 2014 – June 30, 2015 | QR Coordinator  
Director of Access Center  
UM-MH/SA and I/DD |
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<td><strong>QI Project:</strong> On a quarterly basis, listen to a random sample of approximately 30 call to Alliance Access Center and Protocall sample (undetermined number due to call volume). Random sample of at least six days, within day and night shift, during a quarter will be used in the sample.</td>
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<td>Expand project to include review of UM authorization process.</td>
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| Access to Care                | **Concern:** Alliance Access staff link members to the appropriate services requested. If an appointment has been scheduled and the member attends, the Provider indicates the appointment has been completed. If a member does not attend appointment, the “pending” appointment information (that the appointment was not completed) is designed to automatically notify Access Center staff that the appointment was not completed. It is a concern that this notification has not been reliable in notifying Access staff that follow-up with the member is in order. Additionally, Alliance has not consistently met the state benchmark for linking consumers with care needed within 48 hours.  

**Need:** In order to ensure that consumers follow up on scheduled appointments, Call Center contact consumers who miss appointments. This follow-up includes two (2) phone calls and a contact letter.  

**QI Project:** In order to ascertain what has prevented or has caused Access staff to not be notified of an appointment missed by a member, a review of “pending” call activity will occur. Due to the nature of the activity, a quarterly review will occur (estimation of 20-30 pending calls a month). QM is also proposing a review of network providers to determine and implement an intervention to address problems resulting from over-capacity of needed services. | ALPHA (pending call report)  
Network Capacity Studies | July 1, 2014 – June 30, 2015 | QR Coordinator  
Director of Access Center; Supervisors of Access Center; QM Business Analyst; Network Development Team; Alliance Medical Director or Asst. MDs |
ITEM: Human Rights Committee Report

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
The Human Rights Committee shall include consumers and family members representing mental health, developmental disabilities and substance abuse.

The Human Rights Committee functions include:
1) Reviewing and evaluating the Area Authority’s Client Rights policies at least annually and recommending needed revisions to the Area Board.
2) Overseeing the protection of client rights and identifying and reporting to the Area Board issues which negatively impact the rights of persons serviced.
3) Reporting to the full Area Board at least quarterly.

The Human Rights Committee shall meet at least quarterly.

The Human Rights Committee is required by statute and by your by-laws. The Committee meets at least quarterly and reports to you by presenting the minutes of the meetings as well as through Quality Management Reports reviewing grievances and incidents.

The Human Rights Committee is a Board Committee with at least 50% of its membership being either consumers or family members that are not Board Members. All members and the chair are appointed by the Chair of the Alliance Board of Directors. The Committee is currently chaired by Mr. Scott Taylor. Draft minutes for July 22, 2014, meeting are attached.

REQUEST FOR AREA BOARD ACTION:
Accept the report.

CEO RECOMMENDATION:
Accept the report.

RESOURCE PERSON(S):
Doug Wright, Scott Taylor, May Alexander
MEMBERS PRESENT: Scott Taylor, Cynthia Binanay, Marc Jacques, Dr. Michael Teague
GUEST(S) PRESENT: Doug Wright, Monica Portugal, David Williams, Carlie G. Barbour, Rachel Powell (telephonic)

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES - Minutes approval was delayed due to the lack of a quorum.

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<td>Membership Applications/Interviews</td>
<td>The committee reviewed the applications of and interviewed the three applicants for the consideration: Rachel Powell, Carlie Barbour, and David Williams in that order. All were enthusiastic about serving and very capable. There were concerns from the committee that Dr. Barbour and Mr. Williams were working for providers with whom Alliance has a contract. After the interviews a discussion was had about the application process. It was suggested that we revise the application as well as add the request for a resume to supplement the information on the application. It was also suggested that we update our one page advertisement for membership to ensure it gives a clear picture of the responsibilities and expectations for the committee members.</td>
<td>Scott Taylor will recommend to the Board Chair the appointment of Rachel Powell. Monica will verify whether or not Dr. Barbour’s employer, Cherry Hospital, is a contracted provider. Mr. Williams was disqualified because of his employment with a contracted provider. Doug will update the application and one page advertisement, then send it out to committee members for their input and edits.</td>
<td>8/4/2014 8/4/2014 7/22/2014 7/25/2014</td>
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<tr>
<td>Grievances and Incidents/ follow up on providers/ additional concerns or issues</td>
<td>May was on vacation so Doug updated the committee on actions taken against two providers discussed at the last meeting.</td>
<td>N/A</td>
<td>N/A</td>
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<td>Compliance Department – overview/relation to Human Rights</td>
<td>Monica was invited to talk about the activities the Compliance department is involved in that may have an impact on human rights. The committee was ask to think Monica will check to see what items of interest are tracked or could be tracked and reported back to the committee.</td>
<td>9/23/2014</td>
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<td>about which items discussed may be something they would want to have reported on a regular basis.</td>
<td>The Compliance Committee was the only area we had time to discuss: Monica explained that the Compliance Committee receives cases through different venues, two of them being monitoring and investigations. They then review the case and take appropriate action which could include sanctions such as suspensions or termination of contacts or administrative actions such as plans of corrections. It was noted that if the State had already imposed a sanction such as stopping all referrals then we wouldn’t do the same thing because it was already done. We discussed the value of routine monitoring and how they check onsite how the provider is at least adhering to the contractual requirements around human rights. Reports around unnatural deaths was something the committee seemed interested in hearing about. It was explained that our CCMT (Clinical Care Management Team) does a root cause analysis on deaths. All Level III deaths are reviewed by Medical staff at Alliance, however, they do not all receive an RCA. Root Cause Analysis is an in-depth process and reserved for those issues that seems suspicious or may need to have a concern raised to a higher (state) authority.</td>
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There was additional discussion around grievances filed at the provider level that we have no record of and do not track. Discussion was had around the administrative challenges for providers and Alliance to compile that information; then if the information would be something we could draw reasonable or helpful conclusions from. The information would be self-reported and would come from providers that delivered different types of services and were of different sizes and with completely different scopes.
We also discussed how concerns called into the state were resolved, some by filing a grievance which would be tracked, others by just supplying information or connecting the concerned citizen to the right people.

Committee Procedure
Review Changes, decision made to put on hold as the committee explores its charge so any changes could be made at one time.
Schedule for next meeting.
9/23/2014

Training – Monthly starting at slide 22
Not enough time, continue scheduling monthly.
Schedule for next meeting.
9/23/2014

5. ADJOURNMENT
ITEM: Consumer and Family Advisory Committee (CFAC) Report

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
The Alliance Consumer and Family Advisory Committee, or CFAC, is made up of consumers and/or family members that live in Durham, Wake, or Cumberland Counties who receive mental health, intellectual/developmental disabilities and substance use/addiction services. CFAC is a self-governing committee that serves as an advisor to Alliance administration and Board of Directors.

State statutes charge CFAC with the following responsibilities:
- Review, comment on and monitor the implementation of the local business plan
- Identify service gaps and underserved populations
- Make recommendations regarding the service array and monitor the development of additional services
- Review and comment on the Alliance budget
- Participate in all quality improvement measures and performance indicators
- Submit findings and recommendations to the State Consumer and Family Advisory Committee regarding ways to improve the delivery of mental health, intellectual/other developmental disabilities and substance use/addiction services

The Alliance CFAC meets at 5:30 pm on the first Monday in the months of February, April, June, August, October and December at the Alliance Corporate Office, 4600 Emperor Boulevard, Durham. Subcommittee meetings are held in individual counties, the schedules for those meetings are available on our website.

The Alliance CFAC tries to meet its statutory requirements by providing you with the minutes to our meetings, letters to the board, participation on committees, outreach to our communities, providing input to policies effecting consumers, and by providing the Board of Directors and the State CFAC with an Annual Report as agreed upon in our Relational Agreement describing our activities, concerns, and accomplishments.

The Alliance CFAC is currently chaired by Marc Jacques while Felicia McPherson serves as vice-chair.

REQUEST FOR AREA BOARD ACTION:
Receive the Alliance CFAC draft minutes from June 2, 2014.

CEO RECOMMENDATION:
Receive the draft minutes.

RESOURCE PERSON(S):
Doug Wright, Marc Jacques
## WELCOME AND INTRODUCTIONS

### REVIEW OF THE MINUTES: approved as written

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Comment</td>
<td>None</td>
<td></td>
<td>------------</td>
</tr>
<tr>
<td>State Updates</td>
<td>Roanna shared the State update with the group. A peer position will be posted for the state in the upcoming months. NC Tides is asking each MCO for an article for their July newsletter. Marc, Lotta, Felicia and Doug will work on this.</td>
<td></td>
<td>------------</td>
</tr>
<tr>
<td>Barton Cutter – Disability Rights, North Carolina</td>
<td>Barton Cutter joined the group and shared information about a survey on self-advocacy the NC Council of Disabilities group is conducting. Please complete the survey and return. More information is available online at the NC Council institute of Disability.</td>
<td></td>
<td>------------</td>
</tr>
<tr>
<td>Utilization Management</td>
<td>April Parker provided an overview of Utilization Management for MH/SA to the CFAC members.</td>
<td>Andrea Kinnnaugh will be invited to speak on IDD UM.</td>
<td>------------</td>
</tr>
<tr>
<td>Elections</td>
<td>ABHC held elections for 2014/2015 executive committee. Marc Jacques- Chair Felisha McPherson- Co-Chair Johnetta Alston- Secretary Carrie Ambrose- Treasurer</td>
<td></td>
<td>------------</td>
</tr>
<tr>
<td>Committee Reports</td>
<td>• Data Com • Quality Management • Area Board</td>
<td>No reports provided due to time constraints</td>
<td>Data Com will meet on Monday, June 9, 2014. Reports and updates will be provided at next meeting.</td>
</tr>
</tbody>
</table>

**MEMBERS PRESENT:** Carrie Ambrose- via Phone, Maribel Rivera-Elias – via phone, Faye Griffin- via Phone, Eric Hall- Via phone, Dan Shaw, Francine Spruill, Casey Bullard, Lotta Fisher, Marc Jacques, Sharon O’Brian, Amelia Thorpe, David Curro, David Smith, Felishia McPherson, Joe Kilseimer, Johnetta Alston, Tammy Harrington, James Henry, Doug Wright (ABHC), Debra Duncan (ABHC), and Roanna Newton (DHHS)

**GUEST(S) PRESENT:** Israel Pattison, April Parker (ABHC)
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Human Rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• County Subcommittee</td>
<td>Quality Management subcommittee needs another CFAC member. Please let Marc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Updates</td>
<td>know if you are interested. Please share information for annual report with</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Doug as soon as possible.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCO Updates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Announcements</td>
<td>David Smith and Vivian Harris are retiring from ABHC/CFAC. THANK YOU to the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>exiting Executive committee (Maribel, Dan, Carrie and Kurt) for an</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>outstanding job.</td>
<td></td>
<td></td>
</tr>
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</table>

5. ADJOURNMENT
ITEM: Executive Committee Report

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
The Executive Committee sets the agenda for Area Board meetings and acts in lieu of the Area Board between meetings. Actions by the Executive Committee are reported to the full Area Board at the next scheduled meeting. Attached are the minutes from the May 13, 2014, and June 10, 2014, meetings.

REQUEST FOR AREA BOARD ACTION:
Accept the report as presented.

CEO RECOMMENDATION:
Accept the report as presented.

