March 26, 2020

NOTICE REGARDING ALLIANCE BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

Taking into consideration the CDC, NC Department of Health and Human Services, and our local government's recommendations on social distancing and measures taken across our catchment area to include travel bans, school closures, quarantines, and event cancellations, Alliance is taking the following measures until further notice.

In line with the locally declared State of Emergency here in Wake County, there will be no public attendance at Alliance public meetings.

- Public comment will be taken digitally on all items, with the following guidelines:
  - (1) any public comment must be sent in by 5 p.m. the day before the meeting to this address VIngram@AllianceHealthPlan.org or by calling (919) 651-8466 and leaving a voicemail
  - (2) must state which agenda item you are commenting on, or if it is for informal discussion; and
  - (3) must be no more than 350 words.

- All Alliance Board members will participate in this meeting by phone, including any votes.

These mitigation efforts are in line with Durham and Wake County’s amended State of Emergency orders on and about March 25, 2020, and the nation’s effort to slow the spread of the virus and allow us to better address COVID-19’s impact on this state.

This is a temporary measure for the health and safety of everyone, as we collectively work through social distancing techniques and stay-at-home orders to prevent the spread of COVID-19.

Beginning on April 2, 2020, all Alliance Board meetings as well as Board Committee meetings will be held electronically only. Board members, participants and members of the public will be able to participate via electronic means only.

Please be aware that this guidance could change, as this is a rapidly evolving national and local health emergency.

Here is information to participate in the Alliance Board meeting on Thursday, August 6, 2020 at 4:00 pm:

- To participate via smart phone, computer or tablet, please register for this meeting
- To improve audio quality for all participants, please mute your device when you are not speaking
AGENDA

1. Call to Order/Roll Call
2. Agenda Adjustments
3. Public Comments (5 minutes)
4. Chair Report (10 minutes)
5. CEO Report (15 minutes)
6. Sale of Property (10 minutes) – page 4
   The Board is requested to consider and approve an offer to purchase 3309 Durham Drive in Raleigh and delegate to the Executive Committee and the CEO to complete the sale of this property. This topic requires a supermajority approval.

   **CEO Recommendation**
   Approve the proposal.

7. Consent Agenda (5 minutes)
   A. Draft Minutes from June 4, 2020, Board Meeting – page 15
   B. Client Rights/Human Rights Committee Report – page 22
   C. Quality Management Committee Report – page 85

   **CEO Recommendation**
   Approve the minutes; receive the reports.

8. Committee Reports
   A. Consumer and Family Advisory Committee (5 minutes) – page 91
      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 includes the annual CFAC report.

   B. Finance Committee (10 minutes) – page 104
      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 includes draft minutes from the June 4, 2020, meeting, the Summary of Savings/(Loss) by Funding Source and ratios for the period ending May 31, 2020 and recommendations to the Board to approve all presented contracts over $500,000.

   B. Executive Committee (5 minutes) – page 113
      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. This month’s report includes approved minutes from the June 15, 2020 meeting and draft minutes and supporting document(s) from the July 20, 2020, meeting, notably recommended revisions to the Code of Ethics.

   **CEO Recommendation**
   Receive the reports. Review and consider any recommendations for approval.
9. **Closed Session (30 minutes)**
   The Board will hold a closed session pursuant to NC General Statute 143-318.11 (a) (1) and (a) (3) to prevent the disclosure of information that is confidential and not a public record under NCGS 122C-126.1 and to consult with or give instructions to an attorney in order to preserve the attorney-client privilege.

10. **Reconvene Open Session**

11. **Special Updates/Presentations**
   A. **COVID-19 Update (5 minutes) – page 119**
      Alliance staff will provide an update on the agency’s efforts to continue operations and to coordinate care for the people Alliance serves while maintaining staff and community safety. Mehul Mankad, MD, Chief Medical Officer, will provide the update.

   B. **DSS (Department of Social Services) Proposal (20 minutes) – page 120**
      Working with DSS partners, Alliance has identified a group of youth with complex needs for whom there are gaps in services and supports. Alliance has identified a continuum of services and is creating partnerships with providers and DSS to implement a plan to address the needs of these youth. Beth Melcher, Ph.D., Senior Director of Clinical Innovation, will present the proposal.

   **CEO Recommendation**
   Receive the updates/presentations.

12. **Adjournment**

   *Next Meeting: Thursday, September 3, 2020*
   *Alliance Health, 5200 W. Paramount Parkway, Suite 200, Morrisville, NC 27560*
ITEM:  Sale of 3309 Durham Drive, Raleigh

DATE OF BOARD MEETING:  August 6, 2020

BACKGROUND:  The Board is requested to (i) consider and approve an offer to purchase 3309 Durham Drive in Raleigh and (ii) delegate to the Executive Committee and the CEO to complete the sale of this property.  Alliance purchased this property in 2016 with the intent to renovate it for an Adult Crisis Facility.  Due to the continued State single stream cuts, the Board made the decision in February 2019 to market and sell the property.  We have recently received an offer for the property.  The Buyer is Wolfpack Family, LLC (located in NC), for a sale price of $1,700,000 cash, with a deposit of $17,000 refundable until the expiration of the due diligence period.  The due diligence period is 45 days from approval by the Board.  Closing will take place no later than 30 days after the expiration of the due diligence period, approximately October 21, 2020.  This action requires a supermajority vote.

REQUEST FOR AREA BOARD ACTION:  The Board is requested to (i) accept the offer to purchase 3309 Durham Drive, Raleigh from Wolfpack Family, LLC as set forth in the Purchase Agreement and to authorize the CEO to take the necessary legal actions to close the sale, including execution of the Purchase Agreement and closing documents and (ii) waive the Bylaws and delegate to the Board Executive Committee to take any further action necessary to sell this property in the event this sale does not close, without further action by the Board.

CEO RECOMMENDATION:  Accept the proposal.

RESOURCE PERSON(S):  Carol Wolff, General Counsel; and Kelly Goodfellow, Executive Vice-President/Chief Financial Officer
AGREEMENT FOR PURCHASE AND SALE OF IMPROVED REAL PROPERTY

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between

Wolfpack Family LLC or Assigns, a(n) NC LLC ("Buyer"), and

Alliance Health, a political subdivision of the State of North Carolina ("Seller").

(individual or State of formation and type of entity)

(Note: If the Buyer or Seller is an entity, in order to form a binding agreement and complete a transaction, the entities listed as Buyer or Seller in this Agreement should be validly formed and in good standing with the Secretary of State in the State of formation of the entity.)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 3309 Durham Dr, Raleigh, NC 27603

☑ Plat Reference: Lot(s) , Block or Section , as shown on Plat Book or Slide at Page(s) , County, consisting of acres.

☐ If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference,

(For information purposes: (i) the tax parcel number of the Property is: ; and, (ii) some or all of the Property, consisting of approximately acres, is described in Deed Book , Page No. , County.)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on Exhibit A.

$ 1,700,000.00 (b) "Purchase Price" shall mean the sum of One Million, Seven Hundred Thousand Dollars, payable on the following terms:

$ 17,000.00 (i) "Earnest Money" shall mean Seventeen Thousand Dollars or terms as follows:

The Earnest Money shall be deposited in escrow with Manning Fulton & Skinner, PA (name of person/entity with whom deposited- "Escrow Agent") within five (5) calendar days of the Contract Date, to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein. Should Buyer fail to deliver the Earnest Money by the date required hereunder, or should any check or other funds paid by Buyer be dishonored, for any reason, by the

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Realtor® North Carolina Association of REALTORS® Inc.

