1. CALL TO ORDER: Chair Cynthia Binanay called the meeting to order at 4:05 p.m.

AGENDA ITEMS:  DISCUSSION:

2. Oath of Office

Veronica Ingram, notary public, administered the oath of office to new Board member and Johnston County Commissioner, Tony Braswell.

3. Announcements

Commissioner Braswell introduced himself and Johnston County staff, Dr. Marilyn Pearson and Mr. Strickland. The following Johnston CFAC representatives were present and introduced themselves: Dorothy Best, Albert Dixon, Jerry Dobson, Cassandra Herbert, and Jason Phipps.

Mr. Robinson reminded attendees of Alliance’s name change. The change is due to NC Medicaid Transformation and Alliance’s changing role to be responsible for whole person care for individuals specified by the NC General Assembly via the Tailored Plans.

He also reminded Board members of the upcoming Board budget retreat, which is scheduled for March 19, 2019.

Ms. Wolff announced that on February 4, 2019, the Town of Fuquay-Varina unanimously approved Alliance’s rezoning request for Alliance’s child crisis facility located at 400 W Ransom Street, Fuquay-Varina. Such approval however was made subject to a Release and Waiver of claims against the Town for the prior Board of Adjustment action as well as the prior zoning issues. Ms. Wolff clarified that the new zoning approval would make prior zoning issues moot, and that the Board of Adjustment appeal period ran out back in January. Therefore, the Release was a formality that the Town requested.
### AGENDA ITEMS:

<table>
<thead>
<tr>
<th>BOARD ACTION:</th>
<th>DISCUSSION:</th>
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<tbody>
<tr>
<td>A motion was made by Ms. Nelson to certify that the board release and waive all claims associated with the prior Board of Adjustment action as well as the prior zoning issues. Motion seconded by Mr. Jackson. Motion passed unanimously.</td>
<td></td>
</tr>
</tbody>
</table>

4. Agenda Adjustments

There were no adjustments to the agenda.

5. Public Comment

There were no public comments.

6. Committee Reports

| A. Consumer and Family Advisory Committee – page 6 | The Alliance Consumer and Family Advisory Committee (CFAC) is composed of consumers and/or family members from Durham, Wake, Cumberland and Johnston Counties who receive mental health, intellectual/developmental disabilities or substance use/addiction services. This month’s report included draft subcommittee minutes and supporting documents from the Steering Committee and the Durham, Wake and Johnston Committees. 

Dave Curro, CFAC Chair, presented the report, which included an update from the recent Steering Committee meeting, a review of Alliance KPIs (key performance indicators), and reports from Alliance staff. He also mentioned Johnston CFAC’s showing of the movie, “Resilience,” input from attendees and Mark Botts’ (UNC School of Government) presentation at the State CFAC meeting. The CFAC annual retreat is in March 2019; Mr. Curro invited Board members to the annual retreat and encouraged County Commissioners to attend a local CFAC meeting. The CFAC report is attached to and made part of these minutes. |

**BOARD ACTION**

The Board received the report. |

| B. Finance Committee – page 52 | The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Area Board. This month’s report included draft minutes from the December 6, 2018, meeting, the Statement of Net Position, budget to actual report and ratios for the period ending December 31, 2018, and recommendations to the Board to approve all presented contracts over $250,000. 

Christopher Bostock, Committee Chair, presented the report. Mr. Bostock mentioned that expenses exceeded revenue due to continued reduction in State Single Stream funding. All State mandated ratios were met. Mr. Bostock presented the Finance Committee’s recommendations on a budget transfer and contracts for the Board to approve. Ms. Goodfellow provided background on the proposed budget transfer. The Finance Committee report is attached to and made part of these minutes. |

**BOARD ACTION**

A motion was made by Mr. Bostock to approve the proposed transfers within the non-Medicaid budget related to State and Federal funding as presented; motion seconded by Ms. Gloston. Motion passed unanimously. |

A motion was made by Mr. Bostock to authorize the CEO to enter a contract for asbestos removal (at 400 W. Ransom Street, |
AGENDA ITEMS: | DISCUSSION:
--- | ---
Fuquay-Varina) not to exceed $335,000; motion seconded by Ms. Nelson. Motion passed unanimously.
A motion was made by Commissioner Ford to authorize the CEO to enter a contract for roof repair (at 400 W. Ransom Street, Fuquay-Varina) not to exceed $273,000; motion seconded by Ms. Gloston. Motion passed unanimously.
A motion was made by Mr. Bostock to authorize the CEO to enter a contract for pavement repair (at 400 W. Ransom Street, Fuquay-Varina) not to exceed $194,000; motion seconded by Ms. Nelson. Motion passed unanimously.

7. Consent Agenda

- Draft Minutes from December 6, 2018, Board Meeting – page 61
- Audit and Compliance Committee Report – page 66
- County Commissioners Advisory Board Report – page 74
- Executive Committee Report – page 77
- Human Rights Committee Report – page 81
- Network Development and Services Committee Report – page 111

The consent agenda was sent as part of the Board packet. There were no comments or discussion about the consent agenda.

**BOARD ACTION**
A motion was made by Mr. Webley to approve the consent agenda; motion seconded by Commissioner Ford. Motion passed unanimously.

8. Training/Presentation: Complete Care Model – page 114

Alliance is implementing a population health model called Alliance Complete Care to more effectively support and manage the populations we serve, achieve better health outcomes, and prepare for the transition to a Tailored Plan in NC Medicaid reform. Beth Melcher, Executive Vice-President/Care Management, presented the model, which utilizes data analytics to risk stratify populations and takes a comprehensive care approach to incorporate effective interventions, engagement and self-management strategies, physical health, and social determinants of health (SDoH). The model envisions creating multi-disciplinary teams responsible for implementing this population management model.

Dr. Melcher shared background for developing this model and action taken to implement the model. She shared how this process will increase efficiency, how the organization has undergone reorganization to best reflect this initiative and the benefit this process will provide for the people Alliance serves. Board members discussed the State’s SDoH pilot and how it relates to the work currently performed by Alliance to address SDoH.

**BOARD ACTION**
The Board accepted the training/presentation.


The Alliance compliance program is designed to deter and mitigate risk to the organization through prevention, detection and remediation activities. It is intended that the scope of all compliance activities promotes integrity, ensures objectivity, fosters trust and supports the stated values of Alliance Behavioral Healthcare. In accordance with contractual obligations and federal regulations, Alliance shall have an effective compliance program with reasonable oversight by the governing board; understanding the scope and operations of the compliance program. The Board approved Corporate Compliance Plan states that a report of compliance efforts will be presented annually to the Alliance Behavioral Healthcare Area Board.

**BOARD ACTION**
The Board approved the training/presentation.
**AGENDA ITEMS:**

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<th>DISCUSSION:</th>
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<td>Monica Portugal, Chief Compliance Officer, presented the report. Ms. Portugal mentioned elements of the Compliance Program, effectiveness of the program and training provided to staff and providers. She also provided a quantitative overview of incidents, network fraud/abuse reports, privacy/security, and elements of internal audit and monitoring.</td>
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</table>

**BOARD ACTION**

The Board accepted the report.

| 10. Sale of Property Located at 3309 Durham Drive, Raleigh – page 116 |
| On September 21, 2016, Alliance purchased the property located at 3309 Durham Drive in Raleigh for the purpose of opening an additional adult crisis facility. Due to financial constraints and inability to sustain the services long term, the project did not proceed as planned. After due consideration of alternative options, it is recommended that Alliance cancel the plans for the crisis facility at this location and sell the property. The Board was therefore requested to authorize the CEO to take the necessary actions to market and sell the property. The final offer will be brought back to the Board for approval at a later date. |
| Kelly Goodfellow, Executive Vice-President/Chief Financial Officer, presented the proposal. She mentioned that Alliance purchased this property in 2013 with the intent to use it as an adult crisis facility. With funding reductions, feasibility of the project was compromised. Alliance researched other avenues, including potential partnerships. |
| **BOARD ACTION** |
| A motion was made by Mr. Webley to authorize the CEO to market the property located at 3309 Durham Drive, Raleigh, NC (the final offer will be brought to the Board for approval); motion seconded by Mr. Bostock. Motion passed unanimously. |

<p>| 11. Legislative Priorities – page 117 |
| Brian Perkins, Senior Vice-President/Strategy and Government Relations, and Sara Wilson, Director of Government Relations, presented an overview of the legislative priorities. Board members requested stating the agency’s support of Medicaid Expansion without requiring work requirements. The legislative priorities are attached to and made part of these minutes. |
| <strong>BOARD ACTION</strong> |
| A motion was made by Mr. Wooten to approve the 2019 legislative priorities with the recommended amendment; motion seconded by Commissioner Ford. Motion passed unanimously. |
| Ms. Wilson reviewed the State’s Standard Plan, which was awarded February 5, 2019. Additional details of this Plan can be found at <a href="https://files.nc.gov/ncdhhs/medicaid/Medicaid-Factsheets-PHP-2.4.19.pdf">https://files.nc.gov/ncdhhs/medicaid/Medicaid-Factsheets-PHP-2.4.19.pdf</a>. Ms. Wilson also reviewed the implementation timelines. |
| <strong>BOARD ACTION</strong> |
| The Board accepted the report. |
| Mr. Robinson reviewed key elements of the audit conducted by the State, “Medicaid Capitation Rate Setting”; he also reviewed the agency’s perspective about the findings in this report. Mr. Perkins shared that this report was primarily focused on the Department’s (NC Department of Health and Human Services) management of NC MCOs (managed care organizations). |
| <strong>BOARD ACTION</strong> |</p>
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<td></td>
<td>The Board accepted the report.</td>
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<tr>
<td>12. Chair’s Report</td>
<td>Chair Binanay reminded Board members that the next meeting is Thursday, March 7, 2019, at Alliance’s office at 5200 West Paramount Parkway in Morrisville, NC.</td>
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<td>13. Closed Session(s)</td>
<td><strong>BOARD ACTION</strong> A motion was made by Commissioner Ford to enter closed session pursuant to NC § 143-318.11 (a) (3) and (a) (1) to consult with General Counsel regarding current litigation and to prevent the disclosure of information that is confidential and not a public record under NC § 122C-126.1; motion seconded by Mr. Wooten. Motion passed unanimously. The Board returned to open session.</td>
</tr>
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<td>14. Adjournment</td>
<td>All business was completed; the meeting adjourned at 7:09 p.m.</td>
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**Next Board Meeting**  
Thursday, March 07, 2019  
4:00 – 6:00 pm
**ITEM:** Consumer and Family Advisory Committee (CFAC) Report

**DATE OF BOARD MEETING:** February 7, 2019

**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 5:30pm 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.

**REQUEST FOR BOARD ACTION:** Receive draft subcommittee minutes and supporting documents from the Steering Committee and the Durham, Wake and Johnston Committees for January. Cumberland had not met yet in January at the time of this report.

**CEO RECOMMENDATION:** Accept the report.

**RESOURCE PERSON(S):** Dave Curro, CFAC Chair; Doug Wright, Director Community and Member Engagement.
1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the November 1, 2018, Consumer and Family Advisory Committee (CFAC) meeting were reviewed; a motion was made by Steve Hill and seconded by Jason Phipps to approve the minutes. Motion passed unanimously.

It was noted that notes from December were available but no business was completed because of a lack of quorum.