RESOURCE PERSON(S):
Robert Robinson, CEO
1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the March 11, 2014, and April 8, 2014, Executive Committee meetings were reviewed. Chairman Webley noted that the minutes would not be approved as the committee did not meet quorum.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Chair and Vice-Chair Nominations</td>
<td>Chairman Webley requested ballot composition for June’s meeting. Mr. Robinson stated that Alliance’s General Counsel confirmed that an open vote is required and can be conducted via written ballot that is collected and read.</td>
<td>Ms. Ingram will compose a ballot for the June Board meeting.</td>
<td>6/5/214</td>
</tr>
<tr>
<td>4. June 5, 2014, Board Meeting Agenda</td>
<td>Mr. Robinson reviewed the proposed agenda. Chairman Webley requested moving vote for Board officers to after the chairman’s report.</td>
<td>1. Mr. Robinson will confer with Alliance’s Director of Communication to ensure the FY15 proposed budget is on the website and a place for comment is available. 2. Ms. Ingram will confirm with Durham BOCC clerk to determine when the Durham BOCC will vote and then Ms. Ingram will invite Mr. Massey to the next Board meeting and arrange oath taking.</td>
<td>Not specified</td>
</tr>
<tr>
<td>5. July Board Meeting</td>
<td>Chairman Webley mentioned that the Board did not meet in July 2013 and per by-laws a July meeting is not required.</td>
<td>Ms. Ingram will include this topic in the June Board meeting agenda.</td>
<td>6/5/2014</td>
</tr>
<tr>
<td>6. Board Committee Guests Compensation</td>
<td>Question: Are Board members who attend Board Committees for which they are not official members eligible for reimbursement? The committee discussed the topic and determined to refer to the Finance Committee for input.</td>
<td>Mr. Robinson will confer with Finance Committee staff for review at June Finance Committee meeting.</td>
<td>5/16/2014</td>
</tr>
<tr>
<td>AGENDA ITEMS:</td>
<td>DISCUSSION:</td>
<td>NEXT STEPS:</td>
<td>TIME FRAME:</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>7. Board Applicants for Wake Seat</td>
<td>Committee discussed current status of vacant Wake seat. Chairman Webley requested to add this topic to June Board meeting.</td>
<td>Ms. Ingram will add this topic to the June Board meeting.</td>
<td>6/5/2014</td>
</tr>
<tr>
<td>8. Next Quarterly County Commissioners Advisory Committee Meeting</td>
<td>Committee discussed previous meeting in January 2014.</td>
<td>Mr. Robinson will confer with County Commissioners to determine if they have topics for a meeting this quarter or if they would prefer to forgo meeting until next quarter.</td>
<td>5/16/2014</td>
</tr>
<tr>
<td>9. Strategic Planning</td>
<td>Mr. Robinson provided an update depicting the current stage of the process with an initial phase beginning at the end of May. Mr. Robinson clarified the purpose of strategic planning and will provide updates the Board and include Board members in this process.</td>
<td>Mr. Robinson will provide updates to the Board.</td>
<td>Late May 2014</td>
</tr>
<tr>
<td>10. Board Members Terms</td>
<td>Mr. Robinson stated that the current roster is being verified via county clerks and upon verification an update will be presented to the Committee.</td>
<td>Ms. Ingram will continue verifying Board member terms with county clerks.</td>
<td>Not specified</td>
</tr>
</tbody>
</table>

11. ADJOURNMENT
**EXECUTIVE COMMITTEE MEETING**

**Tuesday, June 10, 2014**

**MEMBERS PRESENT:** George Quick, Bill Stanford, Lascel Webley, Jr., Chair  
**GUEST(S):** Cynthia Binanay (via phone)  
**STAFF PRESENT:** Rob Robinson, Amanda Graham, Veronica Ingram

### 1. WELCOME AND INTRODUCTIONS

### 2. REVIEW OF THE MINUTES

The minutes from the 3/11/2014, 4/8/2014 and 5/13/2014 Executive Committee meetings were reviewed. Chairman Webley noted that minutes will be approved at a later meeting as the committee did not meet quorum.

### AGENDA ITEMS:  
**DISCUSSION:**

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
</table>
| 3. Discuss August Board Meeting Agenda (Reception & Oath of Office) | a) Mr. Quick advised changing Finance Committee meeting time to 2:30 – 3:30 so members can attend the 3:30 reception.  
b) Committee discussed/clarified oath for new Board member(s); new officers are not required to take an oath.  
c) August agenda will be finalized at the July EC meeting. | a) Mr. Robinson will inform staff who are members of Finance Committee to adjust time of 8/7/2014 meeting to 2:30-3:30 p.m.  
b) Ms. Ingram will coordinate official to administer oath for new Board member at the August meeting.  
c) August Board meeting agenda will be finalized at July 8, 2014, EC meeting. | a) 6/11/2014  
b) 6/30/2014  
c) 7/8/2014 |
| 4. FY 15 Board Training Schedule | Mr. Robinson stated that Alliance staff will compose a tentative schedule and bring topics to EC for review. | Mr. Robinson will coordinate topics with staff at the weekly leadership meeting. | 6/12/2014 |
| 5. County Commissioners Advisory Committee Meeting | Members discussed previous meeting and scheduling future meetings. | Mr. Robinson will communicate with Board members who are County Commissioners to clarify if a meeting is needed and what additional staff or Board members, if any, should attend. | Not specified |
| 6. Strategic Planning Update | Amanda Graham, Chief of Staff, re-iterated the July 14, 2014, strategic planning meeting and expected outcome(s) from this meeting. Mr. Robinson provided background regarding purpose for this meeting and means to proactively progress as a company. Committee discussed meeting and advised staff to include Johnston County agreements as part of strategic planning and future Board agendas. | 1) Ms. Graham will send an electronic invitation to Board members.  
2) Mr. Robinson will consult with General Counsel, Carol Hammett, regarding Johnston County contracts/agreements. | 1) 6/11/2014  
2) Not specified |
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Board Members Terms Update</td>
<td>Members discussed attendance at Board meetings and committee meetings and requested record of Board members’ attendance to ensure compliance with by-laws.</td>
<td>Ms. Ingram will provide current attendance records for Board members and forward records to Chair before next EC meeting.</td>
<td>7/8/2014</td>
</tr>
<tr>
<td>8. Discuss Committee Re-Appointments</td>
<td>Committee discussed terms for Board committee members and committee chairs. Committee discussed appointment of committee members and Policy Committee’s review/revision of by-laws to include representation of Board Chair or designee on NC Council. Additionally, committee discussed scheduling of committee meetings and potential solutions (i.e. meetings on the same day as Board meeting or mobile/telecommuting).</td>
<td>1) Ms. Binanay will refer by-law revision to Policy Committee. 2) Ms. Ingram will send an updated list of committee meetings and attendees to Mr. Stanford. 3) Mr. Stanford requested follow up of this topic at August EC meeting and insuring quorum at meetings and will go to Policy Committee after this meeting.</td>
<td>1) after August EC meeting 2) 7/17/2014 3) 8/12/2014 meeting</td>
</tr>
<tr>
<td>9. Board Applicant Interview</td>
<td>Committee members discussed application process. Committee met and interviewed Board applicant: Rose Thompson.</td>
<td>Mr. Robinson will ask Al Ragland, HR Director, to revise the Board application and request resume submission with application; Mr. Robinson will also speak with General Counsel regarding statutory regulations.</td>
<td>Not specified</td>
</tr>
<tr>
<td>10. Board Orientation for New Members</td>
<td>Members advised staff to compose agenda and invite additional Board members.</td>
<td>After confirmation of appointment from Durham BOCC, Mr. Robinson will coordinate Board Orientation with staff and invite all Board members to attend.</td>
<td>Not specified</td>
</tr>
</tbody>
</table>

11. ADJOURNMENT
ITEM: Consent Agenda

DATE OF BOARD MEETING: August 7, 2014

REQUEST FOR BOARD ACTION:
Approve the draft minutes from the June 5, 2014, Board meeting.

CEO RECOMMENDATION:
Approve the minutes.

RESOURCE PERSON(S):
Rob Robinson, CEO
Veronica Ingram, Executive Assistant
MINUTES

PLACE: Alliance Behavioral Healthcare, 4600 Emperor Blvd. Room 208, Durham, NC 27703.

MEMBERS PRESENT: Cynthia Binanay, Christopher Bostock, Dr. George Corvin, Kenneth Edge, James Edgerton, Lodies Gloston, Phillip Golden (via phone), Dr. John Griffin, George Quick, Robert Robinson, Vicki Shore, William Stanford, Caroline Sullivan, Scott Taylor, Amelia Thorpe and Lascel Webley, Jr., Chair

MEMBERS ABSENT: Ann Akland, Rev. Michael Page

GUESTS PRESENT: Yvonne French, DMH/DD/SAS, and Denise Foreman, Wake County Manager’s Office

STAFF PRESENT: Hank Debnam, Doug Fuller, Carol Hammett, Veronica Ingram, Carlyle Johnson, Andrea Kinnaugh, Geyer Longenecker, Beth Melcher, Janis Nutt, James Osborn, Ann Oshel, Monica Portugal, Al Ragland, Sean Schreiber, Jennifer Ternay and Doug Wright

1. CALL TO ORDER:
   Chairman Lascel Webley called the meeting to order at 4:04 p.m.

2. ANNOUNCEMENTS
   A. Chairman Webley reminded Board members to complete the survey sent last week and return it to Rob Robinson, CEO.
   B. Chairman Webley reminded Board members of the NC Council Spring Policy Form. Mr. Robinson advised Board members to contact Veronica Ingram for assistance with registering for the forum.

3. AGENDA ADJUSTMENTS
   Chairman Lascel Webley advised the Board of the following announcements:
   Due to rescheduling of their most recent meeting, the Policy Committee has requested to remove their report from this month’s agenda; it will be resubmitted at the next meeting.

   Additionally, Chairman Webley noted that Item 14: Proposal to Cancel the July 3, 2014, Board Meeting and Item 15: Policy/Corporate Compliance Report will be moved to follow item number 7: Consent Agenda.

   There were no other adjustments to the agenda.
4. **PUBLIC COMMENT**
   None

5. **FINANCE COMMITTEE REPORT**
The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Area Board. The Finance Committee meets monthly at 3:00 p.m. prior to the regular Area Board Meeting. This month’s report includes the budget to actual report and ratios for the period ending April 30, 2014, and the draft minutes of the May Finance Committee meeting.

Finance Committee Chairman, George Quick, presented the report. Mr. Quick referred to information included in the Board packet including revenues, expenses, and budget to actual report and ratios. Additionally, Mr. Quick mentioned that the Finance Committee recommended approval of the FY15 recommended budget.

**BOARD ACTION**
A Motion was made by Mr. George Quick to approve the FY15 budget; seconded by Dr. George Corvin. Motion passed unanimously.

6. **COMMITTEE REPORTS**
A. Quality Management Report
B. Human Rights Committee Report
C. Consumer and Family Advisory Committee Report
D. Executive Committee Report

Chairman Webley advised the Board that the committee reports were submitted in the Board packet and that the Policy Committee Report was removed. There were no questions or discussion about the committee reports.

**BOARD ACTION**
A Motion was made by Dr. George Corvin to accept the committee reports; seconded by Commissioner Caroline Sullivan. Motion passed unanimously.

7. **CONSENT AGENDA**
A. Draft Board minutes from the May 1, 2014, Board meeting

Chairman Webley advised the Board that the draft minutes from the May meeting were submitted in the Board packet. There were no questions or discussion about the consent agenda.

**BOARD ACTION**
A Motion was made by Mr. George Quick to approve the consent agenda; seconded by Dr. George Corvin. Motion passed unanimously.
8. Proposal to Cancel the July 3, 2014, Board Meeting
As stated in the by-laws, regular meetings of the Area Board shall be held at least six times each year at a location and time designated by the Area Board. Additionally, all meetings of the Area Board shall be conducted in accordance with provisions set forth in the Open Meetings Act. The Board currently holds regularly scheduled meetings on the first Thursday of each month. The matter placed before the Board is to vote on whether the Board would like to cancel the July regularly scheduled meeting.

Chairman Webley advised Board members of the proposal to cancel the July Board meeting. There were no questions or discussion about canceling the July meeting.

BOARD ACTION
A Motion was made by Dr. John Griffin to cancel the July 3, 2014, meeting; seconded by Mr. George Quick. Motion passed unanimously.

9. Policy/Corporate Compliance Report
A. Annual Review of Board Policies: Human Resources
Per Alliance Behavioral Healthcare Area Board Policy the Board reviews all policies annually. The Board Policy Committee reviews a number of policies each quarter in order to meet this requirement. A list of reviewed policies were included in the packet.

Monica Portugal, Corporate Compliance Officer, advised the Board that all policies are reviewed annually and that the Human Resources policies were due for review/revision this quarter. Ms. Portugal included details for two policies that were revised: Leave Policy and Recruitment and Selection Policy.

B. Corporate Compliance Plan
Alliance is required to have a compliance program per Federal Regulations and contractual agreement with the Division of Medical Assistance. The US Sentencing Commission has released additional guidelines. The Compliance Plan was included in the Board packet.

Ms. Portugal mentioned that the Corporate Compliance Plan was approved in July 2012 and is reviewed annually. Ms. Portugal mentioned that the Policy Committee does not recommend additional changes to the Plan.