Buyer Initials Seller Initials

This form jointly approved by:
North Carolina Bar Association

STANDARD FORM 580-T
Revised 7/2020
© 7/2020
Rich Commercial Realty, LLC, 3221 Wake Forest Road, Suite 105 Raleigh NC 27602
Michelle Goede
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Phone: (919) 821-7880 Fax: Alliance Purchase
the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice of such dishonor to deliver cash, official bank check, wire transfer or electronic transfer to the Escrow Agent. If Buyer fails to deliver the required funds within one (1) banking day after written notice, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received acknowledgement by Escrow Agent of its receipt of funds from Buyer. If the Escrow Agent has not delivered to the Seller the acknowledgement of Earnest Money on the last page of this Agreement by the calendar day following the date the Earnest Money is required to be delivered hereunder, it shall be presumed that the Earnest Money was not delivered by the required time (unless, upon the written request of Seller, Escrow Agent can provide proof of its receipt of the Earnest Money by the required time). Buyer and Seller consent to the disclosure by the Escrow Agent, to the parties to this Agreement, the Broker(s) and any Buyer lender, of any material facts pertaining to the Earnest Money.

X ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

☐ ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: ______________________)

☐ ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

$ ______________________

(ii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of Dollars being payable over a term of __ years, with an amortization period of ___ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of __________ percent (___ %) per annum in the amount of $ ______________, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

$ ______________________

(iii) Assumption of that unpaid obligation of Seller secured by a deed of trust on the Property, such obligation having an outstanding principal balance of $ ______________ and evidenced by a note bearing interest at the rate of ______________ percent (___ %) per annum, and a current payment amount of $ ______________.

$ 1,683,000.00

(iv) Cash, balance of Purchase Price, at Closing in the amount of One Million, Six Hundred Eighty-Three Thousand Dollars.

Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of any loan Buyer intends to obtain in connection with the transaction contemplated by this Agreement. (Note: Buyer's obligations under this Agreement are not conditioned upon obtaining or closing any loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Examination Period allows sufficient time for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.)

(c) "Closing" shall mean the date of completion of the process detailed in Section 11 of this Agreement. Closing shall occur on or before __________ or 30 Days from expiration of examination period.

Buyer Initials ___________________ Seller Initials ___________________
(d) "Contract Date" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "Examination Period" shall mean the period beginning on the first day after the Contract Date and extending through 5:00pm (based upon time at the locale of the Property) on Forty-Five (45) days following the date Buyer receives notice from Seller of its Board Approval of this Contract.

**TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.**

(f) "Broker(s)" shall mean:

Rich Commercial Realty, LLC ("Listing Agency"),

- Bo Hargrove ("Listing Agent" - License # )
- Acting as: [ ] Seller's Agent; [ ] Dual Agent

and

- Property Resources ("Selling Agency"),
- Patrick Gatewood ("Selling Agent" - License # 275868)
- Acting as: [ ] Buyer's Agent; [ ] Seller's (Sub) Agent; [ ] Dual Agent

(g) "Seller's Notice Address" shall be as follows:

5200 W. Paramount Pkwy, Suite 200
Morrisville, NC 27560

- e-mail address: 
- fax number: 

except as same may be changed pursuant to Section 12.

(h) "Buyer's Notice Address" shall be as follows:

2475 Wendell Blvd
Wendell, NC 27591-6903

- e-mail address: dwatson@specon.net
- fax number: 

except as same may be changed pursuant to Section 12.

(i) If this block is marked, additional terms of this Agreement are set forth on Exhibit B attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)

(j) If this block is marked, additional terms of this Agreement are set forth on the Additional Provisions Addendum (Form 581-T) attached hereto and incorporated herein by reference.

(k) If this block is marked, additional terms of this Agreement are set forth on the Back Up Agreement Addendum (Form 581A-T) attached hereto and incorporated herein by reference.

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached Exhibit B, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, except tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, any fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration; any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Agreement other than those fees required to be paid by Buyer in this Section 3 below, and the following:

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Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement, charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, any costs or charges for determining restrictive covenant compliance, and the following:

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Each party shall pay its own attorney's fees.
Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer, as soon as reasonably possible after the Contract Date, copies of all material information relevant to the Property in the possession of Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all hard copy materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Buyer's request, following release of the Earnest Money, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof. Notwithstanding the above provisions regarding delivery and return of information and documentation, should there exist a separate non-disclosure, confidentiality, or similar agreement between Buyer and Seller, the terms of which conflict with this provision insofar as delivery and return of information and documentation, then the terms of such non-disclosure, confidentiality, or similar agreement shall control as to the delivery and return of information and documentation.

Section 5. Evidence of Title: Seller agrees to convey fee simple insurable title to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (as defined in Section 7, if applicable) and (c) specific instruments on the public record at the Contract Date agreed to by Buyer (not objected to by Buyer prior to the end of the Examination Period), which specific instruments shall be enumerated in the deed referenced in Section 11 (items 5(a), 5(b) and 5(c) being collectively “Permitted Exceptions”); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on Exhibit A) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) Qualification for Assumption: The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described in Section 1(b)(iii) above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _______________. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, time being of the essence. If Buyer delivers such notice, this Agreement shall be null and void, and the Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived this condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including any assumption fee charged by the lender. At or before Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller, including, but not limited to: any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited at Closing.

(b) Title Examination: After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(c) Same Condition: If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.
(d) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, conducting timber cruises, and surveying the Property; provided, however, that Buyer shall not conduct any invasive testing of any nature without the prior express written approval of Seller as to each specific invasive test intended to be conducted by Buyer. Buyer shall conduct all such on-site inspections, examinations, testing, timber cruises and surveying of the Property in a good and workmanlike manner, at Buyer's expense, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours Seller's or any tenant's business is open to the public. Buyer shall provide Seller or any tenant (as applicable) reasonable advance notice of and Buyer shall cause its agents or representatives and third party service providers (e.g. inspectors, surveyors, etc.) to give reasonable advance notice of any entry onto the Property. Buyer shall be obligated to observe and comply with any terms of any tenant lease which conditions access to such tenant's space at the Property. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law, and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself and its agents or representatives in exercising its rights under this Section 6(d) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Except as provided in Section 6(b) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

Section 7. Leases (Check one of the following, as applicable):

- [x] If this box is checked, Seller affirmsatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

- [ ] If this box is checked, Seller discloses that there are one or more leases affecting the Property ("Leases") and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on Exhibit B. Seller represents and warrants, that as of the Contract Date, there are no other Leases, oral or written, recorded or not, nor any subleases affecting the Property, except as set forth on Exhibit B;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 4 as if the Leases were listed therein;

(c) Seller represents and warrants that as of the Contract Date, there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 4. Seller agrees not to commit a Lease Default as Landlord after the Contract Date; and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.

(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease). Seller agrees to deliver an assignment of any Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. The assignment shall provide: (i) that Seller shall defend, indemnify and hold Buyer harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Buyer which are caused by or the result of any default by Seller under any Lease prior to the date of Closing, and (ii) that Buyer shall defend, indemnify and hold Seller harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Seller which are caused by or the result of any default by Buyer under any Lease after the date of Closing.