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<tr>
<td>3. Public Comment</td>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Individual/Family Challenges and Solutions</td>
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| 4. CFAC Retreat Planning | March 2, 2019 – date confirmed | Schedule space at home office | Jan. 31, 2019 |
| Dave ask that Doug and/or Terrasine reach out to Dave Richards office to ensure someone from his office can attend and talk about Tailored Plans and how CFAC can give input 9:45-2:00pm | Email Dave Richard and verify attendance. | Jan. 15, 2019 |
| Honey Baked Ham sandwiches | Have Shelly order food. Attendance conformation at Feb. local meetings | Last week of February |
| Add to the agenda information about the purpose of CFAC as a refresher for older members and encouragement for the new members. | Update Agenda | Jan. 31, 2019 |

| 5. LME/MCO updates | New location – Doug gave the new address and let everyone know the move was going well. Home and Durham offices should be completed by the end of January, the Wake office in June. 5200 W. PARAMOUNT PKWY., SUITE 200 MORRISVILLE, NC 27560 Fuquay Planning Committee Meeting – Jan. 15th Child Facility Based Crisis – Doug encouraged members to attend this meeting as well as ask people they may know that live in Fuquay to attend and support this facility. Doug to send out information electronically. | Email information about meeting and information about the service. | N/A |

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
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<td>By the numbers – Doug reviewed monthly reports to the state around Alliance’s performance.</td>
<td>N/A</td>
<td>N/A</td>
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<td></td>
<td>Steering Committee – attendance and purpose; discussion about the purpose of the steering committee and its function. Local chairs and Dave to get together and discuss what we are currently doing and what we need to do going forward.</td>
<td>Dave will contact chairs and set up a meeting/phone call to discuss issue.</td>
<td>Jan. 31, 2019</td>
</tr>
<tr>
<td>6. Alliance Complete Care</td>
<td>Doug reviewed Complete Care, care teams and the reorganization of Community Health and Well Being.</td>
<td>Give additional updates as implementation moves forward.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>7. State Updates</td>
<td>SCFAC meeting this Wednesday, a discussion about what the future could hold for CFAC is to be had with Mark Botts from the UNC School of Government. Dave ask Jason to try and call into the meeting, Doug will attend and report back.</td>
<td>Attend and report back.</td>
<td>Feb. 4, 2019</td>
</tr>
</tbody>
</table>
| 8. Subcommittees    | • Wake  
• Durham  
• Cumberland  
• Johnston  
• Area Board  
• Human Rights  
• Quality Management | Consent Agenda – accepted                      | N/A                                           | N/A               |
Medicaid Expansion Day coming in Raleigh  
Legislative Breakfast – Feb. 2 in Chapel Hill | Participate where you can and report back to the group. | Ongoing           |

10. **ADJOURNMENT**: the next meeting will be February 4, 2019, at 5:30 p.m.

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
Respectfully Submitted by:

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
Complete Care

• Preparation for tailored plan management of most complex individuals whole health needs

• Population health management approach
  o Effective treatment strategies
  o Address social determinants of health
  o Create member engagement and self-management strategies

• Use of analytics to identify risk and intervene proactively
Complete Care Year 1 Lessons Learned

• We can create population-based interventions that significantly improve health outcomes

• Central role of predictive data analytics to identify targeted populations

• How critical it is to assess for social determinants of health and physical health early on and quickly find ways to address them
Complete Care Year 1 Lessons Learned

• Effectiveness of offering care management through a multi-disciplinary team approach

• Importance of supporting providers with data, community resources, and expertise to effectively support complex and high need populations

• Importance to continue to create more flexible and value based funding mechanisms
Implementing the Care Team Model

Care Coordination

• Develop a stratification of existing Care Coordination census ranging from highest to lowest risk based on physical health, behavioral health and SDOH markers

• Stratification will be used to guide case load sizes and to suggest which care team roles will be needed to match member needs

• New job descriptions will be developed to “re-purpose” existing Care Coordination jobs to match Care Team roles
Outcomes for Care Coordination

• Match care coordinator strengths with role
• Greater job satisfaction because workload shared and expertise available to team
• Increase nurse involvement to address physical health needs
• Intentionally focus on social determinants of health and co-occurring physical health through assessments and workflows supported by Jiva
Restructuring of Community Relations

• Community Relations renamed Community Health and Well Being and reorganized to better support that role

• Four teams
  o Outreach and Education
  o Housing Assistance Program
  o TCLI/Supportive Housing Program
  o Community and Member Engagement
Restructuring of Community Relations

• Community and Member Engagement
  o Transitional care and specialty populations
  o System of Care
  o Care teams and unmet social needs
  o Health literacy
Implementing the Care Team Model

Community Health and Well Being

- Consolidation of System Engagement and Office of Individual and Family Affairs
- Allows for increased focus on social determinants of health from assessment to referral to linkage to outcomes
- Creates a single point of coordination for Care Teams that can access assistance at both the local level and department level
- Also focuses on the social needs and non-profit partnerships to ensure greater connectivity
Implementing the Care Team Model

Provider Network

• Develop strong connections between care teams and network staff with a focus on addressing network adequacy, quality, and competence

• Improve agility of new service development process

• Develop provider profiles and scorecards that better inform care team referrals

• Develop mechanism for routine delivery of service utilization and gaps in care data to providers to enhance their care coordination capacity
Implementing the Care Team Model

Provider Network

• Develop alternative payment arrangements and value-based reimbursement to incent whole person care, provider led care coordination, improve care efficacy and efficiency with a focus on services that support members with complex conditions
• Continue to support network providers to implement EBPs
• Refine scopes of work with a focus on a smaller number of high value outcomes
Evaluation of Complete Care

• Member experience
  o Successful completion of individual’s goals
  o Improve community tenure

• Quality of life
  o Social Determinants of Health issues identified and resolved

• Process/cost
  o Reduction in cost for top 10% of members

• Provider experience
  o Provider satisfaction
Next Steps

• Development of project plan

• Changes to Community Relations beginning in November and implemented by January

• Care Coordination Care Team role out will begin with IDD in January, followed by MH/SUD by July

• Begin to implement Provider Network Transformation Plan in November
Next Steps

- Communication Plan to staff, board, providers, stakeholders
1. WELCOME AND INTRODUCTIONS
2. REVIEW OF THE MINUTES – The minutes from the October 8, 2018, Consumer and Family Advisory Committee (CFAC) meeting were reviewed; a motion was made by Steve Hill and seconded by Dave Curro to approve the minutes. Motion passed.

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<tr>
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<tbody>
<tr>
<td>3. Public Comments</td>
<td>No public comments were made at this time</td>
<td>Ongoing</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Interest in Membership/Outreach</td>
<td>No interest in membership at this time. Outreach: Trulia Miles inquired about collaborating with her church- Christian Methodist Episcopal for a Mental Health Fair</td>
<td>Ongoing</td>
<td>N/A</td>
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<td></td>
<td>Trulia will get in touch with Ramona for more information</td>
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<tr>
<td>5. Complete Care</td>
<td>Ramona and Doug went over the Complete Care Presentation. If you have any questions please email us and we will be happy to answer the questions with the best of our knowledge.</td>
<td>Ongoing</td>
<td>N/A</td>
</tr>
<tr>
<td>6. LME/MCO updates</td>
<td>Doug went over the Community Health and Well-Being Org chart and introduced Terrasine Gardner as our Member Engagement Manager and her role.</td>
<td>Ongoing</td>
<td>N/A</td>
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<td>7. Steering Committee</td>
<td>Attendance: Steve encouraged all CFAC members to start taking turns participating in the in-person CFAC Steering Committee meetings. Doug suggested to get a commitment from a member during the regular monthly meeting. This will be added to the agenda every month. Trulia Miles has committed for the February 4th meeting. It will be held at our new corporate office. The address is 5200 W. Paramount Parkway Suite 200, Morrisville NC, 27560</td>
<td>Monthly agenda item</td>
<td>N/A</td>
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<tr>
<td>8. Event Planning</td>
<td>CFAC Retreat- This event will take place on Saturday March 2, 2019 from 9:45am-2pm. The agenda will include a speaker from DHHS to discuss tailored plans, teambuilding, and discussions on What CFAC is supposed to look like. This will be a great opportunity for you to submit any recommendations to the state on what you think CFAC should like. We encourage you to prepare yourselves and write down your thoughts, suggestions, and questions.</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>9. Announcements/Opportunities</td>
<td>Alliance Behavioral Healthcare is now known as Alliance Health.</td>
<td>N/A</td>
<td>N/A</td>
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**ADJOURNMENT: 7:25pm** the next meeting will be February 11, 2019, at 5:30 pm

Respectfully Submitted by:

Ramona Branch, Individual & Family Engagement Specialist 01.15.2019

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
Departmental Realignment Overview
THE WORLD IS CHANGING WITH AN 1115 WAIVER

- Forging the Future of Healthcare Delivery
  - Social determinants play a prominent role
  - Integrating physical health and behavioral health
  - Partnership between standard plans and tailored plans
  - A different type of Care Coordination

- Creating a Culture of Health
  - Community data combined with clinical data will help tell the whole story

- Increasing Focus on Population Health
  - Transitional care
  - Care Teams
  - Specialty populations
The purpose of Community Health and Well Being is to create a culture of health; integrating community based and clinical solutions by fostering a systems of caring approach.
PRIMARY FOCUS AREAS

- Promoting Quality Partnerships and Collaborative Change
- Re-designing Systems of Caring to Improve Health Outcomes and Promote Healthy Communities
- Improving Quality of Life for ALL of Our Members by Promoting Health Literacy and Active Engagement in Their Care
- Timely Connection to Social and Community Supports that Enhance Recovery and Well-Being
RE-ALIGNING THE DEPARTMENT STRUCTURE TO MEET OUR GOALS

Community Health and Well Being Comprised of Four (4) Teams:

- Outreach and Education
- Housing Assistance Programs
- TCLI/Supportive Housing Program
- Community and Member Engagement
## OUTREACH AND EDUCATION

<table>
<thead>
<tr>
<th>INTERNAL INTERSECT</th>
<th>EXTERNAL PARTNERS/SYSTEM BUILDING</th>
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<tbody>
<tr>
<td>• Care Teams</td>
<td>• Community Agencies/Non-Profits</td>
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<td>• Faith community</td>
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## HOUSING ASSISTANCE PROGRAMS

<table>
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<tr>
<th>INTERNAL INTERSECT</th>
<th>EXTERNAL PARTNERS/SYSTEM BUILDING</th>
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<tbody>
<tr>
<td>• Care Coordination</td>
<td>• Local Continuing of Care’s</td>
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<tr>
<td>• Care Review</td>
<td>• Providers</td>
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</tbody>
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# TCLI/SUPPORTIVE HOUSING PROGRAM

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<thead>
<tr>
<th>INTERNAL INTERSECT</th>
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<tbody>
<tr>
<td>• TCLI Team</td>
<td>• Developers/Property Managers</td>
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<td>• Care Coordination</td>
<td>• Providers</td>
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<td>• DHHS</td>
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<td>• Housing Authorities</td>
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<td>• Housing Finance Agency</td>
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<td>• Healthplans</td>
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<td>• Hospitals/healthcare Clinics</td>
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<td>• Local Governments</td>
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COMMUNITY AND MEMBER ENGAGEMENT

- Consolidation of System Engagement and Individual and Family Affairs

- Four Focus Areas:
  - Transitional Care and Specialty Populations*
  - System of Care*
  - Care Teams and Unmet Social Needs*
  - Health Literacy

* Led by local Community Health Manager who also has a regional leadership role for focus area
### TRANSITIONAL CARE AND SPECIALTY POPULATIONS