There were no questions or discussion regarding the Human Resources Policies or Corporate Compliance Plan.

BOARD ACTION
A Motion was made by Dr. George Corvin to approve the submitted policies; seconded by Ms. Lodies Gloston. Motion passed unanimously.

A Motion was made by Mr. Scott Taylor to approve the Corporate Compliance Plan; seconded by Commissioner Caroline Sullivan. Motion passed unanimously.
Jennifer Ternay, Interim Chief Finance Officer, presented the recommended budget for fiscal year 2015. According to the Local Government Budget Fiscal Control Act, Chairman Webley opened and closed the public hearing; there were no speakers. Additionally, there were no questions or discussion regarding the recommended budget.

Commissioner Edge mentioned and General Counsel, Carol Hammett, confirmed a point of order clarifying that the budget approval must take place after the open hearing, even if there are no participants for the open hearing.

BOARD ACTION
A Motion was made by Mr. George Quick to approve the FY 2015 recommended budget; seconded by Ms. Lodies Gloston. Motion passed unanimously.

11. Vacant Board Seat – Wake County
The Board’s by-laws and the Joint Resolution between Cumberland, Durham and Wake Counties effective July 8, 2013, gives Alliance the task of advertising, accepting applications, interviewing and recommending appointment of prospective Board members to the respective boards of county commissioners.

Chairman Webley advised Board members of the receipt of an application for the vacant Wake county seat. Chairman Webley stated that the interview for the Wake applicant will be part of the next Executive Committee meeting which is Tuesday, June 10 at 4:00 p.m.

BOARD ACTION
The Board accepted the information. No further action required.

12. Board Training
A. State Services Available to Consumers on Registry of Unmet Needs
Alliance is charged with administering the Medicaid C (Innovations) waiver along with IPRS/state funded and Medicaid services for the Intellectual/Developmentally Disabled (I/DD) population in our catchment area. There are a limited number of slots that can be allocated under NC Innovations and there are other resources that are available.

Andrea Kinnaugh, I/DD Utilization Management Manager, provided a general overview of these services. Board members discussed the details of the presentation. Ms. Kinnaugh clarified requirements for these services and the current status of the wait list.

B. Military/Veterans Point Of Contact Briefing
The NC General Assembly has enacted legislation to ensure that members of the active and reserve components of the Armed Forces, veterans and their family members have access to state-funded services, through LME/MCOs, when they are not eligible for federally funded mental health or substance abuse services.
Alliance’s Military/Veterans Point of Contact, Hank Debnam, Cumberland Site Director, provided information regarding compliance to this law and an estimated number of veterans in Alliance’s catchment area. Board members discussed the details of the presentation including estimated wait times for services at VA hospitals and integration of the Wounded Warriors Project and Silent Siren Program.

BOARD ACTION
The Board accepted the trainings as presented. No further action required.

13. Updates
A. MCO Consolidation/Medicaid Reform and Legislative Update
The Department of Health and Human Services presented their Medicaid reform proposal to the General Assembly. The plan calls for consolidation of current MCOs to four and developing a sustainable integrated physical and behavioral health system.

Robert Robinson, CEO, presented an update of current legislation to the Board. Mr. Robinson mention that he and Alliance’s General Counsel, Carol Hammett, have been active at legislative committee meetings. Ms. Hammett advised Board members of information in their folder and provided an overview of the budget presented by the governor and the Senate. Board members discussed the potential impact of the proposed budget and actions the Board could currently take.

B. Mercer Review
Alliance hosted the Intradepartmental Monitoring Team (IMT) from DMA and DMH and Mercer on Thursday and Friday, May 8 and 9, 2014, for the annual onsite review required by the DMA contract. Amanda Graham, Chief of Staff, provided an overview; Ms. Graham mentioned that the overall results were positive and that the formal report should arrive at DMA soon and will then be forwarded to Alliance. Chairman Webley thanked Ms. Graham and Alliance staff for their preparation for the Mercer visit.

Additionally, Ms. Graham mentioned a strategic planning session with an external consultant is scheduled for July 14 and 15, 2014; Ms. Graham mentioned an invitation will be sent to Board members for the July 14 segment.

C. Litigation
Carol Hammett, General Counsel, updated the Board on the status of current litigation regarding providers who appealed to the Office of Administrative Hearings as a result of not being chosen in the RFP process. One case with an expected final decision will be determined at a later date. Ms. Hammett stated that a Relative as Provider appeal was resolved with a final decision which was favorable to Alliance.

Additionally, Ms. Hammett announced that Erica Bing will join Alliance’s Legal Department; Ms. Bing worked formerly at NC Department of Justice’s Medicaid Investigation Division.

BOARD ACTION
The Board accepted the updates as presented. No further action required.
14. CHAIRMAN'S REPORT
Chairman Webley thanked staff and Board members for the opportunity to serve as Chair and mentioned that he looked forward to continuing to serve as a Board member.

Additionally, Chairman Webley noted that the Finance Committee has referred the following topic to the Policy Committee for review: compensation for Board members who attend committee meetings as guests.

15. Vote for Board Officers: Chairperson and Vice-Chairperson
As stated in the by-laws, officers of the Area Board shall be chosen for a one-year term at the final meeting of the fiscal year in which the Area Board is serving, and shall be as follows: Chairperson and Vice-Chairperson. A Nominations Committee was formed and recommended William Stanford as Chair and Christopher Bostock as Vice-Chair. If elected their terms would begin July 1, 2014.

BOARD ACTION
A Motion was made by Commissioner Kenneth Edge to elect William Stanford as Chair and Christopher Bostock as Vice-Chair; seconded by Dr. John Corvin. Motion passed unanimously.

Chairman-Elect William Stanford thanked the Board for the appointment and thanked current Chairman Webley for his service and impact on the Board, Alliance and the community.

16. ADJOURNMENT
With all business being completed the meeting adjourned at 5:56 p.m.

Next Board Meeting
Thursday, August 7, 2014
4:00 – 6:00

Respectfully submitted:

Robert Robinson, Chief Executive Officer

Date Approved
ITEM: FY15 Classification and Grade Schedule Plan

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
Attached is the annual review of position titles and salary ranges. Recent restructuring created some consolidation of responsibilities as highlighted in the plan.

REQUEST FOR AREA BOARD ACTION:
Review the report and accept classification and grade schedule.

CEO RECOMMENDATION:
Review the report and accept classification and grade schedule.

RESOURCE PERSON(S):
Al Ragland and Susan Knox, Human Resources
<table>
<thead>
<tr>
<th>Working Title</th>
<th>Classification</th>
<th>Salary Grade</th>
<th>Min</th>
<th>Mid</th>
<th>Max</th>
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<tbody>
<tr>
<td>Access Clinician</td>
<td>MH/SA Clinician II</td>
<td>31</td>
<td>$41,786</td>
<td>$56,863</td>
<td>$71,936</td>
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<tr>
<td>Access Coordinator</td>
<td>Human Services Counselor I</td>
<td>27</td>
<td>$34,313</td>
<td>$46,691</td>
<td>$59,069</td>
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<td>Access Director</td>
<td>MH/SA Unit/Program Director III</td>
<td>38</td>
<td>$58,995</td>
<td>$80,277</td>
<td>$101,559</td>
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<td>MH Unit Supervisor II</td>
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<td>Accounts Payable Clerk</td>
<td>Accounting Technician IV</td>
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<td>$41,786</td>
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<td>Administrative Assistant</td>
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<td>$32,664</td>
<td>$44,447</td>
<td>$56,230</td>
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<td>$34,313</td>
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<td>Appeals Coordinator</td>
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<td>Area Director</td>
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ITEM: Proposal to Change the Location of the October 2, 2014, Board Meeting

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
As stated in the by-laws, regular meetings of the Area Board shall be held at least six times each year at a location and time designated by the Area Board. Additionally, all meetings of the Area Board shall be conducted in accordance with provisions set forth in the Open Meetings Act. The Board currently holds regularly scheduled meetings on the first Thursday of each month at Alliance’s corporate site. The matter placed before the Board is to vote on the location of the October 2, 2014, meeting. The proposal is to meet at Alliance’s Cumberland site.

REQUEST FOR AREA BOARD ACTION:
Approve the request for the October 2, 2014, Board meeting to be held at Alliance’s Cumberland site.

CEO RECOMMENDATION:
Review the request and confirm the location for the October 2, 2014, Board meeting.

RESOURCE PERSON(S):
Robert Robinson, CEO
ITEM: FY 15 Board Training Schedule

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
As stated in NCGS 122C-119.1 all Board members of the Area Authority are required to receive training on Board members’ responsibilities, fiscal management, budget development and fiscal accountability. The proposed training schedule is attached for the Board’s review and approval.

REQUEST FOR AREA BOARD ACTION:
Approve the Board training schedule for FY 15.

CEO RECOMMENDATION:
Approve the training schedule as established or provide different dates and times that will meet the needs of the Board.

RESOURCE PERSON(S):
Rob Robinson, CEO
**FY15 Board Training Schedule**

<table>
<thead>
<tr>
<th>Month</th>
<th>Event Details</th>
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</thead>
<tbody>
<tr>
<td>August</td>
<td>Board Requirements Under 122-C and Board By-Laws (Carol Hammett)</td>
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<tr>
<td>September</td>
<td>Compliance Training and Annual Report (Monica Portugal)</td>
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| October | Clinical Update (Sean Schreiber)  
SAMSHA/BECOMING (Ann Oshel)                          |
| November | MH Program Update/Evidence-Based Practices in MH (Beth Melcher)             |
| December | Area Board Policies (Monica Portugal/Carol Hammett)  
Open Meetings Law (Carol Hammett)                        |
| February | SA Program Update/Evidence-Based Practices in SA (Beth Melcher)  
Overview of Crisis Services (James Osborn)                     |
| March   | System of Care (Ann Oshel)  
Open Topic:                                                      |
| April   | DOJ/Transitions to Community Living (Michael Bollini, Jessica King)             |
| May     | I/DD Program Update (Beth Melcher)                                           |
| June    | Housing (Ann Oshel)                                                           |

*Financial Management and Budget could be covered during March Budget Retreat.*
ITEM: Lease Amendment for Space at 414 E. Main Street, Durham

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
Alliance entered into a lease agreement effective July 1, 2012, for space at 414 E. Main Street. The original term of the lease expired June 30, 2014, with the option to extend one year, plus three additional consecutive years. We have negotiated a lower rate and requested to exercise Alliance’s option to extend the term out for the additional three years through June 30, 2018. Effective July 1, 2014, the new rate is $12 per square foot for an annual rental amount of $205,392.00 paid in equal monthly payments of $17,116.00. Each extended year, the rate will increase by 3%. Alliance may terminate the lease at any time upon 90 days written notice to the County.

The Durham County Board of Commissioners approved this Lease amendment at their regular meeting on July 28, 2014. Attached is the original lease agreement as well as the proposed amendment.

REQUEST FOR AREA BOARD ACTION:
Consider and approve the proposed Lease amendment for 414 E. Main Street.

CEO RECOMMENDATION:
The CEO recommends that the Board approve the proposed Lease amendment for 414 E. Main Street.

RESOURCE PERSON(S):
Rob Robinson, CEO
Carol Hammett, General Counsel
THIS CONTRACT AMENDMENT is made and entered into the 1st day of July, 2014 by and between the COUNTY OF DURHAM (hereinafter referred to as “Landlord”) and Alliance Behavioral Healthcare (hereinafter referred to as “Tenant”).

WITNESSETH:

THAT WHEREAS, the Landlord and Tenant entered into a Lease Agreement dated July 1, 2012, for the lease of space at 414 E. Main Street, Durham, NC, (hereinafter the “Original Lease Agreement”); and

WHEREAS, the Landlord and Tenant desire to amend the Original Lease Agreement, while keeping in effect all terms and conditions of the Original Lease Agreement not inconsistent with the terms and conditions set forth below.

NOW THEREFORE, for and in consideration for the mutual covenants and agreements made herein, the parties agree to amend the Original Lease Agreement as follows:

1. The Tenant and Landlord agree to exercise the option to extend the term for an additional 3 years from June 30, 2015, which extends the Term through June 30, 2018.

2. The Lease Rate for the Term of the Lease shall be an amount equal to $12/ per sq.ft., for an annual Rental amount of $205,392.00 paid in equal monthly payments of $17,116.00 beginning July 1, 2014. The new lease rate will be increased 3% for each subsequent lease year, beginning on July 1 of each year.