(e) Seller also agrees to work diligently to obtain any tenant signatures on any estoppel certificates in such form as Buyer may reasonably request and to work diligently to obtain any subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.
Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to: those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any condition hereunder is not satisfied, then the Earnest Money shall be refunded to Buyer. In the event of breach of this Agreement by Seller, the Earnest Money shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Agreement by Buyer, the Earnest Money shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Section 6(d) or Section 22 of this Agreement. It is acknowledged by the parties that payment of the Earnest Money to Seller in the event of a breach of this Agreement by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money held in escrow, a licensed real estate broker is required by state law (and Escrow Agent, if not a broker, hereby agrees) to retain the Earnest Money in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a broker or an attorney licensed to practice law in North Carolina is holding the Earnest Money, the broker or attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

Seller and Buyer hereby agree and acknowledge that the Escrow Agent assumes no liability in connection with the holding of the Earnest Money pursuant hereto except for negligence or willful misconduct of Escrow Agent. Escrow Agent shall not be responsible for the validity, correctness or genuineness of any document or notice referred to under this Agreement. Seller and Buyer hereby agree to indemnify, protect, save and hold harmless Escrow Agent and its successors, assigns and agents pursuant to this Agreement, from any and all liabilities, obligations, losses, damages, claims, actions, suits, costs or expenses (including attorney fees) of whatsoever kind or nature imposed on, incurred by or asserted against Escrow Agent which in any way relate to or arise out of the execution and delivery of this Agreement and any action taken hereunder; provided, however, that Seller and Buyer shall have no such obligation to indemnify, save and hold harmless Escrow Agent for any liability incurred by, imposed upon or established against it as a result of Escrow Agent's negligence or willful misconduct.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a special warranty deed unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personal property listed on Exhibit A, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall cause to be delivered the funds necessary to pay to Seller the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until the Buyer's attorney's (or other designated settlement agent's) receipt of authorization to disburse all necessary funds.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing (which shall include electronic mail) and shall be deemed to have been properly given and received (i) on the date delivered in person or (ii) the date deposited in the United States mail,
registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith, (iii) at such time as the sender performs the final act to send such transmission, in a form capable of being processed by the receiving party's system, to any electronic mail address or facsimile number, if any, provided in Section 1(g) as to Seller, and in Section 1(h) as to Buyer or (iv) on the date deposited with a recognized overnight delivery service, addressed to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith. If a notice is sent by more than one method, it will be deemed received upon the earlier of the dates of receipt pursuant to this Section.

Section 13. Counterparts; Entire Agreement: This Agreement may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Agreement may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that notice given in accordance with Section 12 is not required for effective communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) Seller Knowledge/Assessments: Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any):

Note: For purposes of this Agreement: (i) a "special assessment" is defined as a charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property; a special assessment may be either pending or confirmed; (ii) a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether, at the time of Closing, it is payable in a lump sum or future installments; (iii) a "pending" special assessment is defined as an assessment that is under formal consideration by a governmental agency or an owners' association but which has not been approved prior to Closing. Seller shall pay, in full at Closing, all confirmed governmental or association special assessments, provided that the amount thereof can be reasonably determined or estimated. The payment of such determined or estimated amount shall be the final payment between Buyer and Seller as to any confirmed special assessments. If the amount of any special assessment cannot be reasonably determined or estimated, the special assessment shall be deemed a pending special assessment. Buyer shall take title subject to all pending special assessments disclosed by Seller herein, if any.

(b) Compliance: To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

(c) Owners' Association: If the Property is subject to regulation by an owners' association, Seller shall deliver the following information to Buyer pursuant to Section 4 as if the same were listed therein (or Seller shall state that Seller does not have same in their possession or that such item is not applicable): (i) the name of the owners' association; (ii) the amount of regular assessments (dues); (iii) the name, address and telephone number of the president of the owners' association or of the association manager or management
company; (iv) the owners' association website address; (v) the Seller's statement of account; (vi) the master insurance policy showing the coverage provided and the deductible amount; (vii) copies of any Declaration and/or Restrictive Covenants; (viii) the Rules and Regulations, (ix) the Articles of Incorporation and Bylaws of the owners' association; (x) the current financial statement and budget of the owners' association; (xi) the parking restrictions and information; and (xii) the architectural guidelines. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the foregoing items affecting the Property, including any amendments thereto.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party. Notwithstanding the foregoing, Seller's agreement is subject to the approval of Seller's Board of Directors ("Board Approval").

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys' fees and court costs incurred in connection with the proceeding.

☐EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determinations with respect to conditions related to or occasioned by the existence of such materials at the Property.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.
WIRE FRAUD WARNING

To Buyers: Before sending any wire, you should call the closing agent's office to verify the instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed fraudulent. Do not send any funds and contact the closing agent's office immediately.

To Sellers: If your proceeds will be wired, it is recommended that you provide wiring instructions at closing in writing in the presence of the closing agent. If you are unable to attend closing, you may be required to send an original notarized directive to the closing agent's office containing the wiring instructions. This directive may be sent with the deed, lien waiver and tax forms if those documents are being prepared for you by the closing agent. At a minimum, you should call the closing agent's office to provide the wire instructions. The wire instructions should be verified over the telephone via a call to you initiated by the closing agent's office to ensure that they are not from a fraudulent source.

Whether you are a buyer or a seller, you should call the closing agent's office at a number that is independently obtained. To ensure that your contact is legitimate, you should not rely on a phone number in an email from the closing agent's office, your real estate agent or anyone else.

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

(Name of Escrow Agent)
Date: __________________________ By: __________________________

Escrow Agent's contact/notice information is as follows:

E-mail address: __________________________ Fax number: __________________________
except as same may be changed pursuant to Section 12.

Page 9 of 9
Exhibit B

The following language shall be added to the end of Section 21: Notwithstanding the foregoing, Seller’s agreement is subject to the approval of Seller’s Board of Directors.
ITEM: Draft Minutes from the June 4, 2020, Board Meeting

DATE OF BOARD MEETING: August 6, 2020

REQUEST FOR BOARD ACTION: Approve the draft minutes from the June 4, 2020, meeting.

CEO RECOMMENDATION: Approve the minutes.

RESOURCE PERSON(S): Gino Pazzaglini, Board Chair; Robert Robinson, CEO
MEMBERS PRESENT: ☒Glenn Adams, Cumberland County Commissioner, JD, ☒Jennifer Anderson, MHSA, ☒Tony Braswell, Johnston County Commissioner, ☒Heidi Carter, Durham County Commissioner, MPH, MS, ☒David Curro, BS, ☒Angela Diaz, MBA, ☒Greg Ford, Wake County Commissioner, MA, ☒Lodies Gloston, MA, ☒David Hancock, MBA, MPAff, ☒Duane Holder, MPA, ☒D. Lee Jackson, BA, ☒Donald McDonald, MSW, ☒Lynne Nelson, BS, ☒Gino Pazzaglini, Board Vice-Chair, MSW LFACHE, ☒Pam Silberman, JD, DrPH, ☒McKinley Wooten, Jr., JD; ☐(vacancy representing Cumberland County; ☐(vacancy representing Durham County); ☐(vacancy representing Durham County); and ☐(vacancy representing Wake County)

GUEST(S) PRESENT: Denise Foreman, Wake County Manager’s office; Yvonne French, NC DHHS/DMH (Department of Health and Human Services/Division of Mental Health, Developmental Disabilities and Substance Abuse Services); Mary Hutchings, Wake County Finance Department;

ALLIANCE STAFF PRESENT: Brandon Alexander, Communications and Marketing Specialist II; Damali Alston, Director of Network Evaluation; Michael Bollini, Executive Vice-President/Chief Operating Officer; Joey Dorsett, Senior Vice-President/Chief Information Officer; Doug Fuller, Director of Communications; Kelly Goodfellow, Executive Vice-President/Chief Financial Officer; Terrasine Gardner, Engagement Manager; Cheala Garland-Downey, Executive Vice-President/Chief Human Resources Officer; Veronica Ingram, Executive Assistant II; Mehul Mankad, Chief Medical Officer; Sara Pacholke, Senior Vice-President/Financial Operations; Brian Perkins, Senior Vice-President/Strategy and Government Relations; Monica Portugal, Chief Compliance Officer; Robert Robinson, Chief Executive Officer; Sean Schreiber, Executive Vice-President/Network and Community Health; Tammy Thomas, Senior Director of Project Portfolio Management; Sara Wilson, Senior Director of Government Relations; Carol Wolff, General Counsel; and Doug Wright, Director of Community and Member Engagement