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<tr>
<th>INTERNAL INTERSECT</th>
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<tbody>
<tr>
<td>7 Day Challenge</td>
<td>Criminal Justice</td>
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<tr>
<td>Homeless Engagement (Quality Measure)</td>
<td>Post Transition follow up</td>
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<tr>
<td>ED/ADACT/Inpatient Readmissions (Quality Measure)</td>
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<td>CJ Leads/Alpha report</td>
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# CARE TEAMS AND UNMET SOCIAL NEEDS

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<tr>
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<td>• Network of Care</td>
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<td>• JIVA</td>
<td>• CFAC</td>
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<tr>
<td>• Staying Well</td>
<td>• Community non-profits</td>
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<td>• My Individual Experience</td>
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<td>• Executive Walk Through</td>
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<td>• Transportation (Quality Measure)</td>
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### SYSTEM OF CARE

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<tr>
<td>• Care Review</td>
<td>• Community Collaboratives</td>
</tr>
<tr>
<td>• CFT’s</td>
<td>• DSS</td>
</tr>
<tr>
<td>• System improvement pilots (QIP’s, etc.)</td>
<td>• Public Schools</td>
</tr>
<tr>
<td></td>
<td>• Public Health</td>
</tr>
<tr>
<td></td>
<td>• Other health partnerships</td>
</tr>
</tbody>
</table>
## HEALTH LITERACY

<table>
<thead>
<tr>
<th>INTERNAL INTERSECT</th>
<th>EXTERNAL PARTNERS/SYSTEM BUILDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Appeals</td>
<td>• Primary Care Clinics</td>
</tr>
<tr>
<td>• CARES Campaign</td>
<td>• Healthcare Partners</td>
</tr>
<tr>
<td>• Health Literacy initiatives</td>
<td></td>
</tr>
</tbody>
</table>
COMMUNITY HEALTH AND STRATEGY

- Emerging Literature/Data on Impact of Social Determinants and Healthcare
  - What is our return on investment strategy- social and financial?
  - How do we capitalize/formalize partnerships with social needs non-profits?

- Getting ready for 1115 Waiver SDOH Pilots

- Addressing Community Gaps and Needs
NEXT STEPS

- New Organizational Structure Effective: **January 1, 2019**
- Director of Community and Member Engagement Position Posted Internally
- Supportive Housing Manager Posted Internally and Externally
- Complete Care Model Implementation Beginning January 1, 2019
Wake CFAC Subcommittee meeting.
5000 Falls of Neuse Road Suite #310, Raleigh NC 27614
5:30 – 7:00 pm.

MEMBERS PRESENT: ☒ Carole Johnson, ☒ Megan Mason, ☒ Karen McKinnon, ☒ Connie King-Jerome, ☒ Israel Pattison, ☒ Annette Smith, ☒ Ben Smith, ☒ Wanda (Faye) Griffin, ☒ Gregory Schweitzer.

GUEST(S):

STAFF PRESENT: ☒ Doug Wright, Director of Individual and Family Affairs, ☒ Terrasine Garner, Community Member and Engagement Manager, ☒ Stacy Guse, Individual and Family Affairs Specialist.

Dial-in number: (605) 472-5464
Access Code: 289674

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the December 11, 2018, Wake Consumer and Family Advisory Committee (CFAC) Subcommittee meeting were reviewed; a motion was made by Connie King-Jerome and seconded by Karen McKinnon to approve the minutes. Motion passed unanimously.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Comments</td>
<td>None</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>LME/MCO Updates 2018</td>
<td>Copy of Alliance FY 2019 Dashboard, Doug explained the Dashboard and how Medicaid penetration and how funding is populated. Doug explained the individual rates who receive services.</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Doug reintroduced Terrasine Garner as the new Community Member Engagement Manager. Terrasine discussed her varied background and extensive professional experience. Terrasine expressed the importance impact CFAC for the community.</td>
<td></td>
<td>February 12, 2019</td>
</tr>
<tr>
<td></td>
<td>Doug explained in detail the difference insurances and the hospital admittance: indigent, BCBS, Medicaid and under-insured. Doug explained the Super Performance Measures are measures held to the state. Israel asked for the Super Performance Measures across the MCO’s. Doug explained the Value-Based Contracting with Providers and the results are paid accordingly.</td>
<td>Doug will find out the statistics and will present this information to the next Wake CFAC meeting.</td>
<td></td>
</tr>
<tr>
<td>Alliance Complete Care</td>
<td>Handouts for the Alliance Complete Care SLT presentation were given.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Annual Event Planning</td>
<td>Movie ordered - yes</td>
<td>Israel has created the Eventbrite and will</td>
<td></td>
</tr>
</tbody>
</table>
## AGENDA ITEMS:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DISCUSSION</th>
</tr>
</thead>
</table>
| Date and location confirmed - April 6, 2019 11:00 am at RCNC 5245 Capital Blvd Stacy has confirmed location, time, and seating.  
Eventbrite in February 2019 – Press Kit – Synopsis  
Wake Network of Care  
Food | Israel has completed the Eventbrite. Stacy to forward to RCNC and Dave Mullin as agreed with Wake CFAC. Food list will be completed and Stacy will present the list to Wake CFAC for approval next meeting |
| Announcements-Opportunities | Stacy will report to Doug who will be able to attend. |
| Training | Good Samaritan Law; Stacy explained the law and Naloxone |

3. **ADJOURNMENT:** the next meeting will be February 12, 2019, at 5:30 p.m.

Respectfully Submitted by:

Stacy Guse

January 8, 2019
MEMBERS PRESENT: Jason Phipps, Cassandra Williams-Herbert, Dorothy Best, Albert Dixon, Leanna George, Jerry Dodson

BOARD MEMBERS PRESENT: None

GUEST(S): None

STAFF PRESENT: Terrasine Gardner, Member Engagement Manager, Noah Swabe, Individual and Family Engagement Specialist

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the December 18, 2018, Consumer and Family Advisory Committee (CFAC) meeting were reviewed; a motion was made by Jerry Dodson and seconded by Leanna George to approve the minutes. Motion passed.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Public Comment</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>4. LME/MCO Updates</td>
<td>New location – Noah Swabe updated the CFAC on the progress surrounding the move. Discussed the new location and address of the new home office. Also explained the name change to “Alliance Health” was official and that other than the name and brand change everything else was staying the same for the time being. The Steering Committee will be hosting a retreat on March 2, 2019 at the home office. All CFAC members were asked to check their availability and report at the next meeting for final head count. Attendance was encouraged for the steering committee as well as thinking about the purpose of the steering committee.</td>
<td>RSVP for CFAC retreat on March 2, 2019</td>
<td>February 4, 2019</td>
</tr>
<tr>
<td>5. State Updates</td>
<td>CJ Lewis provided a brief update from the state. Discussing a presentation by Mark F. Botts about the role of CFAC. Many CFAC members have questions about the future of CFAC when standard plans go live. The concern is private organizations managing public dollars without representation of the members. The notes from Mr. Botts presentation were distributed the CFAC.</td>
<td>Alliance will continue to update the CFAC as transformation moves forward.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>6. Community Event- January 19, 2019</td>
<td>The refreshments for the event Saturday have been gathered popcorn and water will be served at the showing of “Resilience”. ACEs tests will be available for the community to complete if they choose and the stats will be reviewed at the end of the movie along with a discussion. Duties and responsibilities for the event were designated. The event will begin at 10:00am ending roughly at 1:00pm. Jason suggested having information on suicide prevention and resources. CFAC will discuss logistics for March resource fair and guardianship event at the next meeting.</td>
<td>CFAC will discuss logistics for March resource fair and guardianship event at the next meeting.</td>
<td>February 19, 2019</td>
</tr>
</tbody>
</table>

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leanna suggested CFAC being a part of the “Special Needs Resource Fair” on March 9, 2019. Registration is $15.00 Johnston CFAC has participated in this event in the past. Johnston CFAC will participate in the event and logistics will be discussed at the February 19, 2019 meeting. It was also discussed and agreed that Johnston County CFAC will host another guardianship event around May.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Recovery Conference</td>
<td>Cassandra expressed interest in going to the “One Community in Recovery Conference” from March 13, 2019 to March 15, 2019. The Johnston CFAC approved Cassandras request to bring the opportunity in front of the Steering Committee. Jerry and Cassandra had interest in attending the Imagine Ability conference and will bring that event in front of the Steering Committee as well.</td>
<td>Cassandra and Jerry will bring the training opportunities in front of the Steering Committee in February.</td>
<td>February 4, 2019</td>
</tr>
<tr>
<td>8. Announcement s</td>
<td>“Integration of Behavioral and Physical Healthcare in Tailored Plans” January 24, 2019 11am to 12:15pm <a href="https://medicaid.ncdhhs.gov/behavioral-health-idd-tailored-plans">https://medicaid.ncdhhs.gov/behavioral-health-idd-tailored-plans</a> Noah provided the link for the webinar above hosted by DHHS regarding tailored plans. The CFAC was also informed about Johnston County’s only day treatment provider closing the end of February 2019.</td>
<td>Alliance will continue to update the CFAC on valuable training opportunities. As well as the situation with day treatment in Johnston County.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

9. **ADJOURNMENT**: the next meeting will be February 19, 2019 at 5:00 p.m.
   March 19, 2019 at 5:00 p.m.
   April 16, 019 at 5:00 p.m.
   May 21, 2019 at 5:00 p.m.

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
§ 90-12.7. Treatment of overdose with opioid antagonist; immunity.

(a) As used in this section, "opioid antagonist" means naloxone hydrochloride that is approved by the federal Food and Drug Administration for the treatment of a drug overdose.

(b) The following individuals may prescribe an opioid antagonist in the manner prescribed by this subsection:

(1) A practitioner acting in good faith and exercising reasonable care may directly or by standing order prescribe an opioid antagonist to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose. As an indicator of good faith, the practitioner, prior to prescribing an opioid under this subsection, may require receipt of a written communication that provides a factual basis for a reasonable conclusion as to either of the following:
   a. The person seeking the opioid antagonist is at risk of experiencing an opiate-related overdose.
   b. The person other than the person who is at risk of experiencing an opiate-related overdose, and who is seeking the opioid antagonist, is in relation to the person at risk of experiencing an opiate-related overdose:
      1. A family member, friend, or other person.
      2. In the position to assist a person at risk of experiencing an opiate-related overdose.

(2) The State Health Director or a designee may prescribe an opioid antagonist pursuant to subdivision (1) of this subsection by means of a statewide standing order.

(3) A practitioner acting in good faith and exercising reasonable care may directly or by standing order prescribe an opioid antagonist to any governmental or nongovernmental organization, including a local health department, a law enforcement agency, or an organization that promotes scientifically proven ways of mitigating health risks associated with substance use disorders and other high-risk behaviors, for the purpose of distributing, through its agents, the opioid antagonist to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose.

(c) A pharmacist may dispense an opioid antagonist to a person or organization pursuant to a prescription issued in accordance with subsection (b) of this section. For purposes of this section, the term "pharmacist" is as defined in G.S. 90-85.3.

(c1) A governmental or nongovernmental organization, including a local health department, a law enforcement agency, or an organization that promotes scientifically proven ways of mitigating health risks associated with substance use disorders and other high-risk behaviors may, through its agents, distribute an opioid antagonist obtained pursuant to a prescription issued in accordance with subdivision (3) of subsection (b) of this section to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose. An organization, through its agents, shall include with any distribution of an opioid antagonist pursuant to this subsection basic instruction and information on how to administer the opioid antagonist.