3. Except for the changes made herein, the Original Lease Agreement shall remain in full force and effect to the extent not inconsistent with this Amendment. In the event that there is a conflict between the Original Lease Agreement and this Amendment, this Amendment shall control.

IN WITNESS WHEREOF, the parties have expressed their agreement to these terms by causing this Lease Amendment to be executed by their duly authorized office or agent. This Lease Amendment shall be effective as July 1, 2014.

TENANT: ALLIANCE BEHAVIORAL HEALTHCARE

By:____________________________________ By: ______________________________________

Name/Title:______________________________

LANDLORD: DURHAM COUNTY

By: ________________________________

Wendell Davis, Durham County Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.
Alliance Chief Financial Officer
STATE OF NORTH CAROLINA  
COUNTY OF DURHAM

LEASE AGREEMENT  
414 E. Main St.

This LEASE made and entered into this 1st day of July, 2012, by and between the COUNTY OF DURHAM, a political subdivision of the State of North Carolina, hereinafter referred to as "Landlord," and ALLIANCE BEHAVIORAL HEALTHCARE, a Managed Care Organization existing under N.C.G.S. Chapter 122C, hereinafter referred to as "Tenant."

WITNESSETH:

WHEREAS, Landlord is the owner of that certain parcel of real estate located at 414 East Main Street, Durham, North Carolina, commonly referred to as the Health and Human Services Building (the "Property"); and

WHEREAS, Tenant desires to lease from Landlord (that certain portion) of the Property located on the second floor, containing approximately 17,116 Useable Square Feet as well as 2 designated parking spaces located under the building (hereinafter the "Premises") and shown on Attachment A, attached hereto and incorporated herein for further description; and

WHEREAS, North Carolina General Statute § 160A-274 authorizes Landlord and Tenant as governmental units to enter into leases with each other upon such terms and conditions as the Parties deem wise.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, including, without limitation, the covenant to pay rent and other good and valuable consideration, Landlord and Tenant hereby agree as follows:

1. Demise of Premises: Landlord does hereby lease unto Tenant the Premises described above together with those nonexclusive right to use the Common Areas (as hereinafter defined) subject to the terms and conditions of this Lease. The Premises include approximately 17,116
sq. ft, further described in Exhibit A, and including two parking spaces within the building’s enclosed garage parking area. Tenant shall be provided access cards for employees only and shall be responsible for the safe keeping of the cards and building security rules provided by the Landlord. As used in herein, “Common Areas” shall mean and include all public entrances, lobbies, corridors, stairways, stairwells, restrooms, lobby elevators, parking areas, loading and unloading areas, auditorium and large conference room in Phase 2 as available, trash areas, walkways, and sidewalks, located in, or on the Premises and Property reasonably designed, designated, or appropriate to serve the Premises for purpose of the Permitted Use.

2. **Use of Premises:**

   A. The Premises shall be used and occupied by Tenant for the purpose of operating an administrative office, or branch office for Alliance Behavioral Healthcare business during Normal Business Hours (collectively, the “Permitted Use”). Tenant shall not commit or allow upon the Premises any nuisance or other act in violation of public policy, or any act or thing which may disturb the quiet enjoyment of any other tenant in the building. Tenant shall comply with all applicable laws, ordinances, orders, rules and regulations prescribed by lawful governmental authority relating to the Premises, including those concerning cleanliness, safety, occupancy and use of the Premises.

   B. Tenant’s use of the Common Areas shall be limited to those uses and activities necessary and reasonably arising from the Permitted Use.

   C. As used herein, “Normal Business Hours” shall mean 6:30 a.m. to 6:00 p.m. local time Monday through Friday excluding Durham County observed holidays.

3. **Parking:** Tenant, its employees and invitees shall be entitled to non-exclusive use of all parking areas situated in the surface parking lot located in the 500 block of East Main Street, save and accept any parking spaces specifically designated as “private,” “restricted,” or otherwise specifically designated for a particular purpose or person. Tenant acknowledges that the Property is a multi-tenant facility providing services to the general public and that available parking spaces may vary from time to time in accordance with the levels of activity generated by Tenant, Landlord, and/or other tenants.

4. **Commencement, Term and Renewal:** The term of this Lease shall commence on the date first written above and shall expire on June 30, 2015, unless terminated sooner as provided herein (hereinafter the “Term”). This Lease may be extended for three consecutive one year periods. An extension request shall be made in writing by the Tenant at least 180 days before the expiration of the lease term. Extensions shall be upon mutual agreement of both parties in writing.

5. **Rental:** For the period of time from July 1, 2012 to December 13, 2012 the lease rate will be $1 made on or before July 15, 2012. Beginning on January 1, 2013 the Tenant shall pay to the Landlord the annual rental amount of $282,417.75, equaling monthly payments of
$23,534.81. Such rental payment shall be made by Tenant no later than the 5th of the month beginning January 2013 and each month thereafter. Effective July 1, 2013 of each successive fiscal year thereafter, the annual Rental Rate shall increase by 3% (three percent).

6. Assignment and Sublease: Tenant shall not assign, mortgage or encumber this Lease, the Premises or any improvements on the Premises, nor sublet the Premises or any part thereof without the written consent of the Landlord. Any attempted assignment, mortgage, encumbrance or subletting shall be null and void.

7. Title to Improvements: Alterations and permanent improvements to the Premises shall immediately become and be the sole and absolute property of Landlord and shall remain on the Premises and shall not be removed unless otherwise determined by Landlord; and, at the expiration or sooner termination of this Lease, the same shall be surrendered to Landlord in good condition and repair, reasonable wear and tear excepted, unless otherwise determined by Landlord.

8. Repairs and Maintenance:
   A. Tenant agrees and hereby stipulates with Landlord that the Premises are in good and tenable condition on the commencement of this Lease. Tenant accepts the Premises in “As is” condition.
   
   B. Tenant shall not permit, allow or cause any act or deed to be performed upon, in or about the Premises which shall cause or be likely to cause injury to any person or to the Premises, the building or improvements located thereon. Tenant shall at all times keep the Premises in a neat and orderly condition.
   
   C. Landlord Services. Landlord shall furnish or cause to be furnished to the Premises (i) water (hot and cold) for lavatory and cleaning purposes at those points of supply provided for general use of tenants in the Property; (ii) heated and refrigerated air conditioning in season, during Normal Business Hours at such temperatures and in such amounts as are reasonably considered by Landlord to be acceptable (“HVAC Services”); (iii) janitorial service to the Premises as is reasonably considered by Landlord to be standard on weekdays other than nationally recognized holidays; (iv) landscape maintenance and such window washing and snow removal of parking areas and sidewalks within the Common Areas as may from time to time in Landlord’s judgment reasonably be required; (v) replacement of light bulbs and fluorescent tubes; and (vi) except to the extent separately metered to the Premises (in which event, Tenant shall be responsible for such utilities), electrical utilities suitable for the Permitted Use of the Premises.
   
   D. Landlord Maintenance. Landlord shall Maintain (as hereinafter defined) the (i) Property footings, foundations, structural steel columns and girders; (ii) Property roof and exterior walls; (iii) Building Systems (as hereinafter defined); and (iv) Common
Areas. If Tenant becomes aware of any condition that is Landlord’s responsibility to repair, Tenant shall promptly notify Landlord of the condition.

However in no event shall Landlord be responsible for:
(i) any maintenance, repair or replacement required by this Lease to be made by Landlord that are rendered necessary by the negligence of or the abuse of Tenant its employees, agents, licensees or invitees; or
(ii) any damages resulting from Landlord’s failure to make any repairs required by this Lease to be made by Landlord unless Tenant provides written notice to Landlord specifying the need for repairs and Landlord fails to make the repairs within thirty (30) days after Tenant gives notice.

E. Except to the extent expressly limited by Landlord’s obligations of service, maintenance and repair as set forth above, Tenant, at its sole expense, shall maintain the Premises, all fixtures and equipment in the Premises, and shall keep the interior portions of the Premises as now or hereafter constituted with all improvements made thereto in the same condition and repair (reasonable wear and tear excepted) as received from Landlord, and shall make all repairs or replacements necessary to maintain the Premises in such condition. All repairs and replacements by Tenant shall utilize materials and equipment that are comparable to those existing in the Premises and not less than equal in level of quality to those materials and equipment being repaired or replaced.

F. Except as otherwise provided by Landlord herein, all telecommunications and data (including but not limited to telephone, television, satellite and internet (wired or wireless)) services, lines, infrastructure, fixtures, and equipment shall be the sole cost, expense, and responsibility of Tenant.

G. As used herein, “Maintain” shall mean to provide such maintenance, repair, and, to the extent necessary and appropriate in the reasonable judgment of the Landlord, replacement, as may be needed to keep the subject property in good condition and repair. As used herein, “Building System” shall mean any electrical, mechanical, structural, plumbing, heating, ventilating, air conditioning, sprinkler, life safety or security systems serving the Property and benefiting the Premises.

H. Inspections and Reporting. Tenant shall document, and photograph, if requested, any conditions that it believes requires Landlord to repair and provide a copy of the documentation and photographs to Landlord. Landlord shall provide any maintenance and repairs, other than routine/daily maintenance, deemed necessary in a timely manner. If Landlord requires the alteration or closure of any portion of the Leased Property in order to perform its obligations hereunder, Landlord shall give Tenant no less than twelve (12) hours prior notice thereof.

I. Right of Access. Landlord reserves the right to enter the Premises at any time during the Term to perform its obligations under this Lease.
J. **Standard of Care.** Tenant shall perform its obligations hereunder in a first-class, efficient, and proper businesslike manner consistent with industry standards for the operation of comparable facilities.

K. **Security Systems.** The parties acknowledge and agree that an electronic security system has been installed by Landlord in the Premises for the protection of Landlord’s Personal Property. Landlord agrees to maintain and repair the security system equipment. Tenant shall utilize the security system. Landlord does not make any warranty, either express or implied, that the security system provided and maintained by Landlord is sufficient to protect Tenant’s Personal Property. In the event Tenant desires to install or have installed additional security equipment, such equipment may be installed, upon the prior consent of Landlord.

9. **Personal Property:**

A. **Of the Tenant.** All personal property belonging to Tenant in or near the Premises or parking lot, shall be at the Tenant’s sole risk, and the Landlord shall not be liable for any damage done to or loss of such personal property unless caused by Landlord’s negligence or willful act. Landlord shall not be liable for damage or loss suffered by the business or occupation of the Tenant arising from any act or omission of occupants of or visitors to the Premises. Upon the expiration of the Term of this Lease, or termination of this Lease for any reason whatsoever, Tenant shall, on or before said date, remove all such personal property from the Premises, and all property not so removed shall be deemed abandoned by the Tenant. In such event, Landlord may recenter the Premises and, after reasonable notice to Tenant, remove such property therefrom without formal process, Landlord being absolved of any liability or claim for damages in doing anything reasonable, necessary or appropriate in connection therewith. Without limiting any other rights which Landlord may exercise under the terms of this Lease or at law, Landlord may, at its option and after reasonable notice to Tenant, store such personal property at Tenant’s expense, or leave same in such place as is reasonably certain that said property will be removed by the local garbage pick-up service.

B. **Of the Landlord.** The Premises are conveyed to Tenant with the acknowledgment that certain personal property of the Landlord remains in and about the Premises, said property being described in Exhibit B (hereinafter “Landlord’s Personal Property”) which shall remain the property of Landlord throughout the Term of this Lease and is not conveyed to the Tenant. Landlord’s Personal Property remaining in or about the Premises is solely for use by Tenant for the Permitted Uses and no other use. In the event any of Landlord’s Personal Property is used for an alternative purpose, Landlord may remove said Personal Property from the Premises immediately. Tenant shall not be permitted to remove any of Landlord’s Personal Property without the prior written consent of Landlord. In the event any of Landlord’s Personal Property is damaged, through no fault of the Tenant, its agents, employees, invitees or
licensees, Landlord may, in its sole discretion, remove the damaged Personal Property and/or repair said Property. In the event Landlord's Personal Property is damaged and such damage is caused or results from the willful or negligent acts of Tenant, its employees, agents, invitees or licensees, Tenant shall be liable for replacing, repairing or reimbursing Landlord for the cost of the damaged property, its replacement or repair, in the Landlord's sole discretion.