1. CALL TO ORDER: Vice-Chair Gino Pazzaglini called the meeting to order at 4:03 p.m.

AGENDA ITEMS:  

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<th>DISCUSSION:</th>
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<tr>
<td>2. Announcements</td>
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<tr>
<td>A. BOARD MEMBER TERMS: Vice-Chair Pazzaglini shared Alliance’s process of board members continuing to serve as we await reappointment from respective boards of county commissioners.</td>
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<td>B. MOMENT OF SILENCE: Vice-Chair Pazzaglini asked for a moment of silence. Mr. Robinson read a statement on behalf of Vice-Chair Pazzaglini and himself; it can be found at <a href="https://www.alliancehealthplan.org/general-news-announcements/a-public-statement-from-the-leadership-of-alliance-health/">https://www.alliancehealthplan.org/general-news-announcements/a-public-statement-from-the-leadership-of-alliance-health/</a>. Vice-Chair Pazzaglini reviewed the purpose of the agency’s Code of Ethics, which is part of the governance policies approved by the Board and is a requirement for employment; it is reviewed and re-attested annually by all staff. Vice-Chair Pazzaglini recommended revising the Code of Ethics to include additional language related to the agency’s support for diversity and inclusion; the revisions will be reviewed and approved by the Board.</td>
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<td>C. NO JULY MEETING: Vice-Chair Pazzaglini reminded board members that there is no board meeting in July.</td>
</tr>
<tr>
<td>D. LAUNCH OF ONLINE SCREENING TOOL: Mr. Robinson announced this tool (<a href="https://www.alliancehealthplan.org/consumers-families/take-a-screening-2">https://www.alliancehealthplan.org/consumers-families/take-a-screening-2</a>) is designed to help people determine if they or a loved one would like to connect with a behavioral health professional.</td>
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3. Agenda Adjustments  
There were no adjustments to the agenda.

4. Public Comment  
There were no public comments.
**AGENDA ITEMS:**

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<tr>
<th>5. Committee Reports</th>
<th>DISCUSSION:</th>
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<tr>
<td>A. Consumer and Family Advisory Committee – page 4</td>
<td>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 minutes and supporting documents from the Johnston, Durham, Wake, and Steering Committee meetings. Dave Curro, CFAC Chair, presented the report. Mr. Curro shared that CFAC members have maintained contact throughout the COVID-19 pandemic; each CFAC subcommittee reviewed the quarterly Human Rights Committee report; members attended Alliance virtual resource fairs and a virtual statewide CFAC legislative day. He also shared that Jason Phipps will be the FY (Fiscal Year) 2020-2021 CFAC chair. Mr. Curro shared a request from a CFAC member regarding the number of Alliance members who have contracted COVID-19 and how has COVID19 affected the suicide rate. The CFAC report is attached to and made part of these minutes.</td>
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<tr>
<td>B. Finance Committee – page 90</td>
<td>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 May 7, 2020, meeting, the Summary of Savings/(Loss) by Funding Source and ratios for the period ending April 30, 2020, and recommendations to the Board to approve all presented contracts over $500,000. David Hancock, Committee Chair, presented the report. Mr. Hancock shared that revenues exceeded expenditures and all state and contractual ratios were met. The Finance Committee report is attached to and made part of these minutes.</td>
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<tr>
<td>C. Audit and Compliance Committee Report – page 100</td>
<td>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 Board of Directors in fulfilling its oversight responsibilities. This month’s report included minutes from its December and May meetings and proposed revisions to the Corporate Compliance Plan reviewed by the Committee on May 27, 2020. Dave Curro, Audit and Compliance Committee Chair, presented a recommendation from the Audit and Compliance Committee, which was also presented to the Executive Committee.</td>
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**BOARD ACTION**

A motion was made by Mr. Hancock to approve the FY2019-2020 budget amendment 1; motion seconded by Mr. Curro. Motion passed unanimously.

A motion was made by Ms. Gloston to support the Audit and Compliance Committee’s recommendation to competitively bid auditor services every five years, starting FY2020-2021; motion seconded by Ms. Diaz. Motion passed unanimously.
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<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
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</table>
| 6. Consent Agenda | A. Draft Minutes from May 7, 2020, Board Meeting – page 122  
B. Executive Committee Report – page 127  
C. Network Development and Services Committee Report – page 130  
D. Quality Management Committee Report – page 132  
E. FY21 HR Classification and Grade Plan – page 137  
The consent agenda was sent as part of the Board packet; it is attached to and made part of these minutes. Board members discussed the FY21 HR Classification and Grade Plan including progress of the current market study and the timing of future updates to the board. |
| 7. Training/Presentation(s) | A. COVID-19 Update – page 147  
Alliance staff provided an update on the agency’s efforts to continue operations and to coordinate care for the people Alliance serves while maintaining staff and community safety; the update included how the agency is addressing the impact on providers and any changes in federal or state legislation.  
Mr. Robinson shared that the majority of staff continue working from home and a gradual re-entry plan is being developed. Staff working within the community will resume doing so June 16, 2020. Staff will continue working from home and meetings or trainings with more than ten attendees are suspended until September 2020.  
Mehul Mankad, Chief Medical Officer, provided an epidemiological update for North Carolina. He shared an updated on the number of cases and deaths, which may impact the governor’s implementation of the next phase to open NC. Dr. Mankad also responded to board members questions and shared that suicide rates do not indicated an increase at this time.  
Mr. Holder shared an update from an opioid coalition in Cumberland County; their data indicates an increase in overdoses in April 2020, which may be attributable to COVID-19.  
Sean Schreiber, Executive Vice-President/Network and Community Health, reviewed Alliance’s support of providers who directly provide care and continue member contact, including Alliance staff and providers supporting county shelters for members experiencing homelessness. He reviewed additional efforts to continue supporting providers.  
Brian Perkins, Senior Vice-President/Strategy and Government Relations, reviewed factors impacting the NC state budget process and how NC will utilize the remaining Federal CARES Act funding. The COVID-19 presentation is saved as part of the Board’s files. |
| BOARD ACTION | A motion was made by Mr. Curro to approve the minutes and adopt the consent agenda; motion seconded by Mr. McDonald. Motion passed unanimously.  
B. FY (Fiscal Year) 2020-2021 Public Hearing and Approved Budget – page 148 |
**AGENDA ITEMS:**

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<td>Per GS (General Statute) 159-12 (b), a public hearing was held to allow any persons who wish to be heard on the FY2020-2021 (FY21) budget. Vice-Chair Pazzaglini provided an additional opportunity for members of the public to speak on the FY21 budget; there were no speakers.</td>
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**BOARD ACTION**
A motion was made by Ms. Nelson to motion to close the public hearing on the FY21 budget; motion seconded by Mr. Curro. Motion passed unanimously.

The FY 21 budget was presented to the Board for approval and adoption per GS 159-13. Per Alliance’s by-laws, this item requires a super-majority approval. Kelly Goodfellow, Executive Vice-President/Chief Financial Officer, presented the budget. She expressed gratitude to county partners for continuing to support services for the people Alliance services, in spite of reduced revenue due to COVID-19 restrictions.

Ms. Goodfellow reviewed the Medicaid budget including the current PMPM (per member, per month) Medicaid rate, risk corridor, the new target treatment ratio, and the agency’s current Medicaid loss ratio or MLR. Additionally, Ms. Goodfellow reviewed the non-Medicaid budget including the base benefit plan and use of community funds. The FY21 budget presentation is saved as part of the Board's files.