(d) A person who receives an opioid antagonist that was prescribed pursuant to subsection (b) of this section or distributed pursuant to subsection (c1) of this section may
administer an opioid antagonist to another person if (i) the person has a good faith belief that the other person is experiencing a drug-related overdose and (ii) the person exercises reasonable care in administering the drug to the other person. Evidence of the use of reasonable care in administering the drug shall include the receipt of basic instruction and information on how to administer the opioid antagonist.

(e) All of the following individuals are immune from any civil or criminal liability for actions authorized by this section:

(1) Any practitioner who prescribes an opioid antagonist pursuant to subsection (b) of this section.

(2) Any pharmacist who dispenses an opioid antagonist pursuant to subsection (c) of this section.

(3) Any person who administers an opioid antagonist pursuant to subsection (d) of this section.

(4) The State Health Director acting pursuant to subsection (b) of this section.

(5) Any organization, or agent of the organization, that distributes an opioid antagonist pursuant to subsection (c1) of this section. (2013-23, s. 2; 2015-94, s. 3; 2016-17, s. 2; 2017-74, s. 2; 2017-102, ss. 37(a), (b).)
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3. Any person who administers an opioid antagonist pursuant to subsection (d) of this section.
4. The State Health Director acting pursuant to subsection (b) of this section.
5. Any organization, or agent of the organization, that distributes an opioid antagonist pursuant to subsection (c1) of this section. (2013-23, s. 2; 2015-94, s. 3; 2016-17, s. 2; 2017-74, s. 2; 2017-102, ss. 37(a), (b).)
ITEM: Finance Committee Report

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Board. The Finance Committee meets monthly at 2:30 p.m. prior to the regular Board Meeting. This month’s report includes the draft minutes from the December 6, 2018, meeting, the Statement of Net Position, budget to actual report and ratios for the period ending December 31, 2018, and recommendations to the Board to approve all presented contracts over $250,000.

REQUEST FOR BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Chris Bostock, Committee Chair; Kelly Goodfellow, Executive Vice-President/Chief Financial Officer
AGENDA

1. Review of the Minutes – December 6, 2018

2. Monthly Financial Reports as of December 31, 2018
   a. Summary of Savings/(Loss) by Funding Source
   b. Statement of Revenue and Expenses (Budget & Actual)
   c. Senate Bill 208 Ratios
   d. DMA Contractual Ratios

3. Approval of Contract(s)

4. Quarterly Updates

5. Budget Transfer Request

6. Closed Session – The Finance Committee will hold a closed session pursuant to NC General Statute 143-318.11 (a) 1 to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of General Statutes.

7. Adjournment
APPOINTED MEMBERS PRESENT: ☒ Cynthia Binanay, MA, ☐ Chris Bostock, BSIM (Committee Chair), ☒ Gino Pazzaglini, MSW, ☒ Lascel Webley, MBA, MHA ☒ David Hancock

BOARD MEMBERS PRESENT: George Corvin, Commissioner Adams, Commissioner Carter

GUEST(S) PRESENT: Mary Hutchings, Wake County Internal Audit, Vicki Evans, Wake County Finance Director, Eddie Burke, Audit Engagement Partner Cherry Bekaert

STAFF PRESENT: Robert Robinson, CEO (LCAS); Kelly Goodfellow, Executive Vice-President/Chief Financial Officer; Sara Pacholke, Senior Vice-President/Financial Operations (CPA), Ashley Snyder, Accounting Manager

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the November 1, 2018, meeting were reviewed; a motion was made by Chair Cynthia Binanay and seconded by Mr. Gino Pazzaglini to approve the minutes. Motion passed unanimously.

AGENDA ITEMS: |
| DISCUSSION: |
| NEXT STEPS: |
| TIME FRAME: |

3. Monthly Financial Reports

The monthly financial reports were discussed which includes the Summary of Savings/(Loss) by Funding Source, the Statement of Revenue and Expenses, Senate Bill 208 Required Ratios, and DMA Contract Ratios as of October 31, 2018. Ms. Sara Pacholke discussed the monthly reports. Total net position is $101.2M. We have a loss of $11.6M year to date. A portion of this is due to large recoupments from Medicaid, which a portion of were made in error. We are working with the state to get support for the recoupments and to correct the issue on subsequent files. As of October 31, 2018, we need approximately $7.6M from fund balance to offset the state loss. The loss will continue to grow during FY19 due to legislative cuts. Alliance is meeting all SB208 and DMA contractual ratios.

4. Audit Report as of June 30, 2018

Mr. Burke went over Alliance’s audit report as of June 30th, 2018.

- Total assets as of 6/30/18 were $162.4M compared to $164.8M as of 6/30/17.
- Total liabilities as of 6/30/18 were $49.5M compared to $43.2M as of 6/30/17.
- Total net assets as of 6/30/18 were $112.9M compared to $121.5M as of 6/30/17.

Summary items:
- Clean opinion
- No adjusting journal entries or passed adjusting journal entries
- 1 single audit finding related to a report being submitted late (nonmaterial, noncompliance)
- Good internal controls
- No management letter comments
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Full cooperation with management</td>
<td>Mr. Burke answered questions from the Finance Committee members and County Commissioners.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>During the audit presentation, Mr. Pazzaglini asked Mr. Burke if other clients when receiving the audit results routinely take the opportunity to request a board members-only session to assure that every question or potential concern has been addressed without management present. Mr. Burke indicated that many do, but not all. Upon consideration, governance best practice and with general counsel involvement, the Chair and Board decided that, henceforth, receipt of the Alliance annual audits will routinely include a closed session with only Board Members and the auditor participation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Closed Session</td>
<td>The Joint meeting of the Finance Committee and County Commissioner Advisory Committee held a closed session pursuant to NC General Statute 143-318.11 (a) 6 to consider the qualifications, competence, and performance of an employee. A motion was made by Commissioner Adams and seconded by Mr. Corvin to close the meeting pursuant to NC General Statute 143-318.11 (a) 6. All staff and guests except for Eddie Burke were asked to leave. The Committee returned to open session.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **ADJOURNMENT:** next meeting will be February 7, 2019, from 2:30 p.m. to 4:00 p.m.

Respectfully Submitted by:

Sara Pacholke, SVP-Financial Operations
### Statement of Net Position - As of December 31, 2018

**ASSETS**

**Current Assets**
- Cash and cash equivalents: $34,597,927.13
- Restricted cash: 0.00
- Short term investments: 49,747,812.68
- Due from other governments: 27,265,702.57
- Accounts receivable, net of allowance for uncollectible accounts: 105,744.72
- Sales tax refund receivable: 216,846.37
- Prepaid expenses: 1,790,554.28

Total Current Assets: $113,724,587.75

**Noncurrent Assets**
- Restricted Cash: 47,315,493.89
- Other assets: 416,882.14
- Capital assets, net of accumulated depreciation: 5,293,146.37
- Deferred Outflows of Resources: 6,347,979.30

Total Other Assets: $59,373,501.70

Total Assets: $173,098,089.45

**LIABILITIES**

**Current Liabilities**
- Accounts Payable and Other Current Liabilities: 2,208,105.13
- Claims and other service liabilities: 48,666,304.42
- Unearned Revenue: 6,597,177.68
- Current portion of accrued vacation: 624,208.01
- Other Current Liabilities: 1,735,761.17

Total Current Liabilities: $59,831,556.41

**Noncurrent Liabilities**
- Net Pension Liability: 7,133,553.00
- Accrued Vacation: 1,168,450.77
- Deferred Inflows of Resources: 201,921.00

Total Long-Term Liabilities: $8,503,924.77

Total Liabilities: $68,335,481.18

**NET POSITION**

- Capital Assets at Beginning of Year: 4,409,429.01
- Restricted: 43,027,793.18
- Unrestricted: 65,498,716.79

Net Revenue over Expenses:
- Current Year Change in Net Position: ($8,173,330.71)

Total Net Position: 104,762,608.27

Total Liabilities and Net Position: $173,098,089.45
### Summary of Savings/(Loss) by Funding Source as of December 31, 2018

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Fund Balance</th>
<th>Revenue</th>
<th>Expense</th>
<th>Savings/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Waiver Services</td>
<td>$11,839,543</td>
<td>$192,262,773</td>
<td>$189,688,552</td>
<td>$2,574,221</td>
</tr>
<tr>
<td>Federal &amp; State Grants</td>
<td>$11,839,543</td>
<td>$18,165,659</td>
<td>$30,005,202</td>
<td>$(0)</td>
</tr>
<tr>
<td>Local Grants</td>
<td>$14,856,682</td>
<td>$14,856,682</td>
<td>$14,859,699</td>
<td>$(3,017)</td>
</tr>
<tr>
<td>Administrative</td>
<td>$29,240,934</td>
<td>$28,145,926</td>
<td>$1,095,009</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$11,839,543</td>
<td>$254,526,048</td>
<td>$262,699,379</td>
<td>$3,666,212</td>
</tr>
</tbody>
</table>

Less Amount from Fund Balance $(11,839,543)$

Net Savings/(Loss) $$(8,173,331)$$

### Fund Balance as of December 31, 2018

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>June 30, 2018</th>
<th>Change</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Fixed Assets</td>
<td>4,409,429</td>
<td>883,717</td>
<td>5,293,146</td>
</tr>
<tr>
<td>Restricted - Risk Reserve</td>
<td>43,027,793</td>
<td>4,287,700</td>
<td>47,315,494</td>
</tr>
<tr>
<td>Restricted - Other</td>
<td>5,856,438</td>
<td>1,151,459</td>
<td>7,007,897</td>
</tr>
<tr>
<td>Committed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative Reductions</td>
<td>25,141,196</td>
<td>(11,839,543)</td>
<td>13,301,653</td>
</tr>
<tr>
<td>Intergovernmental Transfer</td>
<td>3,007,817</td>
<td>(1,503,909)</td>
<td>1,503,909</td>
</tr>
<tr>
<td>Reinvestment</td>
<td>18,769,500</td>
<td>(872,498)</td>
<td>17,897,002</td>
</tr>
<tr>
<td>Total Committed</td>
<td>46,918,513</td>
<td>(14,215,949)</td>
<td>32,702,564</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>12,723,765</td>
<td>(280,259)</td>
<td>12,443,506</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>112,935,938</td>
<td>(8,173,331)</td>
<td>104,762,607</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Current Period</td>
<td>Q1</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------</td>
<td>----------------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Grants</td>
<td>$37,931,390.00</td>
<td>$2,174,100.99</td>
<td>$8,466,791.72</td>
</tr>
<tr>
<td>State &amp; Federal Grants</td>
<td>77,881,018.00</td>
<td>2,016,584.25</td>
<td>8,846,485.71</td>
</tr>
<tr>
<td>Medicaid Waiver Services</td>
<td>379,107,645.00</td>
<td>37,356,472.35</td>
<td>93,458,622.95</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$494,920,053.00</td>
<td>41,547,157.59</td>
<td>110,771,900.38</td>
</tr>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Administration</td>
<td>369,054.00</td>
<td>33,274.00</td>
<td>99,820.71</td>
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<tr>
<td>LME Administrative Grant</td>
<td>4,359,385.00</td>
<td>363,283.00</td>
<td>1,089,849.08</td>
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<tr>
<td>Medicaid Waiver Administration</td>
<td>55,780,727.00</td>
<td>5,099,564.68</td>
<td>12,741,941.97</td>
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<tr>
<td><strong>Miscellaneous Revenue</strong></td>
<td>885,000.00</td>
<td>104,859.12</td>
<td>309,706.87</td>
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<tr>
<td><strong>Total Administrative Revenue</strong></td>
<td>61,394,166.00</td>
<td>5,600,980.80</td>
<td>14,241,318.63</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$556,314,219.00</td>
<td>47,148,138.39</td>
<td>125,013,219.01</td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Services</td>
<td>37,931,390.00</td>
<td>2,177,117.97</td>
<td>8,472,799.62</td>
</tr>
<tr>
<td>State &amp; Federal Services</td>
<td>77,881,018.00</td>
<td>6,048,404.72</td>
<td>12,903,916.54</td>
</tr>
<tr>
<td>Medicaid Waiver Services</td>
<td>379,107,645.00</td>
<td>28,225,955.27</td>
<td>97,716,301.36</td>
</tr>
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<td><strong>Total Service Expenses</strong></td>
<td>494,920,053.00</td>
<td>36,451,477.96</td>
<td>119,093,017.52</td>
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<td><strong>Administrative</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Operational</td>
<td>7,832,123.51</td>
<td>905,635.26</td>
<td>1,974,721.02</td>
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<td>Salaries, Benefits, and Fringe</td>
<td>44,912,299.33</td>
<td>3,528,445.60</td>
<td>11,353,127.34</td>
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<tr>
<td>Professional Services</td>
<td>7,764,743.16</td>
<td>415,006.16</td>
<td>795,698.68</td>
</tr>
<tr>
<td><strong>Miscellaneous Expense</strong></td>
<td>885,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Administrative Expenses</strong></td>
<td>61,394,166.00</td>
<td>4,849,089.02</td>
<td>14,123,547.04</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$556,314,219.00</td>
<td>41,300,566.98</td>
<td>133,216,564.56</td>
</tr>
</tbody>
</table>