10. **Trade Fixtures:** Tenant shall be permitted to install trade fixtures in and about the Premises. In addition, Tenant shall be permitted to remove said trade fixtures from the Premises upon the termination of this Lease; provided that if Tenant does so remove such trade fixtures, Tenant shall return the Premises to the same condition as existed at the time of original entry, ordinary wear and tear excepted. This provision is not intended to allow Tenant to remove approved improvements made by Tenant from the Premises. All such improvements belong to Landlord at the termination hereof and shall not be removed nor damaged by Tenant's removal of trade fixtures. If Tenant does not remove the trade fixtures at termination, Landlord shall have the option either to declare such fixtures abandoned and Landlord the owner thereof or to demand Tenant remove same at Tenant's expense returning the Premises to the condition required herein.

11. **Mechanic's Liens:** Tenant shall not do or suffer anything to be done whereby the Premises may be encumbered by any mechanics or materialsman's lien. Whenever and as often as any mechanic's lien is filed against said Premises purporting to be for labor or material furnished or to be furnished to Tenant, Tenant shall discharge same of record within ten (10) days after the date of filing. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's or materialsman's lien or other security interest of any kind whatsoever for any such labor or materials shall attach to or affect Landlord's interest in and to the Premises.

12. **Taxes:**
   A. All assessments levied against the Premises or Tenant's leasehold interest in the Property, by any governmental entity, including any special assessments imposed on or against the Premises for the construction or improvement of public works in, on, or about the Premises, shall be paid before they become delinquent, by Landlord.

   B. Tenant shall pay, prior to delinquency, all taxes assessed against and levied upon any trade fixtures, furnishings, equipment and all other personal property of Tenant contained in or on the Premises or elsewhere and shall pay all taxes attributable to any leasehold improvements which may be made to the Premises by Tenant. When possible, Tenant shall cause said trade fixtures, furnishings, equipment, personal property and leasehold improvements to be separately assessed. If, however, any or all of same shall be assessed and taxed with Landlord's property, Tenant shall pay to Landlord such taxes as are attributable to Tenant's trade fixtures, furnishings, equipment, personal property and leasehold improvements within fifteen (15) days after receipt of an invoice from Landlord advising Tenant of the taxes applicable to Tenant's property.
13. **Insurance:** Tenant shall comply with the North Carolina Workers’ Compensation Act and shall provide for the payment of workers’ compensation to its employees in the manner and to the extent required by such Act.

Additionally, Tenant shall maintain, at its expense, the following minimum insurance coverage:

- $1,000,000 --- Bodily Injury Liability, and
- $100,000 --- Property Damage Liability, or
- $1,000,000 --- Combined Single Limit Bodily Injury and Property Damage

Tenant upon request by Landlord shall furnish a certificate of insurance from an insurance company, licensed to do business in the State of North Carolina and acceptable to Landlord verifying the existence of any insurance coverage required by Landlord. The certificate will provide for thirty-(30) days advance notice in the event of a decrease in coverage, termination or cancellation of coverage. The limits of coverage under each insurance policy maintained by the Tenant shall not be interpreted as limiting the Tenant’s liability and obligations under the Lease. Notwithstanding the foregoing, nothing contained in this section shall be deemed to constitute a waiver of the sovereign immunity of the Landlord, which immunity is hereby reserved to the Landlord.

14. **Fire Insurance:** Landlord shall carry at Landlord’s expense fire insurance insuring against loss or damage to the building and or other improvements on the Premises in amounts and with companies as Landlord in its discretion chooses.

15. **Fire or Casualty:** If the improvements on the Premises shall be damaged or destroyed by fire or other casualty during the term of this Lease or to the extent that they cannot be repaired or reconstructed at a cost of less than 50% of the fair market value of such improvements immediately before said damage or destruction, Landlord shall have the right to cancel this Lease. If said option to cancel is not exercised by Landlord, or if the improvements shall be damaged or destroyed by fire or other casualty to the extent that they can be repaired or reconstructed at a cost of less than 50% of their fair market value immediately before said damage or destruction, and so long as such damage or destruction occurs prior to the termination or expiration of this Lease, Landlord shall, as soon as reasonably possible, effect the required repairs and reconstruction of the Premises to place them in substantially the same condition as existed immediately prior to such damage or destruction. Any other provisions contained herein notwithstanding, the Landlord shall be required and obligated to effect repairs or reconstruction only to the extent of any sums of money, if any, which are received by Landlord under Landlord's insurance coverage as a direct result of said fire or other casualty. Notice of cancellation pursuant to the terms of this section shall be given within thirty (30) days of the damage or destruction. Estimates of percentage of destruction shall be made in good faith by Landlord.

16. **Event of Default:**
A. The occurrence of any of the following shall constitute an Event of Default of this Lease:

(i) Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant hereunder, where such failure continues for three (3) days after written notice thereof by Landlord to Tenant.

(ii) Tenant abandons or vacates the Premises without written notification to the Landlord.

(iii) Failure by either party to observe and perform any obligation of this Lease, other than the failure to pay rent or make any other payment required to be made by Tenant hereunder, where such failure continues for thirty (30) days after written notice thereof by the non-breaching party to the breaching party; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period. A party shall not be deemed to be in default if that party shall within such period commence to cure and thereafter diligently prosecute the same to completion.

(iv) The filing by or against the Tenant of a petition seeking relief under the Bankruptcy Act or any Federal or State statute intended to provide relief for private persons or entities which are insolvent or unable to meet their obligations as they mature.

B. Landlord’s Remedies. The terms and conditions of this Lease shall be enforceable by Landlord by actions for specific performance or injunction in addition to any other remedies available at law or in equity. If an Event of Default has occurred, Landlord may, without further notice or demand, terminate this Lease, and Tenant immediately shall surrender the Premises to Landlord; and, if Tenant fails to do so, Landlord shall have the right, without waiving any other remedy for possession or arrears in payments, to enter upon and take control of the Premises and to expel or remove Tenant and any other person who may be occupying the Premises. Pursuit of any remedy under this Lease shall not preclude the pursuit of any other remedy provided for in this Lease or any other remedy provided in law or equity, nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any amounts due to Landlord under this Lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions, and covenants contained in this Lease.

To the extent permitted by law, Tenant shall pay all costs and reasonable attorney’s fees incurred by Landlord in the enforcement of this Lease arising out of any default on the part of Tenant.

C. Tenant’s Remedies. Upon the occurrence and during the continuance of any Event of Default by Landlord, Tenant shall have the right, in addition to all other rights and remedies available to Tenant at law or in equity, to terminate this Lease. No other property or assets of Landlord, disclosed or undisclosed, shall be subject to levy, execution, or the enforcement procedure for the satisfaction of Tenant’s remedies. No
personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against, Landlord or its officers, elected officials, or their respective heirs, legal representatives, successors, and assigns on account of this Lease or any covenant, undertaking, or agreement in this Lease.

17. **Termination:** In the event Tenant is unable or chooses not to use the Premises for the Permitted Uses, then Tenant may terminate this Lease upon ninety (90) days prior written notice to Landlord. On or before the termination or expiration of this Lease, Tenant shall vacate and surrender the Premises, along with all access cards and keys to Landlord and pay all outstanding Rents due through the end of the month in which Tenant vacates.

18. **Condition of Premises Upon Termination:** Upon the termination or expiration of this Lease, Tenant shall return the Premises to Landlord in substantially the same condition as received, ordinary wear and tear and approved improvements excepted.

19. **Holding Over.** In the event Tenant remains in possession after the expiration of the Term without the execution of a new lease, Tenant shall not acquire any right, title or interest in or to the Premises or Landlord’s Personal Property. In such event, Tenant shall occupy the Premises as a tenant from month-to-month terminable by Landlord upon forty-eight (48) hours Notice to Tenant, with a Monthly Rent Payment equal to one hundred twenty five percent (125%) of the amount of Monthly Rent Payment due for the month immediately preceding the holdover period. All other obligations of Tenant under this Lease shall apply to any such holdover period.

20. **Indemnification:** To the extent permitted by law, Tenant shall indemnify, defend and hold harmless Landlord, its Board, agents and employees from any and all claims arising from Tenant’s use of the Premises or from the conduct of Tenant’s business or from any activity, work or things which may be permitted or suffered by Tenant in or about the Premises and shall further indemnify, defend and hold Landlord harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant’s part to be performed under the provision of this Lease or arising from any negligence of Tenant or any of its agents, or employees.

21. **Sign Control.** Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises or Property, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord’s permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

22. **Environmental Compliance.** Tenant covenants and agrees that the Premises will, at all times during Tenant’s use or occupancy thereof, be kept and maintained so as to comply with all now existing or hereafter enacted or issued statutes, laws, rules, ordinances, orders, permits, and bodies applicable to the Premises pertaining to environmental matters, or regulating,
prohibiting or otherwise having to do with asbestos, radon, PCB's, and all other toxic radioactive, or hazardous wastes or materials, including but not limited to, the Federal Clean Air Act, the Federal Water Pollution Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as from time to time amended (all hereafter collectively called "Laws"). No material shall be installed in the Premises, or anywhere else within the Building or Site, by Tenant or any employee, agent, or contractor of Tenant which contains any asbestos or other toxic or hazardous waste or substance except as may be used in minimal amounts such as standard cleaning or janitorial materials which shall be used in compliance with all laws or which causes, or could cause the Premises or the remainder of the Building or Site to be in violation of any Laws (1) when such material is installed; (2) while such material remains thereon; or (3) when such material is disturbed or removed.

Upon reasonable notice to Tenant, Landlord and its engineers, technicians, and consultants (collectively the "Auditors") may, from time to time as Landlord deems appropriate, conduct periodic tests and examinations ("Audits") of the Premises to confirm and monitor Tenant's compliance with this Section. Such Audits shall be conducted in such a manner as to minimize the interference with Tenant's permitted activities on the Premises; however, in all cases, the Audits shall be of such nature and scope as shall be reasonably required by then existing technology to confirm Tenant's compliance with this Section. Tenant shall fully cooperate with the Auditors in the conduct of such Audits.

The cost of such Audits shall be paid by Landlord unless an Audit shall disclose a material failure of Tenant to comply with this Section, in which case the cost of such Audit, and the cost of all subsequent Audits made during the Lease Term until the violation is remedied, including the Audit to evidence the complete remediation (not to exceed two (2) such Audits in any consecutive twelve (12) month period) shall be paid for by Tenant within thirty (30) days of receipt by Tenant of invoices for such Audits. Tenant shall also have the right to conduct Audits of the Premises to confirm and monitor Landlord's compliance with this Section. Landlord shall fully cooperate with Tenant's Auditors in the conduct of such Audits. The cost of such Audits shall be paid by Tenant unless an Audit shall disclose a material failure of Landlord to comply with this Section, in which case the cost of such Audit, and the cost of all subsequent Audits made during the Lease Term until the violation is remedied, including the Audit to evidence the complete remediation (not to exceed two (2) such audits in any consecutive twelve (12) month period), and within thirty (30) days thereafter shall be paid for by Landlord within thirty (30) days of receipt by Landlord of invoices for such Audits.

A. Provided, however, the foregoing covenants and undertakings of Tenant contained in this Section shall not apply to any condition or matter constituting a violation of any Law: (1) which existed prior to the commencement to Tenant's use or occupancy of any portion of the Premises, and was not caused, in whole or in part, by Tenant or Tenant's agents, employees, officers, partners, contractors or invitees, or (2) to the extent such violation is caused by, or results from, the acts or negligence of Landlord, or other tenants in the Building, or Landlord's or such other tenant's employees,
officers, partners, contractors, guests or invitees. Further provided that Landlord’s liability shall be limited as set forth in Section 24 hereof.

B. The covenants contained in this Section shall survive the expiration or termination of this Lease, and shall continue for so long as either party, or its successors and assigns, may be subject to any expense, liability, charge, penalty, or obligation against which the other party has agreed to Indemnify them under this Section.