**BOARD ACTION**
A motion was made by Dr. Silberman to approve the FY21 budget; motion seconded by Ms. Anderson. Motion passed unanimously.

Ms. Goodfellow reviewed the current reinvestment plan, including an overview for FY21 and the legislative requirement to submit this plan to the State. The presentation of the FY21 budget and reinvestment plan is saved as part of the Board’s files.

**BOARD ACTION**
A motion was made by Mr. Wooten to approve the submission of the three-year reinvestment plan to the NC Department of Health and Human Services; motion seconded by Ms. Nelson. Motion passed unanimously.

**C. Annual Compliance Report – page 149**
The Alliance compliance program is designed to deter and mitigate risk to the organization through prevention, detection and remediation activities. 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.

Monica Portugal, Chief Compliance Officer, reviewed the agency’s compliance program including its initial creation and approval by the Board, and implementation which includes risk-based efforts, staff trainings, and internal/external audits and monitoring. The presentation of the annual compliance report is saved as part of the Board’s files.

**BOARD ACTION**
A motion was made by Mr. Curro to approve the compliance plan; motion seconded by Ms. Nelson. Motion passed unanimously.
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| 8. Election of FY 2020-2021 Board Officers – page 150 | As stated in Article II, Section D of the by-laws, at each final regular Board meeting of the fiscal year, the officers of the Board of Directors shall be elected for a one-year term to begin July 1. The officers of the Board of Directors include Chairperson and Vice-Chairperson. 

Vice-Chair Pazzaglini opened the floor and accepted nominations for FY21 Board Chair.

**BOARD ACTION**
A motion was made by Dr. Silberman to nominate Gino Pazzaglini as FY21 Board Chair. There were no other nominations.

A motion was made by Mr. Wooten to close nominations and elect Gino Pazzaglini as FY21 Board Chair; motion seconded by Mr. McDonald. Motion passed unanimously.

Vice-Chair Pazzaglini opened the floor and accepted nominations for FY21 Board Vice-Chair.

**BOARD ACTION**
A motion was made by Mr. McDonald to close nominations and elect Lynne Nelson as FY21 Board Vice-Chair; motion seconded by Dr. Silberman. Motion passed unanimously.

Vice-Chair Pazzaglini and Ms. Nelson expressed gratitude for the opportunity to serve as FY21 Board officers.

9. Chair’s Report | Vice-Chair Pazzaglini shared that the Executive Committee is recommending Lee Jackson’s reappointment.

**BOARD ACTION**
A motion was made by Mr. Holder to recommend to the Johnston Board of County Commissioners the reappointment of Lee Jackson to Alliance’s Board; motion seconded by Ms. Nelson. Motion passed unanimously.

Vice-Chair Pazzaglini reviewed upcoming board meetings.

**BOARD ACTION**
A motion was made by Mr. Holder to convene a special board meeting on Monday, June 29 at 8:00 am pending confirmation from CEO and staff; motion seconded by Ms. Diaz. Motion passed unanimously.

Vice-Chair Pazzaglini reviewed the agency’s practice of meeting in county locations, which will be adjusted due to current public health guidelines; he recommended postponing meetings in community locations.

**BOARD ACTION**
A motion was made by Mr. Wooten to hold the August meeting virtually and postpone meeting in community locations until feasible to do so per public health guidelines; motion seconded by Mr. Curro. Motion passed unanimously.
AREA BOARD REGULAR MEETING  
Thursday, June 04, 2020  
(virtual meeting via videoconference)  
4:00-6:00 p.m.

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<th>AGENDA ITEMS:</th>
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| 10. Closed Session(s) | **BOARD ACTION**  
A motion was made by Mr. Wooten to enter closed session pursuant to NC §143-318.11 (a) (1), (a) (3), and (a) (6) to prevent the disclosure of information that is confidential and not a public record under NCGS 122C-126.1; to consult with, consider or give instructions to an attorney in order to preserve the attorney-client privilege; and to consider the qualifications, competence, and performance of an employee; motion seconded by Mr. Curro. Motion passed unanimously.  
The Board returned to open session. |
| 11. Adjournment | All business was completed; the meeting adjourned at 7:33 p.m. |

**Next Board Meeting**  
Thursday, August 06, 2020  
4:00 – 6:00 pm  

Minutes approved by Board on [Click or tap to enter a date].
ITEM: Client Rights/Human Rights Committee Report

DATE OF BOARD MEETING: August 6, 2020

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 July 9, 2020, meeting are attached.

REQUEST FOR BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Angela Diaz, Committee Chair; Doug Wright, Director of Community and Member Engagement
Thursday, July 09, 2020

BOARD HUMAN RIGHTS COMMITTEE - REGULAR MEETING
Virtual Meeting Via Videoconference
4:00 p.m. – 5:30 p.m.

APPOINTED MEMBERS PRESENT: ☐ Lodies Gloston, MA, Board Member, ☒ Sally Hunter, ☐ Donald McDonald, MSW, Board Member, ☒ Dr. Michael Teague, ☒ Patricia Wells, ☒ Ira Wolfe, ☐ McKinley Wooten, Jr., JD, Board member, ☒ Lynne Nelson (Committee Chair)

APPOINTED, NON-VOTING MEMBERS PRESENT:

BOARD MEMBERS PRESENT:

GUEST(S) PRESENT:

STAFF PRESENT: Doug Wright, Director of Community and Member Engagement, Ramona Branch, Member Engagement Specialist, Starlett Davis, Member Engagement Specialist, Noah Swabe, Member Engagement Specialist, Todd Parker, QM, Incident & Grievance Manager

1. WELCOME AND INTRODUCTIONS

2. REVIEW OF THE MINUTES - The minutes from the April 9, 2020, meeting were reviewed; a motion was made by Patricia Wells and seconded by Ira Wolfe 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>
</table>
| 3. Grievance Review | Todd Parker, QM, Incident & Grievance Manager presented on the Q3 statistics for Grievances:  
  - 84 (40%) Grievance Members –Legal Guardians  
  - 98 (47%) Internal Employee Concerns –Alliance Staff  
  - 25 (12%) External Stakeholder Concerns -Outside entities  
  - 3 (1%) Compliments  
  Quality of services account for 26% of complaints/grievances, and 83% of administrative issues were internal concerns.  
  Human Rights Complaints:  
  - 4- Confidentiality & HIPAA  
  - 7- Client Rights  
  - 24- Abuse/Neglect/Exploitation  
  The majority of these complaints are from residential services including innovations, followed by psychiatric services and crisis inpatient. | Ongoing | |
| 4. Incident Review | Todd Parker, QM, Incident & Grievance Manager presented on the Q3 statistics for incidents: | | |

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
<table>
<thead>
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<th>AGENDA ITEMS:</th>
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</tr>
</thead>
<tbody>
<tr>
<td>5. Human Rights Charter</td>
<td>Wake County continues to have the highest percentages of incidences, followed by Durham, Cumberland, and Johnston, with the lowest. Most incidences that were reported occurred in PRTF (Psychiatric Residential Treatment Facility) and IIH (Intensive in Home) services.</td>
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<td>96% restrictive interventions were from physical restraints. 42 deaths were reported and it was asked to see if the committee could get information on substantiated cases. 40% of the deaths reported were due to unknown causes.</td>
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<td></td>
<td>Review Charter: Doug went over the Human Rights Charter and reviewed with the members. He stated that the Charter needed to be updated according to the By-Laws. There are (2) items that need to be edited. 1- The meetings are not currently being held at the Alliance Corporate office, they are being held via teleconference. This will be edited to reflect the changes due to COVID. 2- The membership statement needs to be edited to match the by-laws.</td>
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<td></td>
<td>Lynne Nelson motioned to approve the changes, and it was seconded by Sara Hunter. Motion passed.</td>
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<tr>
<td></td>
<td>Term Limits for Non-Board Members: Doug went over the term limits that are stated in the Charter: The Area Board Chairperson shall appoint a Human Rights Committee consisting of twelve (12) voting members, six (6) of whom are not Area Board members or employees of the Area Authority or its Provider Network, and at least three (3) Area Board members, preferably one from each county constituting Alliance Behavioral Healthcare. One Board member shall be designated the Chairperson of the Human Rights Committee by the Area Board Chairperson. The Human Rights Committee shall include disability representation that reflects the clients served and at least fifty (50) percent of the membership shall consist of individuals who</td>
<td>Doug will make the necessary changes on the document.</td>
<td></td>
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</tbody>
</table>