**CHANGE IN NET POSITION**

$5,847,571.41 ($8,203,345.55) $30,014.84 ($8,173,330.71)
Current Ratio = Compares current assets to current liabilities. Liquidity ratio that measures an organization's ability to pay short term obligations. The requirement is 1.0 or greater.

Percent Paid = Percent of clean claims paid within 30 days of receiving. The requirement is 90% or greater.
**Defensive Interval** = Cash + Current Investments divided by average daily operating expenses. This ratio shows how many days the organization can continue to pay expenses if no additional cash comes in. The requirement is 30 days or greater.

**Medical Loss Ratio (MLR)** = Total Services Expenses plus Administrative Expenses that go towards directly improving health outcomes divided by Total Medicaid Revenue. The requirement is 85% or greater cumulative for the rating period (7/1/17-6/30/18).
ITEM: Draft Minutes from the December 6, 2018, Board Meeting

DATE OF BOARD MEETING: February 7, 2019

REQUEST FOR BOARD ACTION: Approve the draft minutes from the December 6, 2018, meeting.

CEO RECOMMENDATION: Approve the minutes.

RESOURCE PERSON(S): Robert Robinson, CEO; Veronica Ingram, Executive Assistant II
MEMBERS PRESENT: ☒Glenn Adams, Cumberland County Commissioner, JD, ☒Cynthia Binanay, Chair, MA, BSN, ☐Christopher Bostock, BSIM, ☒Heidi Carter, Durham County Commissioner, MPH, MS, ☒George Corvin, Vice-Chair, MD, ☒David Curro, BS (via phone), ☐Greg Ford, Wake County Commissioner, MA, ☒Lodies Gloston, MA (entered at 4:11 pm), ☒David Hancock, MBA, MPAff, ☒Duane Holder, MPA (via phone), ☒D. Lee Jackson, BA, ☒Curtis Massey, JD (via phone; entered at 4:33 pm), ☒Donald McDonald, MSW, ☒Lynne Nelson, BS, ☒Gino Pazzaglini, MSW LFACHE, ☒Pam Silberman, JD, DrPH, ☒Lascel Webley, Jr., MBA, MHA (exited at 5:45 pm), and ☒McKinley Wooten, Jr., JD

GUEST(S) PRESENT: Eddie Burke, Cherry Bekeart, LLP; Janet Conner-Knox, A Caring Heart, Inc.; Mary Hutchings, Wake County Finance Department; Denise Foreman, Wake County Manager’s Office; and Lee Toth

ALLIANCE STAFF PRESENT: Michael Bollini, Executive Vice-President/Chief Operating Officer; Denise Dirks, Administrative Assistant II; Joey Dorsett, Senior Vice-President/Chief Information Officer; Kelly Goodfellow, Executive Vice-President/Chief Financial Officer; Amanda Graham, Senior Vice-President/Operational Effectiveness; Veronica Ingram, Executive Assistant II; Sara Pacholke, Senior Vice-President/Financial Operations; Monica Portugal, Chief Compliance Officer; Robert Robinson, Chief Executive Officer; Ashley Snyder, Accounting Manager; Sara Wilson, Director of Government Relations; Carol Wolff, General Counsel; and Doug Wright, Director of Individual and Family Affairs

1. CALL TO ORDER: Chair Cynthia Binanay called the meeting to order at 4:03 p.m.

AGENDA ITEMS: DISCUSSION:

2. Announcements

Chair Binanay welcomed new Board members, Lynne Nelson and D. Lee Jackson. She shared that both board members took their oath of office before today’s meeting.

Mr. Robinson shared information about the i2i conference, which Alliance staff, board and CFAC members attended. Additionally, he shared about the progress on Alliance’s move to a new Home Office location in Morrisville, NC which is scheduled to begin the end of December 2019.

3. Agenda Adjustments

There were no adjustments to the agenda.

4. Public Comment

There were no public comments.

5. June 30, 2018, Audit Presentation – page 5

An annual audit is a requirement of the Local Government Budget and Fiscal Control Act GS 159-34. An annual audit is also a requirement of the DHHS-DMA contract with Alliance for the Medicaid Waiver.

Eddie Burke, partner with Cherry Bekaert, LLP, presented the report. Board members clarified savings, pending funding cuts and the impact on the current and future budgets. Mr. Robinson thanked Finance staff: Ms. Goodfellow and Ms. Pacholke for their consistent good work and the work of their staff. The audit presentation is attached to and made part of these minutes.

BOARD ACTION:
The Board received the audit presentation.
### AGENDA ITEMS:

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
</tr>
</thead>
</table>
| 6. Committee Reports | A. Consumer and Family Advisory Committee – page 19  
The Alliance Consumer and Family Advisory Committee (CFAC) is composed of consumers and/or family members from Durham, Wake, Cumberland or Johnston Counties who receive mental health, intellectual/developmental disabilities or substance use/addiction services. This month’s report included draft subcommittee minutes and supporting documents from the recent Steering Committee and the Cumberland, Wake and Johnston Committee meetings.  
Dave Curro, CFAC Chair, presented the report. Mr. Curro shared about recent a CFAC meeting, and the upcoming CFAC events including the CFAC retreat. He also shared about the goal for CFAC members to attend community events each month. The CFAC report is attached to and made part of these minutes. |
|  | B. Finance Committee – page 47  
The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Area Board. This month’s report included the draft minutes from the November 1, 2018, meeting, the budget to actual report and ratios for the period ending October 31, 2018.  
David Hancock, Finance Committee member, presented the report. Mr. Hancock mentioned that expenditures exceeded revenue due to the reduction in State Single Stream funding and recoupment. There are Medicaid recoupments due to a fix the State put into the system. Alliance staff requested confirmation of that the recoupment is accurate. Staff are looking for a response form the State on details of the recoupmants and a return of a portion of the funds. All other State-mandated ratios were met. The Finance Committee report is attached to and made part of these minutes. |
| 7. Consent Agenda | A. Draft Minutes from November 1, 2018, Board Meeting – page 55  
B. By-Laws/Policy Committee Report – page 60  
C. Executive Committee Report – page 98  
D. Quality Management Committee Report – page 102  
The consent agenda was sent as part of the Board packet. There were no comments or discussion about the consent agenda, which is attached to and made part of these minutes. |
|  | BOARD ACTION  
The Board received the Finance Committee report.  
The Board received the CFAC report.  
The Board received the consent agenda. A motion was made by Mr. Wooten to adopt the consent agenda; motion seconded by Ms. Gloston. Motion passed unanimously. |
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Resolution to Formally Change the Organization’s Name to Alliance Health – page 114</td>
<td>At last month’s Board meeting, the Board unanimously approved changing the name of Alliance from “Alliance Behavioral Healthcare” to “Alliance Health”, effective July 1, 2019. The proposed resolution restates this intent, and authorizes the CEO and his designees to take all further action to effectuate the name change. Carol Wolff, General Counsel, read the resolution and shared that this item requires 75% approval. The resolution is attached to and made part of these minutes.</td>
</tr>
<tr>
<td><strong>BOARD ACTION</strong></td>
<td>A motion was made by Mr. Wooten to adopt the resolution to formally change the agency’s name to Alliance Health; motion seconded by Mr. McDonald. Motion passed unanimously.</td>
</tr>
<tr>
<td>9. Lease Agreement – page 116</td>
<td>The Board is requested to approve the Lease Agreement for 309 Crutchfield Street from Durham County and to authorize the CEO to execute the Lease Agreement. The property is the location for Durham’s crisis center, the Recovery Response Center. Alliance subleases this property to Recovery Innovations, Inc., the current provider that operates the Recovery Response Center under contract with Alliance. Per Alliance’s by-laws, this item requires 75% approval. Ms. Wolff provided an overview of this lease agreement, which is attached to and made part of these minutes. She shared that this is a longer lease term than previous lease agreements. She also shared about renovations in this location, which are expected to be completed in February 2019.</td>
</tr>
<tr>
<td><strong>BOARD ACTION</strong></td>
<td>A motion was made by Vice-Chair Corvin to approve the lease agreement and authorize the CEO to execute the lease agreement for the property at 309 Crutchfield Street, Durham; motion seconded by Mr. Wooten. Motion passed unanimously.</td>
</tr>
<tr>
<td>10. 2019 Calendar of Board/Board Committee Meetings and Locations – page 129</td>
<td>As stated in the By-laws, regular meetings of the Board shall be held at least six times each year at a location and time designated by the Board. The proposed calendar included meeting in Johnston County in February, and at the Cumberland location in August. The schedule also included the annual Budget Retreat on March 19, 2019. It does not include a scheduled meeting in January or July as these meetings have typically been cancelled. Due to a scheduling conflict with the 2019 EQR (external quality review), which is required by Alliance’s contract with the State, the March Board meeting has a proposed date of March 14, 2019. Chair Binanay reviewed the proposed schedule with the Board.</td>
</tr>
<tr>
<td><strong>BOARD ACTION</strong></td>
<td>A motion was made by Dr. Silberman to approve the 2019 calendar of Board meetings and locations pending space availability; motion seconded by Ms. Gloston. Motion passed unanimously.</td>
</tr>
<tr>
<td>11. Updates</td>
<td>A. NC Legislation: Sara Wilson, Government Relations Director, provided a legislative update including a recap of the 2018 midterm elections, a recent NC DHHS (Department of Health and Human Services) stakeholder webinar on BH I/DD (behavioral health, intellectual/disability disorder) Tailored Plans. Additionally, Ms. Wilson shared about recent MCAC (Medicaid Care Advisory Committee) subcommittee meetings and an upcoming pilot for Medicaid programs in North Carolina.</td>
</tr>
<tr>
<td><strong>BOARD ACTION</strong></td>
<td>The Board received the update.</td>
</tr>
</tbody>
</table>
AGENDA ITEMS: DISCUSSION:

B. Crisis Services in Fayetteville, NC: Mr. Robinson reminded Board members of the decision to RFP (request for proposal) crisis services in Fayetteville due to unmet aspects of the contract with the current vendor. Mr. Robinson provided an update on a meeting with him, Commissioner Adams, Mr. Holder, and the vendor, which occurred to discuss next steps with the RFP and the request by Cumberland County for the return of the facility to Cumberland County. As a result of that meeting, the building will be returned to Cumberland County so that Alliance can use this building to provide effective crisis services in Fayetteville, NC.