23. **Subordination**: This Lease and the rights of Tenant are subordinate to and shall remain subordinate to the lien of any mortgage or deed of trust (hereinafter called "Mortgage") whether such Mortgage is currently a lien on the Premises or hereafter becomes a lien on the Premises and no further agreements or documents shall be required to render this Lease and the Tenant's rights subordinate to such Mortgage. At Tenant's request and at the Tenant's expense, Landlord shall endeavor to obtain for Tenant a non-disturbance agreement in recordable form providing in substance that Tenant's tenancy shall not be disturbed nor affected by any default under the Mortgage provided that Tenant is not in default under any of the terms, conditions and covenants hereof. Tenant shall at all times upon request of Landlord promptly furnish documents stating that this Lease is in full force and effect, that no defaults of the Landlord exist, and such other matters as are customarily contained in what is known as an "estoppel letter" or a "good-standing letter". Should Tenant fail to deliver such documents within 10 days of Landlord's request therefore, Landlord shall be deemed Tenant's attorney-in-fact for the purpose of executing such documents in the name of Tenant unless Tenant has within such period provided written notice to Landlord of Tenant's claim of Landlord's default. Upon cure of such default Tenant shall promptly provide notice of same as requested by Landlord.

24. **Condemnation**: If the entire Premises are taken or condemned for a public or quasi-public use, then this Lease shall terminate at the later of the vesting of title in the condemning authority or the acquisition of possession thereby. If any part of the Premises shall be taken or condemned for a public or quasi-public use and a part thereof remains which is reasonably suitable for the Tenant's use, this Lease shall not terminate. The aforesaid partial condemnation shall be without prejudice to the rights of either Landlord or Tenant to directly recover compensation from the condemning authority for any of its loss or damage caused by such condemnation. Neither Landlord nor Tenant shall have any rights in and to any award made to the other by such condemning authority.

25. **Additions, Alterations, Changes and Improvements**: Tenant shall not make, and shall not have the right to make any alterations, changes or improvements, structural or otherwise, in or to the Premises without Landlord’s prior written consent, provided that if such consent is given, all such alterations, changes and improvements shall be promptly made in a workmanlike manner, be promptly paid for allowing no liens to attach either to the Premises or to Tenant's interest therein and shall become the property of Landlord upon the termination of this Lease. Landlord shall have the right to require Tenant to provide such assurances as Landlord shall reasonably require (such as bonds, escrows, etc.) to protect Landlord against unpaid claims for work performed. Tenant requires initial space
modifications shown in Exhibit C and will reimburse Landlord separately for the cost of these improvements.

26. **Easements, Restrictions and Rights of Way:** The Premises are demised subject to all easements, restrictions and rights of way legally affecting the Premises.

27. **Applicable Law:** This Lease is entered into in North Carolina and shall be construed under the laws, statutes and ordinances of this State. All actions relating in any way to this Lease shall be brought in the General Court of Justice in the County of Durham and State of North Carolina.

28. **Compliance with Laws:** Tenant represents that it is and shall remain in compliance with all Federal, State, and local laws, regulations or orders, as amended or supplemented.

29. **Severability:** The provisions of this Lease are independent covenants and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain in full force and effect.

30. **Notices:** All notices and written consents required under this Lease shall be in writing and shall be sent to the Landlord at Real Property Management, 200 East Main Street, 4th Floor, Durham, North Carolina 27701, and to the Tenant at 4600 Emperor Blvd. Durham, NC 27713.

31. **Waiver:** Failure or delay of either party to insist upon the strict performance of the covenants, agreements, or conditions of this Lease, or any of them, shall not be construed as a waiver or relinquishment of that party's right to enforce such, but the same shall continue in full force and effect.

32. **Binding Effect/Entire Agreement:** The covenants and agreements contained herein shall apply to and inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns. This Lease contains the entire agreement between the parties and no oral statements or representations or prior written matter not contained in this Lease shall have any force or effect. This Lease shall not be modified in any way except by a writing executed by both parties.

33. **Remedies Cumulative:** The remedies given to Landlord and Tenant are cumulative and not alternative and are in addition to any other rights Landlord and Tenant may have at law or in equity or otherwise.

34. **Covenant of Title and Quiet Enjoyment:** Landlord covenants and warrants to Tenant that Landlord has full right and lawful authority to enter into this Lease for the Term hereof and that, provided Tenant is not in default hereunder, Tenant's quiet and peaceable enjoyment of the Premises shall not be disturbed by anyone claiming through Landlord.
IN TESTIMONY WHEREOF, This Lease has been executed by the parties hereto as of the date first above written.

For Landlord

ATTEST:

V. Michelle Parker-Evans
CLERK TO THE BOARD

COUNTY OF DURHAM
BY: Michael M. Ruffin
COUNTY MANAGER

Acknowledgement of Landlord:

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, Yvonne R. Jones, a Notary Public for Wake County, certify that V. Michelle Parker Evans personally came before me this day and acknowledged that she is Clerk to the Board of the County of Durham, and that by authority duly given and as the act of the County, the foregoing instrument was signed in its name by its County Manager, sealed with its seal, and attested by herself as its Clerk to the Board.

Witness my hand and official seal, this the 9th day of July, 2012.

Yvonne R. Jones
Notary Public
My commission expires: 04/14/14
For Tenant:

ATTEST:

ALLIANCE BEHAVIORAL HEALTHCARE

__________________
, Secretary

__________________
, President

STATE OF ________________________
COUNTY OF ________________

I, a Notary Public in and for the aforesaid County and State, do hereby certify that ____________________ personally appeared before me this day and acknowledged that he/she ____________________ of the ____________________, a ____________________ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its ____________ , sealed with its corporate seal and attested by ____________________ as its ____________.

Witness my hand and notarial seal this ___ day of __________, 2012.

__________________
Notary Public

(SEAL)

My commission expires:

This instrument has been pre-audited in the manner required by the Local Government and Fiscal Control Act.

__________________
Finance Officer

Lease Agreement- 414 E Main Street, Durham, NC 27701
EXHIBIT A
DESCRIPTION OF LEASED PREMISES

<table>
<thead>
<tr>
<th>Space</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusive Space for Alliance</td>
<td>14,472</td>
</tr>
<tr>
<td>(Shared Break Room &amp; Conference Room</td>
<td>352</td>
</tr>
<tr>
<td>(705 sq feet to be rented @ 1/2 rate)</td>
<td></td>
</tr>
<tr>
<td>Proportional share of Building</td>
<td>2,292</td>
</tr>
<tr>
<td>Phase 1 Common Space</td>
<td></td>
</tr>
<tr>
<td>TOTAL SQ Feet</td>
<td>17,116</td>
</tr>
<tr>
<td>plus 2 parking spaces in Building</td>
<td></td>
</tr>
</tbody>
</table>
**EXHIBIT B**

**LANDLORDS PERSONAL PROPERTY**

**Workstations w/associated desk and storage**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>36</td>
</tr>
<tr>
<td>Double</td>
<td>6</td>
</tr>
<tr>
<td>Call Center Desks/stations</td>
<td>4</td>
</tr>
</tbody>
</table>

**Lounge Furniture**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairs w/attached end tables</td>
<td>20</td>
</tr>
</tbody>
</table>

**File Cabinets**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 drawer lateral file</td>
<td>37</td>
</tr>
<tr>
<td>4 drawer tall file</td>
<td>15</td>
</tr>
<tr>
<td>film file</td>
<td>1</td>
</tr>
</tbody>
</table>

**Storage**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credenza</td>
<td>5</td>
</tr>
<tr>
<td>Metal 2 door cabinets</td>
<td>18</td>
</tr>
<tr>
<td>Shelves</td>
<td>5</td>
</tr>
</tbody>
</table>

**Conference Chairs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather</td>
<td>44</td>
</tr>
<tr>
<td>Nesting mesh/leather</td>
<td>19</td>
</tr>
</tbody>
</table>

**Conference Tables**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectional</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task Chairs</td>
<td>68</td>
</tr>
<tr>
<td>Guest Chairs</td>
<td>71</td>
</tr>
<tr>
<td>Task Lights</td>
<td>61</td>
</tr>
<tr>
<td>Monitor Arms</td>
<td>58</td>
</tr>
<tr>
<td>Clocks</td>
<td>3</td>
</tr>
<tr>
<td>Display/Brochure Cases</td>
<td>1</td>
</tr>
<tr>
<td>Mailboxes</td>
<td>1</td>
</tr>
<tr>
<td>Desks</td>
<td>10</td>
</tr>
<tr>
<td>Small Round office tables</td>
<td>10</td>
</tr>
<tr>
<td><strong>Break Room - Shared Area</strong></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Tables</td>
<td>3</td>
</tr>
<tr>
<td>Chairs</td>
<td>12</td>
</tr>
<tr>
<td>Clock</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Conference - Shared Area</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Large square tables</td>
<td>2</td>
</tr>
<tr>
<td>Task Chairs</td>
<td>11</td>
</tr>
</tbody>
</table>
EXHIBIT C

INITIAL MODIFICATIONS FOR TENANTS USE OF SPACE

Estimate as of 6-11-12:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Install two new Doors, including equipment to add card access</td>
<td>$8,383.68</td>
</tr>
<tr>
<td>AWC Installation - outside labor, rework spider, lighting purchase new lights</td>
<td>$1,250.00</td>
</tr>
<tr>
<td>Installation and reconfiguration of data</td>
<td>$1,625.00</td>
</tr>
<tr>
<td>Card access installation</td>
<td>$7,324.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$18,582.68</strong></td>
</tr>
</tbody>
</table>

*Actual cost may vary but will not exceed the estimated total for a new wall, doors and access card entry.*
ITEM: Lease for Space at 711 Executive Place, Fayetteville

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
Alliance and Cumberland County entered into an Interlocal Agreement on July 8, 2013, that permitted Alliance to use certain office and storage space at 711 Executive Place in Fayetteville, owned by Cumberland County for $0 rent the first year. The parties have negotiated a Lease agreement for the space for fiscal year 2015. The leased space includes 18,713 sq. ft. of finished space and 323 sq. ft. of unfinished space for the storage of records. We have negotiated the rate of $12 for finished space and $4 for unfinished space, for an annual rental amount of $225,848 payable in equal monthly installments of $18,820.67. Additionally, we will be responsible for our pro rata share of utilities and janitorial, which are estimated to be $4,914 per month.

Alliance may terminate the lease at any time upon 90 days written notice to the County. Attached is the proposed lease agreement.

REQUEST FOR AREA BOARD ACTION:
Consider and approve the proposed Lease for 711 Executive Place in Fayetteville.

CEO RECOMMENDATION:
Approve the proposed Lease for 711 Executive Place in Fayetteville.

RESOURCE PERSON(S):
Rob Robinson, CEO
Carol Hammett, General Counsel
STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

LEASE AGREEMENT

Notice of Intent not required
Approved by Board of Commissioners on __________, 2014

This Lease Agreement, is made and entered into the 1st day of July, 2014, by and between the
Alliance Behavioral Healthcare Managed Care Organization existing under N.C.G.S. Chapter
122C, having a principal office at 4600 Emperor Boulevard, Suite 200, Durham, North Carolina,
hereinafter referred to as "LESSEE," and the County of Cumberland, a body politic and corporate
of the State of North Carolina, having a principal office at ________________________________,
hereinafter referred to as "LESSOR".

WITNESSETH:

IN CONSIDERATION of the mutual promises and subject to the terms and conditions
contained or referred to herein, LESSOR does hereby lease and demise to LESSEE, that certain
office space located in the building at 711 Executive Place, Fayetteville, North Carolina, as more
fully described as follows (hereinafter referred to as the “Leased Premises”):

The entire first floor, containing of 8,159 square feet (sf);
The entire second floor, containing 8,836 sf;
Rooms 318 (390 sf) and 324 (30 sf) on the third floor, containing 420 combined sf;
Rooms 419 (154 sf), 422 (216 sf), and 426 (928 sf) on the fourth floor, containing 1,298
combined sf; and
323 sf of unfinished space on the fifth floor for the storage of medical records;
for a total of 18,713 sq. ft. of finished space and 323 sq.ft. of unfinished space.

This is the space currently occupied by LESSEE pursuant to the terms of the Interlocal
Agreement entered into by LESSOR, LESSEE and the former Cumberland County Area Authority in
2013 (the “Interlocal Agreement”). The Leased Premises is only a portion of the total building space
available. In the event Tenant does not have a need to occupy any portion of the Leased Premises,
Tenant shall provide LESSOR with 30 days prior written notice of its intent to reduce its occupancy
of the Leased Premises by December 31, 2014. Rent shall be adjusted down accordingly on the
effective date of the reduced occupancy.