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date.
are either consumers or family members. Efforts shall be made to include representation that reflects differences in the population of the counties that constitute Alliance Behavioral Healthcare. Efforts will also be made to include at least one member from any county with which Alliance Behavioral Healthcare has entered into an inter-local agreement. Absence from three (3) meetings without notification to the Chairperson during a 12 month period may be grounds for resignation from the Committee. The Human Rights Committee Chairperson shall notify the Area Board Chair, who shall make the final decision regarding the resignation.

6. Advanced Directives

Policy, procedure, and training: Doug went over Advance Directives and educated the group on what they are, when they are used, and how they are documented.

The policy statement on Advance Directives are as follows:

It is the policy of Alliance to distribute written information regarding Advance Directives and Advanced Instructions for Mental Health Treatment policies to adult Members, including a description of applicable State and Federal laws. Written information regarding Advance Directives and Advanced Instructions shall cover the following topics:

1. Member rights under State law;
2. Alliance policies respecting the implementation of those rights, including a statement of any limitation regarding the implementation of Advance Directives and Instructions as a matter of conscience;
3. Information on the Advance Directive and Instructions policies of Alliance; and
4. The Member’s right to file a grievance with the State Certification and Survey Agency or the Division of MH/IDD/SA Services concerning any alleged noncompliance with the Advance Directive or Instructions laws.

Procedure:
<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Future agenda items</td>
<td>None</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Alliance will distribute written information regarding Advance Directives and Advance Instructions policies to adult Enrollees, including a description of applicable State and Federal laws as outlined in Medicaid Special Bulletin on Advance Directives, May 1999 (See Attachment X) or found at the NC Medicaid website at: https://medicaid.ncdhhs.gov/documents/advanced-directives

1. Alliance’s written information regarding Advance Directives and Instructions shall cover the following topics:
   a. Enrollee rights under State law;
   b. Alliance’s policies respecting the implementation of those rights, including a statement of any limitation regarding the implementation of Advance Directives and Instructions as a matter of conscience;
   c. Information on the Advance Directives and Instructions policies of Alliance; and
   d. The Enrollee’s right to file a grievance with the State Certification and Survey Agency concerning any alleged noncompliance with the Advance Directives and Instructions laws

2. As specified in 42 CFR 438.6(i), the written information provided by Alliance shall reflect changes in State law as soon as possible, but no later than 90 days after the effective date of the change.

3. Written information as delineated above will be included in the Alliance Individual and Family Guide, which is available on the Alliance website, www.alliancehealthplan.org or can be sent to the Enrollee upon request.

4. Alliance Care Coordination will assure that Enrollees who require care coordination have received the required information regarding Advance Directives and Instructions.

5. Care Coordination will provide technical assistance to providers and community resources regarding Advance Directives and Instructions.

This policy needs to be reviewed annually by the HRC and if they feel that something needs to be changed, they can make recommendations to Rob Robinson, CEO, Alliance Health.
8. **ADJOURNMENT: 5pm**: The next meeting will be October 8, 2020 from 4:00 p.m. to 5:30 p.m.

Respectfully Submitted by:

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Click here to enter text. Date Approved
Q3 Complaint Analysis
QM Quality Assurance
Q3FY20 yielded 210 entries

- 84 (40%) Grievances – Members/legal guardians
- 98 (47%) Internal Employee Concerns – Alliance staff
- 25 (12%) External Stakeholder Concerns – Outside entities
- 3 (1%) Compliments
<table>
<thead>
<tr>
<th>Reporting Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Abuse, Neglect and Exploitation</strong></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>
Nature of Issue/Type
(Top 5)

- Quality of Services account for 26% of all Complaints/Grievances
- 30 (83%) of Administrative Issues were Internal Concerns
Source: Who submitted concerns?

- 100 (48%) were Internal Concerns
- 81 (39%) were Grievances; by Member or Legal Guardian
## Complaints Against Alliance

### 20 Complaints Against Alliance

<table>
<thead>
<tr>
<th>Nature of Issue</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 LME/MCO Functions</td>
<td>Complaints related to Care Coordination (staff), housing, changes in care management, and Innovations wait list</td>
</tr>
<tr>
<td>2 Authorization/Payment/Billing</td>
<td>Complaints related to denials for services, improper billing of members, guardian’s concerns for budget letter reductions</td>
</tr>
</tbody>
</table>
Service Breakdown

(Top 3)

- 20% from Residential Services
- 18% Outpatient Services
- 8% CST
Service Breakdown

(IDD Services)

- 11% - NC Innovations Waiver Services
- 2% - IDD Care Coordination
- <1% - Respite
Service Breakdown

- **38%** - Enhanced Services
- **29%** - Basic Services
- **62%** - Crisis Services
- **6%** - SUD Services
Human Rights Complaints

- Basic Needs: 0
- Confidentiality/HIPAA: 4
- Client Rights: 7
- Abuse/Neglect/Exploitation: 24
Human Rights Complaint/Grievances

Service Breakdown
Abuse/Neglect/Exploitation

- Residential Services (include Innovations): 9
- Psychiatric Services: 3
- Crisis - Inpatient: 3
- Outpatient Services: 2
- Other: 1
- Medication Administration: 1
- Adult Day Vocational Program: 1
<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Support Team (CST)</td>
<td>1</td>
</tr>
<tr>
<td>Intermediate Care Facility (ICF)</td>
<td>1</td>
</tr>
<tr>
<td>Opioid Maintenance Therapy (OMT)</td>
<td>1</td>
</tr>
<tr>
<td>Outpatient Services</td>
<td>1</td>
</tr>
</tbody>
</table>
## Basic Needs

<table>
<thead>
<tr>
<th></th>
<th>Total of 0</th>
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<tr>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of Issue</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Abuse/Neglect/Exploitation | Potential licensing rule violations  
Sexual Assault/Inappropriate Sexual Behavior  
Physical/Verbal Abuse  
Improper care/supervision  
Exploitation related to payment for services | Referred to Division of Health Services Regulations (DHSR)  
Provider initiated corrective action  
Worked with provider for solution/Corrective action  
Information/Technical Assistance to provider. |
| Client Rights          | Access to services/resources  
Provider Practices  
Current living conditions | Provider initiated corrective action  
Info/Technical Assistance provided  
Worked with provider for resolution |
| Confidentiality/HIPAA  | Unauthorized disclosure of member information  
Wrong information on member documents | Provider initiated corrective action  
Information/Tech Assistance provided |
Incident Report Breakdown

- 824 Reports were entered into NC-IRIS for 527 members
- 565 reports involved children, 259 involved adults

**LEVELS**

- 748 Level 2 reports
- 76 Level 3
Wake County submitted the largest number of Level 2 (396) and Level 3 (46) reports in the 3rd quarter of FY2020.
A total of 565 Incidents were reported for children: (547 L2 and 18 L3)
A total of 259 Incidents were reported for Adults: (201 L2 and 58 L3)
• This chart represents services reporting the highest # of incidents during Q3
• PRTF service category remains the highest reporting service; 19% of all reports
REPORTS BY INCIDENT CATEGORY
(Primarily Human Rights Related)
96% of Restrictive interventions in Q3 were Physical Restraints