BOARD ACTION
The Board received the update.

12. Closed Session

BOARD ACTION
A motion was made by Vice-Chair George Corvin to enter closed session pursuant to NC § 143-318.11 (a) (3) and (a) (6) to consult with General Counsel regarding current litigation and to consider the qualifications, competence, and performance of an employee; motion seconded by Mr. McDonald. Motion passed unanimously.

The Board returned to open session.

13. Adjournment

All business was completed; the meeting adjourned at 6:01 p.m.
ITEM: Audit & Compliance Committee

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: The purpose of the Audit and Compliance Committee is to put forth a meaningful effort to review the adequacy of existing compliance systems and functions and to assist the Area Board in fulfilling its oversight responsibilities. This Committee report includes meeting minutes from the November meeting and the approved Internal Audit Charter.

REQUEST FOR AREA BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Lascel Webley, Jr., Audit & Compliance Committee Chair; Monica Portugal, Chief Compliance Officer
1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the May 23, 2018, meeting were reviewed; a motion was made by Mr. Chris Bostock and seconded by Chair Cynthia Binanay to approve the minutes. Motion passed.

<table>
<thead>
<tr>
<th>AGENDA ITEMS</th>
<th>DISCUSSION</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.  Board Member Conflict of Interest</td>
<td>All Board Member conflict has been resolved.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.  Annual Review of Compliance Policies</td>
<td>All Compliance Policies had been distributed prior to the meeting. There were no proposed changes to any of the policies.</td>
<td>Policies will go to the December Board for approval as submitted by the Policy Committee</td>
<td>12/6/18</td>
</tr>
<tr>
<td>5.  Internal Audit Charter</td>
<td>Review and brief discussion of proposed Charter. A motion was made by Mr. Chris Bostock and seconded by Chair Binanay to approve the Charter as recommended. Motion passed.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.  Internal Audit: Administrative Contracts</td>
<td>Staff reviewed the scope, methodology and results of the internal audit. Committee discussed and provided direction to the process, findings, management’s response and next steps and requested a review of the action plan at the next meeting.</td>
<td>Action plan will be presented at the next meeting</td>
<td>2/27/19</td>
</tr>
<tr>
<td>7.  Annual Risk Assessment</td>
<td>Staff reviewed the purpose, methodology and results of this year’s assessment. Committee provided feedback and discussed the highest ranked risk and type of risk the Board is willing to accept vs. risk that should be prioritized on the work plan.</td>
<td>Committee will review a proposed work plan at the next meeting</td>
<td>2/27/19</td>
</tr>
</tbody>
</table>

8. ADJOURNMENT: next meeting will be February 27, 2019, from 3:00 p.m. to 4:00 p.m.

Respectfully Submitted by:
INTERNAL AUDIT CHARTER

Purpose and Mission

The purpose of Alliance Behavioral Healthcare's (Alliance) internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve Alliance’s operations.

According to the International Standards for the Professional Practice of Internal Auditing (Standards), assurance services “involve the internal auditor’s objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process, system or other subject matters”. The Standards define consulting services as “advisory in nature and are generally performed at the specific request of an engagement client.” The nature and scope of assurance engagements are determined by the auditor, while the nature and scope of consulting engagements are subject to agreement with the client.

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit activity helps Alliance accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

The internal audit activity is owned and performed by the Office of Compliance and governs itself by adherence to the mandatory elements of The Institute of Internal Auditors’ International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Chief Compliance Officer reports periodically to leadership and the Audit and Compliance Committee regarding the internal audit activity’s conformance to the Code of Ethics and the Standards.

Authority

The Chief Compliance Officer reports functionally to the Board of Directors (Board) and administratively (i.e., day-to-day operations) to the Chief Executive Officer. To establish, maintain, and assure that Alliance’s internal audit activity has sufficient authority to fulfill its duties, the Board will:

- Approve the internal audit activity’s charter.
- Approve the risk-based internal audit plan.
- Receive communications from the Chief Compliance Officer on the internal audit activity’s performance relative to its plan and other matters.
• Make appropriate inquiries of leadership and the Chief Compliance Officer to determine whether there is inappropriate scope or resource limitations.

The Chief Compliance Officer will have unrestricted access to, and communicate and interact directly with, the Board, including in private meetings without management present.

The Board authorizes the internal audit activity to:

• Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
• Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
• Obtain assistance from the necessary personnel of Alliance, as well as other specialized services from within or outside Alliance, in order to complete the engagement.

**Independence and Objectivity**

The Chief Compliance Officer will ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Compliance Officer determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

• Assessing specific operations for which they had responsibility within the previous year.
• Performing any operational duties for Alliance or its affiliates.
• Initiating or approving transactions external to the internal audit activity.
• Directing the activities of any Alliance employee not employed by the internal audit activity/Office of Compliance, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Chief Compliance Officer has or is expected to have roles and/or responsibilities that
fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Chief Compliance Officer will confirm to the Board, at least annually, the organizational independence of the internal audit activity.

The Chief Compliance Officer will disclose to the Board any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

**Scope of Internal Audit Activities**

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Alliance. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Alliance’s strategic objectives are appropriately identified and managed.
- The actions of Alliance’s officers, directors, employees, and contractors are in compliance with internal policies and procedures, as well as applicable laws, regulations, contracts, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Alliance.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Chief Compliance Officer will report periodically to leadership and the Board regarding:
• The internal audit activity’s purpose, authority, and responsibility.
• The internal audit activity’s plan and performance relative to its plan.
• The internal audit activity’s conformance with The IIA’s Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
• Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board.
• Results of audit engagements or other activities.
• Resource requirements.
• Any response to risk by management that may be unacceptable to Alliance.

The Chief Compliance Officer also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit activity does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

**Responsibility**

The *Standards* apply to individual auditors and the internal audit activity as a whole. All internal auditors must adhere to the relevant performance standards associated with their job responsibilities, individual objectivity, competency, and due professional care. The Chief Compliance Officer is additionally accountable for the internal audit activity’s overall conformance with the *Standards*.

The internal audit activity must evaluate and contribute to the improvement of Alliance’s governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Ways in which this may be carried out include:

• Assessing and making appropriate recommendations to improve Alliance’s governance processes.
• Evaluating risk exposures.
• Evaluating the potential for the occurrence of fraud and how the organization manages fraud risk.
• Assisting Alliance in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

The Chief Compliance Officer has the responsibility to:

• Submit, at least annually, to leadership and the Board a risk-based internal audit plan for review and approval.
• Communicate to leadership and the Board the impact of resource limitations on the
internal audit plan.

- Review and adjust the internal audit plan, as necessary, in response to changes in Alliance’s business, risks, operations, programs, systems, and controls.
- Communicate to leadership and the Board any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to leadership and the Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit activity collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact Alliance are considered and communicated to leadership and the Board as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit activity.
- Ensure adherence to Alliance’s relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to leadership and the Board.
- Ensure conformance of the internal audit activity with the Standards, with the following qualifications:
  - If the internal audit activity is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Compliance Officer will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
  - If the Standards are used in conjunction with requirements issued by the NC Department of Health and Human Services or other authoritative bodies, the Chief Compliance Officer will ensure that the internal audit activity conforms with the Standards, even if the internal audit activity also conforms with the more restrictive requirements as referenced above.

**Quality Assurance and Improvement Program**

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity’s conformance with the Standards and an evaluation of whether internal auditors apply The IIA’s Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.
The Chief Compliance Officer will communicate to leadership and the Board on the internal audit activity’s quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Alliance.

Approval/Signatures

_______________________________________   _____________________
Chief Compliance Officer Date

_______________________________________   _____________________
Board Chair Date

_______________________________________   ______________________
Chief Executive Officer         Date
**ITEM:** County Commissioners Advisory Board Report

**DATE OF BOARD MEETING:** February 7, 2019

**BACKGROUND:** As stated in Alliance’s by-laws, the County Commissioner Advisory Board’s duties include serving as the chief advisory board to the area authority and to the director of the area authority on matters pertaining to the delivery of services for individuals with mental illness, intellectual or other developmental disabilities and substance abuse disorders in the catchment area. The County Commissioner Advisory Board met jointly with the Board Finance Committee on December 6, 2018. The draft minutes from this meeting are attached.

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

**CEO RECOMMENDATION:** Accept the report.

**RESOURCE PERSON(S):** Robert Robinson, CEO; Denise Dirks, Administrative Assistant
WELCOME AND INTRODUCTIONS

1. REVIEW OF THE MINUTES – The minutes from the November 1, 2018, meeting were reviewed; a motion was made by Chair Cynthia Binanay and seconded by Mr. Gino Pazzaglini to approve the minutes. Motion passed unanimously.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
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<tbody>
<tr>
<td>3. Monthly Financial Reports</td>
<td>The monthly financial reports were discussed which includes the Summary of Savings/(Loss) by Funding Source, the Statement of Revenue and Expenses, Senate Bill 208 Required Ratios, and DMA Contract Ratios as of October 31, 2018. Ms. Sara Pacholke discussed the monthly reports. Total net position is $101.2M. We have a loss of $11.6M year to date. A portion of this is due to large recoupments from Medicaid, which a portion of were made in error. We are working with the state to get support for the recoupments and to correct the issue on subsequent files. As of October 31, 2018, we need approximately $7.6M from fund balance to offset the state loss. The loss will continue to grow during FY19 due to legislative cuts. Alliance is meeting all SB208 and DMA contractual ratios.</td>
<td></td>
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<tr>
<td></td>
<td>• Total assets as of 6/30/18 were $162.4M compared to $164.8M as of 6/30/17.</td>
<td></td>
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<tr>
<td></td>
<td>• Total liabilities as of 6/30/18 were $49.5M compared to $43.2M as of 6/30/17.</td>
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<tr>
<td></td>
<td>• Total net assets as of 6/30/18 were $112.9M compared to $121.5M as of 6/30/17.</td>
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<tr>
<td></td>
<td>Summary items:</td>
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<tr>
<td></td>
<td>• Clean opinion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No adjusting journal entries or passed adjusting journal entries</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• 1 single audit finding related to a report being submitted late (nonmaterial, noncompliance)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Good internal controls</td>
<td></td>
<td></td>
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</tbody>
</table>
AGENDA ITEMS: | DISCUSSION: | NEXT STEPS: | TIME FRAME: |
---|---|---|---|
• No management letter comments  
• Full cooperation with management  
Mr. Burke answered questions from the Finance Committee members and County Commissioners.

During the audit presentation, Mr. Pazzaglini asked Mr. Burke if other clients when receiving the audit results routinely take the opportunity to request a board members-only session to assure that every question or potential concern has been addressed without management present. Mr. Burke indicated that many do, but not all. Upon consideration, governance best practice and with general counsel involvement, the Chair and Board decided that, henceforth, receipt of the Alliance annual audits will routinely include a closed session with only Board Members and the auditor participation.