TO HAVE AND TO HOLD said property, together with all privileges and appurtenances
thereto belonging including easements of ingress and egress, to the said LESSEE, under the terms
and conditions hereinafter set forth:

1. TERM: The Lease shall commence the 1st day of July, 2014, and unless sooner terminated,
continue for a term of one year, expiring at midnight on June 30, 2015.
2. RENT: The rent shall be at an annual rate of $12.00 per square foot for the finished space and $4.00 per square foot for the unfinished space in the total amount of TWO HUNDRED THIRTY TWO THOUSAND, SEVEN HUNDRED SIXTY DOLLARS $225,848, payable in equal monthly installments of EIGHTEEN THOUSAND EIGHT TWENTY DOLLARS ($18,820.67) on or before the 5th day of each month beginning July 5, 2014, subject to the optional reduction described herein.

3. DEPOSIT: LESSOR shall not require a security deposit from the LESSEE.

4. CONDITION OF PREMISES: LESSEE is currently occupying the Leased Premises and has determined the space to be suitable for its intended use as general office space.

5. PARKING LOT: The parking lot adjacent to the building shall be included in the Leased Premises for the shared use of LESSEE and its visitors and invitees with any other occupants of the building or the adjacent building and their respective visitors and invitees.

6. ASSIGNMENT OR SUB-LEASE: The LESSEE shall not assign this lease or sublet the Leased Premises or any part thereof, without the written consent of the LESSOR. Such written consent will not be unreasonably withheld by LESSOR.

7. USE AND POSSESSION: The Leased Premises are to be used exclusively for LESSEE’S activities to conduct certain MCO functions in Cumberland County pursuant to the terms of the Interlocal Agreement. LESSER shall return the Leased Premises to LESSOR at the termination or expiration hereof in as good condition and state of repair as the same was at the commencement of the term hereof, except for loss, damage, or depreciation occasioned by reasonable wear and tear or damage by fire or other casualty.

8. DESTRUCTION OF PREMISES: In the event that said building including the Leased Premises is damaged by fire, explosion, accident or any act of God, so as to materially affect the use of the building and Leased Premises, this Lease shall automatically terminate as of the date of such damage or destruction, provided, however, that if such building and Leased Premises are repaired so as to be available for occupancy and use within sixty (60) days after said damage, then this lease shall not terminate; provided further, that the LESSEE shall pay no rent during the period of time that the Leased Premises are unfit for occupancy and use.

9. CONDEMNATION: If during the term of this lease, the whole of the Leased Premises, or such portion thereof as will make the Leased Premises unusable for the purpose leased, be condemned by public authority for public use, then the term hereby granted shall cease and come to an end as of the date of the vesting of title in such public authority, or when possession is given to such public authority, whichever event occurs last. Upon such occurrence the rent shall be apportioned as of such date and any rent paid in advance at the due date for any space condemned shall be returned to LESSEE. LESSOR shall be entitled to reasonable compensation for such taking except for any statutory claim of LESSEE for injury, damage or destruction of LESSEE’S business accomplished by such taking. If a portion of the Leased Premises is taken or condemned by public authority for public use so as not to make the remaining portion of the leased premises unusable for the purpose leased,
this lease will not be terminated but shall continue. In such case, the rent shall be equitably and fairly reduced or abated for the remainder of the term in proportion to the amount of leased premises taken. In no event shall LESSOR be liable to LESSEE for any interruption of business, diminution in use or for the value of any unexpired term of this lease.

10. INTERRUPTION OF SERVICE: LESSOR shall not be or become liable for damages to LESSEE alleged to be caused or occasioned by, or in any way connected with, or the result of any interruption in service, or defect or breakdown from any cause whatsoever in any of the electric, water, plumbing, fire suppression, heating, air conditioning, ventilation or elevator systems, or any other structural component of the building, unless such damage arises from an intentional or grossly negligent act or omission of LESSOR, its employees or officers.

11. LESSOR’S RIGHT TO INSPECT: LESSOR shall have the right, at reasonable times during the term of this lease, to enter the Leased Premises, for the purposes of examining and inspecting same and of making such repairs or alterations therein as LESSOR shall deem necessary.

12. INSURANCE: LESSOR will be responsible for insuring its interest in the building and LESSEE will be responsible for insuring its personal property within the leased premises. LESSEE shall at all times during the term hereof, at its own expense, maintain and keep in force a policy or policies of general and premises liability insurance against claims for bodily injury, death or property damage occurring in, on, or about the demised premises in a coverage amount of no less than $1,000,000 per occurrence and naming LESSOR as an additional named insured. LESSEE shall provide current copies of all such policies of insurance to LESSOR’S office of risk management.

13. LESSOR’S RESPONSIBILITY FOR MAINTENANCE: LESSOR shall be responsible for the maintenance and good condition of the roof, windows and exterior walls of the building; the parking lot; the landscaping; and the repair or replacement of electrical system, overhead lighting system, including bulbs, plumbing system, fire suppression system, heating, air conditioning and ventilation system components; and elevator systems. LESSOR shall provide all services related to the landscaping and grassed areas, including trimming, mowing, planting, mulching and fertilizing as needed.

14. LESSEE’S RESPONSIBILITY FOR ALL OTHER MAINTENANCE: LESSEE shall be responsible for all other maintenance of the Leased Premises not specified as the responsibility of LESSOR above. LESSEE shall be responsible for the regular maintenance in good condition of all interior surfaces including floors, doors, ceilings, walls and windows. LESSEE shall not be responsible for ordinary wear and tear or for major damage or destruction caused by casualty or disaster for which there is insurance coverage.

15. JANITORIAL SERVICES: LESSOR shall provide commercially reasonable janitorial service and trash removal from the leased premises. During any period when there is any other tenant, occupant or user of the building, LESSEE shall reimburse LESSOR for LESSEE’S pro rata share of the cost of these services. LESSEE’S pro rata share shall be computed as the percentage of the sf leased by LESSOR is of the total sf being leased,
occupied or used by all lessees, occupiers or users. During any period that LESSEE is the sole tenant, occupant or user of the building, LESSEE shall reimburse LESSOR the full amount of the costs of this service. LESSOR shall invoice LESSEE for the reimbursement of the costs of this service not less than quarterly. LESSOR agrees to provide LESSEE with documentation of the scope of janitorial services upon written request.

16. PERSONAL PROPERTY AND IMPROVEMENTS: Any additions, fixtures, or improvements placed or made by the LESSEE in or upon the leased premises, which are permanently affixed to the Leased Premises and which cannot be removed without unreasonable damage to said premises, shall become the property of the LESSOR and remain upon the premises as a part thereof upon the termination of this Lease. All other additions, fixtures, or improvements, to include trade fixtures, office furniture and equipment, and similar items, which can be removed without irreparable damage to the leased premises, shall be and remain as the property of the LESSEE and may be removed from the leased premises by the LESSEE upon the termination of this lease. LESSEE shall bear the expense of any repairs of the Leased Premises, other than reasonable wear and tear caused by such removal. LESSEE shall obtain LESSOR’S written consent before making any alterations or changes to the building or Leased Premises.

17. TAXES: LESSOR acknowledges that all business personal property owned by LESSEE is exempt from property taxation. Notwithstanding the foregoing, in the event any property of LESSEE becomes taxable, LESSEE will list and pay all business personal property taxes on its taxable personal property located within the Leased Premises.

18. NOTICE: Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgement of receipt, or mailed by certified mail, return receipt requested, or delivered by receipt controlled express service, to the other party at their respective business addresses.

19. INDEMNIFICATION: To the extent permitted by law, subject to the insurance requirements set forth in this Lease, and except to the extent caused by the LESSOR’s negligence and wilful misconduct, LESSEE will indemnify LESSOR and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury or damage to property occurring in or about, or arising out of, the demised premises, and occasioned wholly or in part by any act or omission of LESSEE, its agents, licensees, concessionaires, customers or employees.

20. ADA AND OSHA REQUIREMENTS: LESSOR shall make such repairs and perform such maintenance as is necessary to keep the premises in compliance with all ADA and OSHA requirements. LESSEE shall keep the premises in good condition and repair and in a good, clean, and safe condition at all times during the term of this Lease Agreement.

21. SUCCESSOR AND ASSIGNS: This lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.
22. UTILITIES: Electrical power, water and sewer services, are metered. LESSEE shall reimburse LESSOR for LESSEE’S pro rata share of the cost of these services. LESSEE’S pro rata share shall be computed as the percentage the finished space sf leased by LESSOR is of the total building sf. LESSOR shall invoice LESSEE for the reimbursement of the costs of these services not less than quarterly. LESSOR shall not be liable for any failure of any public utility to provide utility services over such connections and such failure shall not constitute a default by LESSOR in performance of this Lease. The installation, maintenance and service charges for any other utilities or services such as telephone, cable television, internet, or wireless connectivity shall be the sole responsibility of LESSEE.

23. RISK OF LOSS: As between the LESSOR and the LESSEE, any risk of loss of personal property placed by the LESSEE in or upon the Leased Premises shall be upon and the responsibility of the LESSEE, regardless of the cause of such loss.

24. DESTRUCTION OF PREMISES: If the Leased Premises should be completely destroyed or damaged so that more than fifty percent (50%) of the Leased Premises are rendered unusable, this Lease shall immediately terminate as of the date of such destruction or damage.

25. TERMINATION: If LESSEE shall fail to pay any installment of rent when due and payable as heretofore provided or fail to perform any of the terms and conditions heretofore set forth and shall continue in such default for a period of thirty (30) days after written notice of default, LESSOR, at its discretion, may terminate this Lease and take possession of the premises without prejudice to any other remedies allowed by law. If LESSOR shall fail to perform any of the terms and conditions heretofore set forth and shall continue such default thirty (30) days after written notice of such default, LESSEE, at its discretion, may terminate this Lease and vacate the leased premises without further obligation to pay rent as heretofore provided from date of said termination, without prejudice to any other remedies provided by law. In the event LESSEE is unable or chooses not to use the Leased Premises for the intended uses, then LESSEE may terminate this Lease upon ninety (90) days prior written notice to LESSOR, and in such event pay rent to LESSOR through the end of the month which LESSEE vacates.

26. OCCUPANCY AND QUIET ENJOYMENT: LESSOR promises that LESSEE shall have quiet and peaceable possession and occupancy of the Leased Premises in accordance with the terms of this Lease, and that LESSOR will defend and hold harmless the LESSEE against any and all claims or demands of others arising from LESSEE’S occupancy of the premises or in any manner interfering with the LESSEE’S use and enjoyment of said premises.

27. MODIFICATION: This Agreement may be modified only by an instrument duly executed by the parties or their respective successors.

28. MERGER CLAUSE: This instrument is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of its terms. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement shall not be relevant.
or admissible to determine the meaning of this Lease even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity to make objection. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein.

IN WITNESS WHEREOF, LESSOR and LESSEE have caused this Lease Agreement to be executed in duplicate originals by their duly authorized officers, to be effective for the term as stated above.

LESSEE:
Alliance Behavioral Healthcare
By:

__________________________________________
Rob Robinson, CEO

LESSOR:
County of Cumberland
By:

_______________________________________________
Jeanette Council, Chair
Cumberland County Board of Commissioners

ATTEST:

____________________________________
Candice White, Clerk to the Board

This instrument has been pre-audited in the manner
required by the Local Government Budget and Fiscal Control Act.

_______________________________________________
Alliance Behavioral Healthcare, Finance Director

Prepared by R. Moorefield
June 6, 2014
ITEM: Board Training: NCGS 122C, Board By-laws and Board Media Policy

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
General Counsel will present training on applicable provisions of NCGS 122C, Board By-laws and the Board Media Policy.

REQUEST FOR AREA BOARD ACTION:
Receive the proposed training.

CEO RECOMMENDATION:
Receive the training.

RESOURCE PERSON(S):
Carol Hammett, General Counsel
Area Board Training
NCGS 122c and By-laws

August 7, 2014
WHO WE ARE
WHO WE ARE

Alliance is:

- A multi-county area authority/Local Management Entity (LME) established and operating in accordance with NCGS 122C.
- A political subdivision of the State of North Carolina (122C-116)
- A regional Prepaid Inpatient Health Plan (PIHP) on a capitated risk basis for behavioral health services. A PIHP is a type of Managed Care Organization (MCO) as described in 42 CFR Part 438.

Serving Durham, Wake, Cumberland and Johnston Counties
NC Gen Stat. 122C

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & SUBSTANCE ABUSE ACT OF 1985
The policy of the State is to assist individuals with needs for mental health, developmental disabilities, and substance abuse services in ways consistent with the dignity, rights, and responsibilities of all North Carolina citizens.