Primarily from PRTF (Psychiatric Residential Treatment Facility)
Restrictive Intervention Breakdown

- 54% from PRTF Programs
- 23% from Adolescent Day Treatment Programs
- Higher numbers/percentages in Child and Adolescent programs
• 52 Total – 50 were L2; 2 were L3
• Both L3s were related to shootings; on in the media
• 89 reported in this category
• 1 Substantiated: **Staff Abuse**
• Staff and Caregiver Abuse were the most commonly reported in the category (49% of reports in this category)
A total of 42 deaths were reported during the 3rd quarter:
- 24 L3; 18 L2
- 40% of reports due to Unknown Causes
  - Could be downgraded to L2 when the OCME report is received
  - OMT (Opioid Maintenance Therapy) are included in Unknown Death reports
Incident Report Compliance
Incident Report Compliance Process
(Q3 FY2020)

• 18 Late Incident Report emails were sent out in Q3

• 3 Plans of Corrections (POC) were issued for late reports in Q3

• 3 POC was closed from 2nd Quarter
• Late submissions in the 3rd quarter increased by 3 percentage points in Q3. (Q2: 11%)
Charter for Human Rights Board Committee

Purpose:

The purpose of this charter is to develop and implement a Human Rights Committee of the Board of Directors of the Alliance Health By-Laws. The Area Authority is responsible for client rights protections in the role as manager of public mental health, substance use disorders and intellectual and developmental disabilities services.

 Responsibilities:

The Human Rights Committee shall oversee client rights protections for individuals receiving mental health, substance use disorders, intellectual and developmental disabilities services in the Alliance catchment area, to include:

1. Assurance that client rights protections are reviewed through routine provider monitoring in accordance with 10A NCAC 27G.0601-.0610;
2. Compliance with clients’ rights and advance instruction in accordance with NC G.S. 122C, Article 3;
3. Compliance with the protection of clients’ rights in the community according to 10A NCAC 27C, 27D, 27E, and 27F;
4. Assurance of confidentiality according to 10A NCAC 26B; and
5. Review of complaint and appeal data in accordance with 10A NCAC 27G.7001-.7003 and 10A NCAC 27I.0601-.0609

New members shall receive orientation training regarding this procedure and the following topics:

1. North Carolina Statutes and Administrative Rules;
2. Duties of the State and Alliance Consumer Family Advisory Committee (CFAC);
3. Principles of advocacy, self-determination and recovery; and
4. Customer service strategies, and the organization of the public mental health, substance abuse, and intellectual and developmental disabilities service system

Annually, all members shall receive training on client rights issues related to their responsibilities serving on the Committee.

The Committee shall meet at a minimum quarterly. To enhance participation, members may participate via electronic means, e.g. telephone and video conferencing, which will be pre-arranged by the Alliance staff support person(s). Such participation includes the right to vote on issues during the course of the meeting.

Committee meetings shall follow the below structure:

1. Calling the meeting to order
2. Reviewing and approving an agenda
3. Ensuring there is a recorder and having minutes taken
4. Reviewing and approving minutes from previous meeting
5. Considering matters on the approved meeting agenda
6. Calling for motions, a second and voting on items when appropriate
7. Adjournment
When a quorum, which shall consist of the Chairperson plus fifty (50) percent of members, is present, the Chairperson can call the meeting to order. When a quorum is not met, and with unanimous consent of the members present, an informal discussion may be held. Minutes of the discussion shall be recorded and the matters discussed shall be included on the agenda for the subsequent meeting of the committee.

Emergency meetings may be called for unexpected circumstances that require immediate consideration by the Committee. Due to the urgent need, emergency meetings shall be held as soon as a quorum of the Committee can be arranged.

Relationships:

Alliance shall provide staff support to the committee, including but not limited to, collecting and analyzing information that the committee or the Area Board require to fulfill the requirements of this charter and per 10A NCAC 27G .0504.

The Human Rights Committee shall report to the Board of Directors (via the Human Rights Committee Chairperson) at least quarterly reviewing the Area Authority’s compliance with this charter.

System issues, which negatively impact the rights of persons served, shall be reported to the Board of Directors. Furthermore, the Human Rights Committee shall work with state and local agencies to protect clients’ rights for individuals receiving mental health, substance use disorders, intellectual and developmental disabilities services in the Alliance catchment area.

In accordance with 10A NCAC 26B .0209, Human Rights Committee members may have access to confidential information only upon written consent of a client or the client’s legally responsible person. Thus, clients shall not be identified in minutes or in written or oral reports.

Membership:

1. Makeup of the Committee

The Client Rights/Human Rights Committee shall consist of at least 5 members, a majority of whom shall be non-Board members. Members should include consumers and family members representing mental health, developmental disabilities and substance use disorders. The membership of the Client Rights/Human Rights Committee shall include a representative from each of the counties in the Catchment Area. One Board member shall be designated the Chairperson of the Human Rights Committee by the Area Board Chairperson.

Efforts shall be made to include representation that reflects differences in the population of the counties that constitute Alliance Health.

Deleted: full Area Board

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Deleted: The Area Board Chairperson shall appoint a Human Rights Committee consisting of twelve (12) voting members, six (6) of whom are not Area Board members or employees of the Area Authority or its Provider Network, and at least three (3) Area Board members, preferably one from each county constituting Alliance Behavioral Healthcare.

Deleted: The Human Rights Committee shall include disability representation that reflects the clients served and at least fifty (50) percent of the membership shall consist of individuals who are either consumers or family members.

Deleted: Behavioral Healthcare

Deleted: Efforts will also be made to include at least one member from any county with which Alliance Behavioral Healthcare has entered into an inter-local agreement.
Absence from three (3) meetings without notification to the Chairperson during a 12-month period may be grounds for resignation from the Committee. The Human Rights Committee Chairperson shall notify the Board of Directors Chair, who shall make the final decision regarding the resignation.

2. Conflict of Interest

Committee members must disclose a conflict or the appearance of a conflict of interest and depending on the circumstances, may be prohibited from serving or restricted in voting based on the disclosure.

Furthermore, Committee members are prohibited from representing themselves as independent representatives of or act independently on behalf of the Alliance Human Rights Committee. Members who do not fully comply with the provisions in this charter may be subject to removal from the committee.

If the Committee cannot resolve the conflict of interest, the Chairperson of the Committee shall notify the Board of Directors Chair, who shall make the final decision regarding the disposition of all conflict of interest issues.
Member Rights and Responsibilities
Medicaid Fraud and Abuse
Advance Directives
All members of the Alliance Health Plan have a number of rights and responsibilities.
Member Rights

• To receive information about Alliance that is correct and clear

• To be treated with respect

• To participate in making decisions regarding health care

• To have open discussion on appropriate or medically-necessary treatment

• To voice complaints
Member Rights

• To make recommendations regarding member rights and responsibilities
• To be free from restraint or seclusion
• To refuse treatment
• To request and receive a copy of your medical record
• To write a statement to be placed in your file, if you disagree with what is written in your medical record
• To a second opinion
Member Rights

• To participate in developing person-centered treatment plan

• To take part in periodic review of your treatment plan

• To freedom of speech and religious expression

• To equal employment and educational opportunities

• To treatment in the most natural, age-appropriate and least restrictive environment possible

• To ask questions about your care
Minors have the right to agree to treatment of the following without consent of a parent or guardian:

- Sexually transmitted diseases
- Pregnancy
- Abuse of controlled substances or alcohol
- Emotional disturbances
Human Rights Committee