5. Closed Session  
The Joint meeting of the Finance Committee and County Commissioner Advisory Committee held a closed session pursuant to NC General Statute 143-318.11 (a) 6 to consider the qualifications, competence, and performance of an employee. A motion was made by Commissioner Adams and seconded by Mr. Corvin to close the meeting pursuant to NC General Statute 143-318.11 (a) 6. All staff and guests except for Eddie Burke were asked to leave.

6. ADJOURNMENT: next meeting will be February 7, 2019, from 2:30 p.m. to 4:00 p.m.

Respectfully Submitted by:

Sara Pacholke, SVP-Financial Operations
ITEM: Executive Committee Report

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: The Executive Committee sets the agenda for Board meetings and acts in lieu of the Board between meetings. Actions by the Executive Committee are reported to the full Board at the next scheduled meeting. Draft minutes from the January 15, 2019, meeting are attached.

REQUEST FOR BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Cynthia Binanay, Board Chair; Robert Robinson, CEO; and Veronica Ingram, Executive Assistant II
APPOINTED MEMBERS PRESENT: ☒Cynthia Binanay, MA (Board Chair); ☒Christopher Bostock, BSIM (Previous Board Chair, Finance Committee Chair); ☒George Corvin, MD (Board Vice-Chair); ☒Dave Curro, BS (Quality Management Committee Chair) (via phone); ☒Lodies Gloston, MA (Policy Committee Chair) (via phone); ☒Donald McDonald, MSW (Network Development and Services Committee Chair); ☒Lascel Webley, Jr., MBA, MHA (Audit and Compliance Committee Chair); and ☒McKinley Wooten, Jr., JD (Human Rights Committee Chair) (via phone; entered at 4:28 pm)

APPOINTED, NON-VOTING BOARD MEMBERS PRESENT: Gino Pazzaglini

BOARD MEMBERS PRESENT: David Hancock (exited at 5:52 p.m.)

STAFF PRESENT: Kelly Goodfellow, Executive Vice-President/Chief Financial Officer; Veronica Ingram, Executive Assistant II; Brian Perkins, Senior Vice-President/Strategy & Government Relations; Robert Robinson, CEO; Sara Wilson, Government Relations Director; and Carol Wolff, General Counsel

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES – The minutes from the November 20, 2018, Executive Committee meeting were reviewed; a motion was made by Mr. Christopher Bostock and seconded by Vice-Chair George Corvin to approve the minutes. Motion passed unanimously.

3. Updates

   a) LEGISLATIVE UPDATE & LEGISLATIVE PRIORITIES: Mr. Perkins and Ms. Wilson reviewed the legislative priorities; they are attached and added to these minutes.

   COMMITTEE ACTION:
   A motion was made by Mr. McKinley Wooten and seconded by Mr. Christopher Bostock to forward a recommendation to the Board to approve the legislative priorities. Motion passed unanimously.

   b) CHANGES TO DURHAM CRISIS FACILITY: Ms. Goodfellow updated the board about current use of this facility, which includes the facility being accessed by non-Durham County residents including action by another NC MCO to forward non Durham residents to this facility, including those with private insurance. This action minimizes availability for persons in Durham County and Alliance’s catchment area.

   COMMITTEE ACTION:
   The Committee received the update.

   COMMITTEE ACTION:
   The Committee received the update.

   a) Topic will be presented at the February Board meeting.
   b) None specified.
   c) None specified.
   d) None specified.
   e) Topic will be presented at the February Board meeting.
   f) Topic will be presented at the February Board meeting.

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
Tuesday, January 15, 2019

AGENDA ITEMS: | DISCUSSION: | NEXT STEPS: | TIME FRAME:
--- | --- | --- | ---
c) MARCH 2019 BOARD MEETING: Chair Binanay shared that the March Board meeting will now be March 7.

**COMMITTEE ACTION:**
The Committee received the update.
d) BOARD VACANCIES: Chair Binanay shared that there are two vacancies on the board. She mentioned that one application was received and interest was shown regarding the remaining seat.

**COMMITTEE ACTION:**
The Committee received the update.
e) WAKE CRISIS FACILITY: Mr. Robinson shared about the previous decision to sell this facility due to funding cuts mandated by the NC General Assembly. He mentioned that Wake County is interested in supporting the opening of this facility and is partnering with Alliance to find alternatives in a time-sensitive manner. The recommendation is to postpone selling the building until the Wake County option is exhausted.

**COMMITTEE ACTION:**
The Committee received the update.
f) CHILD CRISIS FACILITY: Ms. Wolff provided an update including a meeting at 7:00 pm on January 15, 2019. She also shared about the December and January public hearings. The last meeting will be February 4, 2019, when the Fuquay-Varina Town Council will vote on the zoning request.

**COMMITTEE ACTION:**
The Committee received the update.

4. February 7, 2019, Area Board Draft Agenda
The Committee reviewed the draft agenda and provided input. Ms. Ingram will forward the draft agenda to staff. 1/16/19

5. Closed Session
**COMMITTEE ACTION:**
A motion was made by Mr. McKinley Wooten and seconded by Vice-Chair George Corvin to enter closed session pursuant to NC § 143-318.11 (a) (3) to consult with General Counsel regarding current litigation. Motion passed unanimously.

The Committee returned to open session. 12/6/18

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
6. **ADJOURNMENT:** the next Committee meeting will be February 19, 2019, at 4:00 p.m.

Respectfully Submitted by:

Robert Robinson, CEO

Date Approved

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
ITEM: Human Rights Committee Report

DATE OF BOARD MEETING: February 7, 2019

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. Draft minutes for the January 10, 2019 meeting are attached.

REQUEST FOR BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): McKinley Wooten, Committee Chair; Doug Wright, Director of Individual and Family Affairs; Todd Parker, QM Incident and Grievance Manager
APPOINTED MEMBERS PRESENT: ☒Lodies Gloston, MA, Board member, ☒Sally Hunter, ☒Curtis Massey, JD, Board member, ☐Donald McDonald, MSW, Board member, ☒Dr. Michael Teague, ☒Patricia Wells, ☒Ira Wolfe, ☒McKinley Wooten, Jr., JD, Board member (Committee Chair)

APPOINTED, NON-VOTING MEMBERS PRESENT:
BOARD MEMBERS PRESENT: Cynthia Binanay
GUEST(S) PRESENT: Doug Wright, Director of Community and Member Engagement, Star Davis, Noah Swabe, Matthew Ruppel, Todd Parker

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES - The minutes from the October 11, 2018, meeting were reviewed; a motion was made by Lodies Gloston and seconded by Sally Hunter to approve the minutes. Motion passed unanimously.

<table>
<thead>
<tr>
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<td>3. Incidents and Grievances</td>
<td>Todd Parker presented grievance and incident reports attached. Although the numbers appear somewhat consistent, members would like additional information or understanding of the process and actual examples of issues resolved without violating HIPPA protocol. In the area of grievances Todd was ask to bring back a couple of issues that ended up in a corrective action and walk the group through the process. A member also ask that we give a little more detail on confirmed grievances against Alliance, again a walk-through of how that may be dealt with.</td>
<td>Do some additional analysis and reports based on feedback from members.</td>
<td>4/11/2019</td>
</tr>
</tbody>
</table>

Dr. Michael Teague noted that it was good to see reporting of incidents and grievances in Johnston County, a historical challenge that had been addressed before.

Confirmation was given that we report this information to the state on a quarterly basis.
<table>
<thead>
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<tbody>
<tr>
<td>4. Compliance</td>
<td>Matt Ruppel went through the attached presentation on investigations. He gave detailed examples of what would trigger investigations or concerns, how communication might occur back and forth between Quality Management and Investigations. He explained types of resolutions that occur as well as the training and technical assistance that is done to educate staff and providers.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5. Community Health and Well Being</td>
<td>Community Relations name change and reorganization. Doug reviewed the attached presentation on the reorganization of Community Relations and its name change to Community Health and Well-Being. Reviewed the organization chart and put names to the roles. Discussed how the reorganization relates to tailored plans and to Alliance Complete Care.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

6. **ADJOURNMENT**: The meeting adjourned at 5:30pm, the next meeting will be April 11, 2019 from 4:00 p.m. to 5:30 p.m.

Respectfully Submitted by:

Doug Wright

Click here to enter text. Date Approved
FY2018

- 600 Reports were entered in to NC-IRIS for 412 ABH members
- 376 reports involved Children, 219 involved adults
- 29 fewer reports were submitted during the 1st quarter of FY19 than in the 4th quarter of FY18.

LEVELS
- 512 Level 2 reports (42 fewer than Q4)
- 88 Level 3 (13 more than Q4)
Level 2 reports decreased by 42 in the 1st quarter of FY19
Level 3 reports increased by 13 in the 1st quarter of FY19
Incident Levels by County

Wake County submitted the largest number of Level 2 (297) and Level 3 (47) reports in the 1st quarter of FY19
Adults vs. Children (By Quarter)

- 63% of reports submitted in Q1 FY19 were for Children
- 37% of reports submitted in Q1 FY19 were for Adults
509 incident reports involving MH/SUD members were submitted during the 1st quarter of FY19.

- Reports represented 42 different service types.
- The top 3 MH/SUD services with incidents are represented above:
  - Psychiatric Residential Treatment Facilities (26% of MH/SUD incident reports)
  - High Risk Intervention Level III Residential Services (11% of MH/SUD incident reports)
  - Intensive In-Home Services (11% of MH/SUD incident reports)
Q1 FY19 Incidents by Service Type – IDD

- 91 incident reports involving IDD members were submitted during the 1st quarter of FY19
- Reports represented 12 different service types.
- The top 3 service categories represented are:
  - Intermediate Care Facility – MR (27% of IDD reports)
  - .5600 C: Supervised Living for Adults with IDD (26% of IDD reports)
  - Residential Supports Level 4 (13% of IDD reports)
Level 2 & 3 Incident Definitions

• Level 2 incident categories and behaviors
  • Consumer Death – Terminal Illness or Natural Cause
  • Restrictive Intervention – Emergency/Unplanned use or planned use that has exceeded authorized limits
  • Consumer Injuries – Any injury that requires treatment by a licensed health professional
  • Allegations of Abuse – Any allegations of abuse, neglect or exploitation including domestic violence
  • Medication Errors – Any error that threatens the consumer’s health or safety
  • Consumer Behavior – Suicidal behavior, sexual behavior (exhibited by the consumer), consumer act (involves aggressive, destructive or illegal act that results in a report to law enforcement that is potentially harmful to the consumer or others), consumer absence (greater than 3 hours over what is specified in the consumer’s plan or requires police contact)
  • Other – Suspension, Expulsion and Fire

• Level 3 incident categories and behaviors – all are categorized as any that results in permanent physical or psychological impairment or if there is perceived to be a significant danger to the community
  • Death – Suicide, Accident, Homicide, Unknown, Opioid
  • Restrictive Intervention
  • Consumer Injury
  • Abuse/Neglect/Exploitation – includes all sexual assaults
  • Medication Error
  • Behavior
  • Other
1Q FY19 Complaint Analysis

QM Quality Assurance
Overview

• 1Q FY19 yielded 134 entries
• 5 were regarding ABH
• Topics discussed in this report:
  • Nature of Issue
  • Source
  • Service Breakdown
  • ABH Concerns
  • Actions Taken For Confirmed Issues
  • Resolution Status
Nature of Issue
(Top 3)

- **60 (45%) - Quality of Services:** Ranges from issues of providers not returning phone calls to services not being in line with state guidelines

- **29 (22%) – Access to Services:** Members not being able to engage in services due to barriers within the provider’s control (management of members’ appointments, linkage to appropriate services, transportation, etc.)