Within available resources it is the obligation of State and local government to provide mental health, developmental disabilities, and substance abuse services through a delivery system designed to meet the needs of clients in the least restrictive, therapeutically most appropriate setting available and to maximize their quality of life.

It is further the obligation of State and local government to provide community-based services when such services are appropriate, unopposed by the affected individuals, and can be reasonably accommodated within available resources and taking into account the needs of other persons for mental health, developmental disabilities, and substance abuse services.

State and local governments shall develop and maintain a unified system of services centered in area authorities or county programs.
The public service system will strive to provide a CONTINUUM OF SERVICES for clients while considering the availability of services in the private sector.

Within available resources, State and local government shall ensure that the following core services are available:

(1) SCREENING, ASSESSMENT, AND REFERRAL
(2) EMERGENCY SERVICES
(3) SERVICE COORDINATION
(4) CONSULTATION, PREVENTION, AND EDUCATION

Within available resources, the State shall provide funding to support services to targeted populations, except that the State and counties shall provide matching funds for entitlement program services as required by law.

The furnishing of services to implement the policy of this section requires the cooperation and financial assistance of counties, the State, and the federal government.
Definitions

- **Area authority** means the area mental health, developmental disabilities, and substance abuse authority.

- **Area board** means the area mental health, developmental disabilities, and substance abuse board.

- **LME** means an area authority, county program, or consolidated human services agency. It is a collective term that refers to functional responsibilities rather than governance structure.

- **LME/MCO** means a local management entity that is under contract with the Department to operate the combined Medicaid Waiver program authorized under Section 1915(b) and Section 1915(c) of the Social Security Act.
No, really. That's very interesting.

Please go on.
Part 2 State, County and Area Authority

- Powers and duties of the Secretary of DHHS
  - Oversee the development and implementation of the State Plan for MH/DD/SA services in NC
  - Enforce Chapter 122C
  - Review, approve and disapprove LME business plans
  - Monitor and provide oversight to the area authorities and all providers of public services
  - Accept allocate and spend any federal funds for MH/DD/SA activities
  - Enter into agreements
a) A county **SHALL** provide MH/DD/SA services in accordance with rules, policies, and guidelines adopted pursuant to statewide restructuring of the management responsibilities for the delivery of services for individuals with MH/I-DD/SA disorders under a 1915(b)/(c) Medicaid Waiver through an area authority.

a2) Effective July 1, 2013, the Department shall reassign management responsibilities for Medicaid funds and State funds away from LMEs that are not in compliance with the minimum population requirement of 500,000 to LMEs that are fully compliant with all catchment area requirements, including the minimum population requirements specified in this section.
(a3) A county that wishes to disengage from a local management entity/managed care organization and realign with another multicounty area authority operating under the 1915(b)/(c) Medicaid Waiver may do so with the approval of the Secretary.

(b) Counties shall and cities may appropriate funds for the support of programs that serve the catchment area, whether the programs are physically located within a single county or whether any facility housing a program is owned and operated by the city or county.

(c1) Area authorities may add one or more additional counties to their existing catchment area upon the adoption of a resolution to that effect by a majority of the members of the area board and the approval of the Secretary.

(d) Except as otherwise provided in this subsection, counties shall not reduce county appropriations and expenditures for current operations and ongoing programs and services of area authorities or county programs because of the availability of State-allocated funds, fees, capitation amounts, or fund balance to the area authority or county program. Counties may reduce county appropriations by the amount previously appropriated by the county for one-time, nonrecurring special needs of the area authority or county program.
LMEs are responsible for the management and oversight of the public system of mental health, developmental disabilities, and substance abuse services at the community level.

An LME shall plan, develop, implement, and monitor services within a specified geographic area to ensure expected outcomes for consumers within available resources.
Primary functions

- Access for all citizens to the core services
- Provider monitoring, technical assistance, capacity development, and quality control
- UM, utilization review, and determination of the appropriate level of care
- Authorization to State psychiatric hospitals and other State facilities
- Authorization of eligibility requests under a CAP-MR/DD waiver
- Care coordination and quality management
- Community collaboration and consumer affairs
- Support of an effective consumer and family advisory committee
- Financial management and accountability for State and local funds
- Information management for the delivery of publicly funded services
- Develop a wait list of persons with I-DD
The State’s Teeth
122C-124.1. -125 Failure of an LME

- the Secretary shall certify whether the LME/MCO is in compliance or is not in compliance with all requirements
  - Every six months beginning August 1, 2013.
  - By External Quality Review Organization (EQRO)

- At any time that the Secretary of DHHS determines that an area authority is in imminent danger of failing financially \textit{and} of failing to provide direct services to clients, the Secretary, may assume control of the financial affairs of the area authority and appoint an administrator to exercise the powers assumed.
122C-117, Powers and Duties of the Area Authority
The governing unit of the area authority is the area board.

All powers, duties, functions, rights, privileges, or immunities conferred on the area authority may be exercised by the area board.
The Area Authority SHALL:

- Engage in comprehensive planning, budgeting, implementing, and monitoring of community-based MH/DD/SA services.
- Ensure the provision of services to clients in the catchment area, including clients committed to the custody of the DJJ.
- Determine the needs of the area authority's clients and coordinate with the Secretary and DJJ the provision of services to clients through area and State facilities.
- Develop plans and budgets for the Area Authority subject to approval by the Secretary.
- Assure that services provided by the county through the area authority meet the rules of the Commission and Secretary.
- Appoint an area director in accordance with G.S. 122C-121(d).
122C-117, continued

- Develop and submit to the board of county commissioners for approval the business plan
- Perform public relations and community advocacy functions
- Recommend to the board of county commissioners the creation of local program services
- Submit to the Secretary and the board of county commissioners service delivery reports, on a quarterly basis, that assess the quality and availability of public services within the area authority's catchment area
- Maintain a 24-hour a day, seven day a week crisis response service
- Have the authority to borrow money with the approval of LGC
122C-121. Area director (aka CEO)
122C-121. Area director (aka CEO)

- The Area Director is the administrative head of the area program.

- The Area Director shall:
  - Appoint, supervise, and terminate area program staff.
  - Administer area authority services
  - Develop the budget of the area authority for review by the area board
  - Provide information and advice to the board of county commissioners
  - Act as liaison between the Area Authority and the Department
Structure of Area Board
122-118.1, Structure of Area Board

- An area board shall have no fewer than 11 and no more than 21 voting members.
- The boards of county commissioners within a multicounty area with a catchment population of at least 1,250,000 shall have the option to appoint members of the area board in a manner or with a composition other than as required by this section by each county adopting a resolution to that effect and receiving written approval from the Secretary.
Alternative Board Structure
Cumberland, Durham and Wake Counties approved the Joint resolution regarding the merger with Cumberland.

The Resolution sets forth an alternative Board Structure, which takes the place of the proposed composition set forth in NCGS 122C-118.1(b)
19 Board members (members may concurrently represent 2 categories)

- 7 appointed by Durham
  - (1) w/business expertise, (1) w/ financial expertise in, (1) w/ clinical expertise, (1) w/ an interest in children, (2) consumer/family advocates.

- 7 appointed by Wake
  - Same as above.

- 4 appointed by Cumberland
  - (1) w/business expertise or financial expertise in, (1) w/ clinical expertise, or w/ an interest in children, (2) consumer/family advocates.

- 1 seat at large from Johnston County appointed by the area board
A member of the board may be removed with or without cause by the initial appointing authority.

The area board *may* declare vacant the office of an appointed member who does not attend three consecutive scheduled meetings without justifiable excuse.

The chair of the area board shall notify the appropriate appointing authority of any vacancy.

Vacancies on the board shall be filled by the initial appointing authority before the end of the term of the vacated seat or within 90 days of the vacancy, whichever occurs first, and the appointments shall be for the remainder of the unexpired term.
CONFLICT OF INTEREST
An individual that contracts with a local management entity (LME) for the delivery of mental health, developmental disabilities, and substance abuse services may not serve on the board of the LME for the period during which the contract for services is in effect.

No person registered as a lobbyist under Chapter 120C of the General Statutes shall be appointed to or serve on an area authority board.
Any member of an area board who is a **COUNTY COMMISSIONER** or **COUNTY MANAGER** serve *ex officio* at the pleasure of the initial appointing authority, for a term not to exceed the earlier of **three years** or the member's service as a county commissioner or manager.

The **TERMS** of **OTHER MEMBERS** on the area board shall be for **three years**, except that upon the initial formation of an area board in compliance with subsection (a) of this section, one-third shall be appointed for one year, one-third for two years, and all remaining members for three years.

Members (including commissioners and managers) shall not be appointed for more than three consecutive terms.

An Area Authority that adds one or more counties to its existing catchment area shall ensure that the expanded catchment area is represented through membership on the area board, *with or without* adding area board members under this section.
The area board shall meet at least six times per year.

Members of the area board elect the board's chairman. The term of office of the area board chairman shall be one year. A county commissioner area board member may serve as the area board chairman.

The area board shall establish a finance committee that shall meet at least six times per year to review the financial strength of the area program.
Rules

1. You can....
2. You can't....
3. You can....
4. You can't
Area Board By-laws

- Last amended March 6, 2014
- Includes Mission, Vision and Values Statement
- Composition of the board is consistent with the Joint Resolution and General Statute
- Sets forth additional conflict provisions
  - Members are responsible or disclosing and may not vote on those matters which they have a direct or indirect financial interest or personal gain.
  - All members are expected to exhibit high standards of ethical conduct, avoiding both actual conflicts and the appearance of a conflict of interest.
- Members must be current with all property taxes in their respective counties

- Neither board members or their family members may receive preferential treatment through the Area Authority's services or operations

- Board members are required to comply with the Board Code of Ethics, policies and all applicable general statutes
Officers

- Chairperson and Vice-chairperson
- 1 year terms, not to exceed 2 consecutive terms
- Chosen by the Board at the final meeting of the fiscal year
- Duties:
  - Chairperson – presides at all meetings, appoints and serves ex-officio on all area board committees
  - Vice-chairperson – must be prepared to serve in chairperson’s absence
Board Committees

- Finance Committee (req. by 122C-119(d))
  - Meets monthly, 1 hour before regular board meeting
- Executive Committee
  - Meets the 2nd Tuesday of each month
- Human Rights Committee
  - Meets bi-monthly
- Quality Management Committee
  - Meets bi-monthly
- Policy Committee
  - Meets Quarterly
Meetings

- The Area Board is a public body, subject to the Open Meetings law, NCGS 143, Article 33C
- Regular meetings of the Board are scheduled the first Thursday of each month
- Quorum = The Majority of actual membership (excluding vacant seats).
- Absences – Absence from 3 consecutive meeting without notification to the Exec. Secretary constitutes resignation.
- Absence from more than 25% within a 12 month period may constitute resignation.
Area Board Media Policy

- Board members should advise the Area Authority’s Corporate Communications Office of any planned or unplanned activities involving the news media as it relates to Alliance matters.

- Board members shall not disclose information that is of a confidential nature. This includes consumer information as well as information that has been discussed as confidential items on the board’s agenda.
The Area Board Chairperson shall serve as the official spokesperson on all matters related to the Alliance Board of Directors.

From time to time board members may be requested to contribute material for newspaper articles or participate in a broadcast interview. The Area Authority’s Corporate Communications Office shall be available, upon request, to provide assistance.
From time to time it may be necessary for a Letter to the Editor or other position statement to be written as an official board communication to inform the community about a particular matter. Such letters or statements shall be issued under the signature of the Board Chairperson.
I make boring stuff exciting.

What's your superpower?
ITEM: Follow Up to Article on Wake Forensic Evaluations

DATE OF BOARD MEETING: August 7, 2014

BACKGROUND:
The News and Observer published an article on Sunday, July 27, 2014, on the topic of Wake County forensic evaluations for “capacity to proceed.” These evaluations are ordered by the court to determine whether individuals with mental illness, developmental disabilities or substance abuse conditions are capable of proceeding to trial. The article discussed system challenges that have resulted in delays in timeliness of forensic evaluations. Alliance staff have been working with the provider, court system, State and others to address these concerns, and will provide an update on the status of plans to improve evaluation timeliness.

REQUEST FOR AREA BOARD ACTION:
Accept the update.

CEO RECOMMENDATION:
Accept the update.

RESOURCE PERSON(S):
Carlyle Johnson, Ph.D. and Beth Melcher, Ph.D.