- **12 (9%) – Abuse, Neglect, Exploitation:** An allegation that a member has been abused, neglected or exploited.
Source – who submitted the concern?

- Member: 43
- MCO Staff: 41
- Guardian: 29
MH/SUD Service Breakdown
(Top 4)

- **54 (40%) Enhanced**: More intensive services requiring prior authorization. (Intensive In-Home, Residential, Intensive Outpatient, etc.)

- **34 (25%) Basic**: Services not requiring prior authorization. (Outpatient Therapy, Clinical Intake, etc.)

- **12 (9%) Substance Use Disorders**: Outpatient and Residential Substance Use services

- **11 (8%) Crisis**: Mobile, Facility-Based, and Inpatient crisis services
MH/SUD Services

(Top 3 Services)

- Residential: 27
- Outpatient Services: 17
- ACTT: 16
I/DD Service Breakdown

- **NC Innovations Waiver Services**: 9
- **Respite**: 2
- **Intermediate Care Facilities (ICF)**: 1
- **Community Guide**: 1
ABH Complaints

- 5 entries involved ABH
  - 0 were confirmed
  - 2 were nonissues
    (Alliance was operating within guidelines of policies)
  - 3 were for tracking
    (Alliance uses data to determine if a pattern or trend is established)
Actions Taken For Confirmed Issues

23 of 134 entries (17%) were confirmed issues and resulted in the following actions:

*Corrective actions initiated by providers range from the development and implementation of policies and procedures to training/retraining agency staff related to the nature of the complaint.*
Resolution Status

Complaints were resolved in the following time frames:

<table>
<thead>
<tr>
<th>Resolution Status</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>94</td>
</tr>
<tr>
<td>16-30</td>
<td>40</td>
</tr>
<tr>
<td>30+</td>
<td>0</td>
</tr>
</tbody>
</table>

*The State requires all complaints to be resolved in 30 days or less*
<table>
<thead>
<tr>
<th>Reporting Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuse, Neglect and Exploitation</td>
<td>Any allegation regarding the abuse, neglect and/or exploitation of a child or adult as defined in APSM 95-2 (Client Rights Rules in Community Mental Health)</td>
</tr>
<tr>
<td>Access to Services</td>
<td>Access to Services as any complaint where an individual is reporting that he/she has not been able to obtain services</td>
</tr>
<tr>
<td>Administrative Issues</td>
<td>Any complaint regarding a Provider’s managerial or organizational issues, deadlines, payroll, staffing, facilities, etc.</td>
</tr>
<tr>
<td>Authorization/Payment Issues/Billing PROVIDER ONLY</td>
<td>Any complaint regarding the payment/financial arrangement, insurance, and/or billing practices regarding providers</td>
</tr>
<tr>
<td>Basic Needs</td>
<td>Any complaint regarding the ability to obtain food, shelter, support, SSI, medication, transportation, etc.</td>
</tr>
<tr>
<td>Clients Rights</td>
<td>Any allegation regarding the violation of the rights of any consumer of mental health/developmental disabilities/substance abuse services. Clients Rights include the rights and privileges as defined in General Statutes 122C and APSM 95 -2 (Client Rights Rules in Community Mental Health)</td>
</tr>
<tr>
<td>Confidentiality/HIPAA</td>
<td>Any breach of a consumer’s confidentiality and/or HIPAA regulations.</td>
</tr>
<tr>
<td>LME/MCO Functions</td>
<td>Any complaint regarding LME functions such as Governance/ Administration, Care Coordination, Utilization Management, Customer Services, etc.</td>
</tr>
<tr>
<td>LME/MCO Authorization/ Payment/Billing</td>
<td>Any complaint regarding the payment/financial arrangement, insurance, and/or billing practices of the LME/MCO</td>
</tr>
<tr>
<td>Provider Choice</td>
<td>Complaint that a consumer or legally responsible person was not given information regarding available service providers.</td>
</tr>
<tr>
<td>Quality of Care – PROVIDER ONLY</td>
<td>Any complaint regarding inappropriate and/or inadequate provision of services, customer services and services including medication issues regarding the administration or prescribing of medication, including the wrong time, side effects, overmedication, refills, etc.</td>
</tr>
<tr>
<td>Service Coordination between Providers</td>
<td>Any complaint regarding the ability of providers to coordinate services in the best interest of the consumer.</td>
</tr>
<tr>
<td>Other</td>
<td>Any complaint that does not fit the above areas.</td>
</tr>
</tbody>
</table>
Special Investigations Unit

• Responsible for identification, detection, and prevention of fraud, waste, and abuse in the provider network
  • Data Analytics
  • Hotline
  • Member Surveys
  • Investigation
  • Training/Education
Special Investigations Unit

• Embedded in the Office of Compliance

• Director of Program Integrity
  • Certified Fraud Examiner

• Special Investigations Supervisor
  • Accredited Healthcare Fraud Investigator

• Special Investigators
  • 2 Licensed Clinical Social Workers
  • 1 Licensed Professional Counselor/Certified Fraud Examiner
Special Investigations Unit

- Disposition of cases
  - No action
  - Grievance/Complaint
  - Technical Assistance
  - Compliance Committee
  - Division of Health Benefits Office of Compliance and Program Integrity
Special Investigations Unit

- FY18
  - 146 cases opened
  - 67 investigations initiated
  - 16 referrals to the DHB Office of Compliance and Program Integrity
Provider Actions/Sanctions

• Provider compliance issues are submitted for review by the Corporate Compliance Committee (CCC)

• The CCC may issue actions and/or sanctions against the provider

• The provider has the right to request reconsideration of the CCC decision
Provider Actions/Sanctions

- Actions/Sanctions were issued to 150 providers* in FY18 (based on issue date)
  - 13 Warning/Educational Letters
  - 82 Plans of Correction
  - 6 Probations
  - 99 Recoupments
  - 1 Recredentialing Denial
  - 1 Network Suspension
  - 4 Referral Suspensions
  - 3 Contract Terminations/Non-Renewals

- SIU cases resulted in actions/sanctions against 11 providers
Questions?

Presented by
Matt Ruppel, MSW, CFE
Director of Program Integrity
Office of Compliance
ITEM: Network Development and Services Committee Report

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: This month’s report includes minutes from the November 14, 2018, meeting. Committee voted to accept minutes from the July 11, 2018 meeting. Accepted Provider Network Policies: PN-1, PN-2, PN-3, PN-5 as presented. The Committee received a presentation on the Network Adequacy and Accessibility Analysis facilitated by Dr. Carlyle Johnson, Director of Provider Network Strategic Initiatives. The Committee will hold future discussions on ways to obtain greater levels of member input during the gaps and needs assessment process.

REQUEST FOR AREA BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Donald McDonald, Committee Chair; Sean Schreiber, Senior Vice-President/Provider Network and Evaluation
APPOINTED MEMBERS PRESENT: ☒ Heidi Carter, M.P.H., M.S., ☐ George Corvin, M.D.; ☒ Donald McDonald (Committee Chair) ☐ Marilyn Avila; ☒ Sally Hunter
BOARD MEMBERS PRESENT: Cynthia Binney, Board Chair
GUEST(S) PRESENT: Yvonne French, DMH Liaison
STAFF PRESENT: Sean Schreiber; Carlyle Johnson, Director of Provider Networks Strategic Initiatives

WELCOME AND INTRODUCTIONS

1. REVIEW OF THE MINUTES – The minutes from the July 11, 2018, meeting were reviewed; a motion was made by Mr. McDonald and seconded by Commissioner Carter to approve the minutes. Motion passed unanimously.

The September 12, 2018 meeting of the committee did not have a quorum so there are no minutes from that meeting.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
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<tbody>
<tr>
<td>2. Presentation on Network Adequacy and Accessibility analysis</td>
<td>The results of the Network Adequacy and Accessibility analysis were presented by Dr. Johnson. Service gaps are more pronounced on the state funded services side, which is a function of limited funds and ongoing funding cuts. Social determinants remain a prominent theme with lack of affordable housing and transportation seen as some of the top gaps in the system. The analysis would benefit from a greater level of member feedback.</td>
<td>Committee will discuss ways to obtain greater member input at a future meeting</td>
<td></td>
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<tr>
<td>3. Approval of Provider Network Policies</td>
<td>Provider Network policies were reviewed and accepted by the committee with no recommended changes. Motion to accept policies as presented was made by Mr. McDonald and seconded by Commissioner Carter. Motion passed unanimously.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Next Meeting

Discuss ways to solicit a greater level of member input into the next Adequacy and Accessibility analysis

4. ADJOURNMENT: next meeting will be January 9, 2019, from 4:00 p.m. to 5:00 p.m.

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
ITEM: Complete Care Model

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: Alliance is implementing a population health model called Alliance Complete Care to more effectively support and manage the populations we serve, achieve better health outcomes, and prepare for the transition to a tailored plan in Medicaid reform. The model utilizes data analytics to risk stratify populations and takes a comprehensive care approach to incorporate effective interventions, engagement and self-management strategies, physical health, and social determinants of health. The model envisions creating multi-disciplinary teams responsible for implementing this population management model.

REQUEST FOR AREA BOARD ACTION: Accept the presentation.

CEO RECOMMENDATION: Accept the presentation.

RESOURCE PERSON(S): Beth Melcher; Executive Vice-President/Care Management Division
ITEM: Annual Compliance Report

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: The Alliance compliance program is designed to deter and mitigate risk to the organization through prevention, detection and remediation activities. It is intended that the scope of all compliance activities promotes integrity, ensures objectivity, fosters trust and supports the stated values of Alliance Behavioral Healthcare. In accordance with contractual obligations and federal regulations, Alliance shall have an effective compliance program with reasonable oversight by the governing board; understanding the scope and operations of the compliance program. The Board approved Corporate Compliance Plan states that a report of compliance efforts will be presented annually to the Alliance Behavioral Healthcare Area Board.

REQUEST FOR AREA BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Lascel Webley, Jr., Audit & Compliance Committee Chair; Monica Portugal, Chief Compliance Officer
**ITEM:** Sale of Property Located at 3309 Durham Drive, Raleigh

**DATE OF BOARD MEETING:** February 7, 2019

**BACKGROUND:** On September 21, 2016, Alliance purchased the property located at 3309 Durham Drive in Raleigh for the purpose of opening an additional adult crisis facility. Due to financial constraints and inability to sustain the services long term, the project did not proceed as planned. After due consideration of alternative options, it is recommended that Alliance cancel the plans for the crisis facility at this location and sell the property. The Board is therefore requested to authorize the CEO to take the necessary actions to market and sell the property. The final offer will be brought back to the Board for approval at a later regular meeting.

**REQUEST FOR AREA BOARD ACTION:** Approve the proposal.

**CEO RECOMMENDATION:** Approve the proposal.

**RESOURCE PERSON(S):** Robert Robinson, CEO; Kelly Goodfellow, Executive Vice-President/Chief Financial Officer
ITEM: Legislative Priorities

DATE OF BOARD MEETING: February 7, 2019

BACKGROUND: Review of Alliance Health’s 2019 legislative priorities

REQUEST FOR AREA BOARD ACTION: Approve the proposal.

CEO RECOMMENDATION: Approve the proposal.

RESOURCE PERSON(S): Brian Perkins, Senior Vice-President, Strategy and Government Relations