- A committee of the Alliance Board
- At least half of members must be individual receiving services/ families
- Representation reflects makeup of individuals served by Alliance
- Oversees client rights protections for individuals receiving MH/SUD/IDD services
  - Reviews reports on restrictive interventions, rights violations, incidents of abuse, neglect, exploitation
Human Rights Committee

• Monitors functions of the provider Client Rights Committees
  o Providers in the Alliance network must maintain a Client Rights Committee
  o Must maintain minutes and be able to produce them upon request
  o Can partner with other providers to have a Client’s Rights Committee that covers both agencies
Appeals and Grievances

The right to appeal Medicaid decisions to reduce or deny services

- Appeal
- Mediation
- Office of Administrative Hearings (OAH)

To file a grievance or complaint

- Against MCO staff
- Against a Provider
Member Responsibility

- Providing necessary information
- Following the plan and instructions for your care
- Understanding your health problems
- Participating in developing your treatment goals
- Telling your doctor/nurse about health changes
- Asking questions about your care
Member Responsibility

- Inviting people to be included in treatment planning
- Respecting the rights and property of other members and program staff
- Respecting members’ needs for privacy
- Working on your Person-Centered Plan goals
- Keeping scheduled appointments
Member Responsibility

• Giving 24 hour advance notice if you have to cancel your appointment

• Meeting financial obligations

• Informing staff of any contagious medical conditions you may have

• Take medications as prescribed and communicating with doctor if they are not working
Medicaid Fraud and Abuse

• An individual does not report all income when applying for Medicaid
• An individual does not report other insurance when applying for Medicaid
• A non-Medicaid recipient uses a Medicaid recipient’s card with or without the recipient’s permission
• A provider’s credentials are not accurate
• A provider bills for services not provided
• A provider performs and bills for services not medically necessary
Reporting Fraud and Abuse

• Alliance Fraud and Abuse Line
  (855) 727-6721
  (you may remain anonymous)

• DHHS Customer Service Center
  (800) 662-7030

• Medicaid Fraud, Waste and
  Program Abuse Tip Line
  (877) 362-8471
Reporting Fraud and Abuse

• Health Care Financing Administration
  Office of Inspector General’s Fraud Line
  (800) 447-8477

• State Auditor’s Waste Line
  (800) 730-8477

• Submit a confidential online complaint form at
  www.ncdhhs.gov/dma/fraud/fraud.aspx

• Contact your county DSS office
Advance Directives

In case you are unable to make decisions about your care during a crisis, Advance Directives are legal documents that will help guide your care.

Types of Documents

- Psychiatric Advance Directives (Advance Directive for Mental Health Care)
- Health Care Power of Attorney
- Living Will
Advance Directives

• Two qualified people must witness

• Health Care Power of Attorney and Living Wills must be notarized

• Keep a copy in a safe place
  - Give copies to family, your treatment team, your doctor and the hospital where you are likely to receive treatment
  - Register them with the NC Department of the Secretary of the State.

• Directives stay active until you cancel them
Instructions for mental health treatment you want if you are in a crisis and unable to make decisions for yourself

- What you think helps calm you
- How you feel about seclusion or electric shock treatments
- What medicines you do not want to take
- Which doctor you want to be in charge of your treatment

Psychiatric Advance Directive
Health Care Power of Attorney

Allows you to designate someone who can make decisions for you if you are unable to make your own choices about treatment.
A document that tells others that you want to die a natural death if you are incurably sick and cannot receive nutrition or breathe on your own
thank you
Q&A

You have Questions

We have Answers
I. PURPOSE

The purpose of this policy is to ensure that Alliance Health (Alliance) complies with regulatory requirements surrounding Advanced Directives and Advanced Instructions for Mental Health Treatment.

II. POLICY STATEMENT

It is the policy of Alliance to distribute written information regarding Advance Directives and Advanced Instructions for Mental Health Treatment policies to adult Members, including a description of applicable State and Federal laws. Written information regarding Advance Directives and Advanced Instructions shall cover the following topics:

1. Member rights under State law;
2. Alliance policies respecting the implementation of those rights, including a statement of any limitation regarding the implementation of Advance Directives and Instructions as a matter of conscience;
3. Information on the Advance Directive and Instructions policies of Alliance; and
4. The Member's right to file a grievance with the State Certification and Survey Agency or the Division of MH/IDD/SA Services concerning any alleged noncompliance with the Advance Directive or Instructions laws.

In compliance with 42 CFR 438.3(j) and N.C. GS 122C Article 3, Part 2, the written information provided to Members shall reflect changes in State law as soon as possible, but no later than 90 days after the effective date of the change.

III. PROCEDURES

The Chief Executive Officer shall develop procedures to implement this policy.
PURPOSE

To assure compliance with Article 3, Part 2 of N.C.G.S. Chapter 122C, Alliance Health (Alliance) will distribute written information regarding Advance Directives and Advance Instructions policies to adult Enrollees, including a description of applicable State and Federal laws.

PROCEDURES

Alliance will distribute written information regarding Advance Directives and Advance Instructions policies to adult Enrollees, including a description of applicable State and Federal laws as outlined in Medicaid Special Bulletin on Advance Directives, May 1999 (See Attachment X) or found at the NC Medicaid website at: https://medicaid.ncdhhs.gov/documents/advanced-directives

1. Alliance’s written information regarding Advance Directives and Instructions shall cover the following topics:

   a. Enrollee rights under State law;

   b. Alliance’s policies respecting the implementation of those rights, including a statement of any limitation regarding the implementation of Advance Directives and Instructions as a matter of conscience;

   c. Information on the Advance Directives and Instructions policies of Alliance; and

   d. The Enrollee’s right to file a grievance with the State Certification and Survey Agency concerning any alleged noncompliance with the Advance Directives and Instructions laws

2. As specified in 42 CFR 438.6(i), the written information provided by Alliance shall reflect changes in State law as soon as possible, but no later than 90 days after the effective date of the change.
3. Written information as delineated above will be included in the Alliance Individual and Family Guide, which is available on the Alliance website, www.alliancehealthplan.org or can be sent to the Enrollee upon request.

4. Alliance Care Coordination will assure that Enrollees who require care coordination have received the required information regarding Advance Directives and Instructions.

5. Care Coordination will provide technical assistance to providers and community resources regarding Advance Directives and Instructions.

DEFINITIONS

Psychiatric Advance Directives
1. An advanced instruction for *mental health treatment* that is a legal document that tells physicians and mental health providers what mental health treatments an individual wants and what treatment they do not want.

2. The directive is operational when a physician or eligible psychologist determines in writing that the individual is no longer able to make or communicate mental health care decisions.
ITEM: Quality Management Committee Report

DATE OF BOARD MEETING: August 6, 2020

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

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

The Global QMC meets at least quarterly each fiscal year and provides ongoing reporting to the Alliance Board. The Global QMC approves the MCO’s annual Quality Improvement Projects, monitors progress in meeting Quality Improvement goals, and provides guidance to staff on QM priorities and projects. Further, the Committee evaluates the effectiveness of the QM Program and reviews and updates the QM Plan annually.

The draft minutes from the previous meeting are attached

REQUEST FOR AREA BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Pam Silberman, Committee Chair; Wes Knepper, Senior Director of Quality Management
BOARD QUALITY MANAGEMENT COMMITTEE - REGULAR MEETING
(virtual meeting via videoconference)
1:00-2:30 p.m.

APPOINTED MEMBERS PRESENT: ☒ David Curro, BS (Board member); ☐ David Hancock, MBA, MPAff (Board member); ☐ Angela Diaz (Board Member)
☒ Duane Holder, MPA (Board member); ☒ Pam Silberman, JD, DrPH (Board member; Committee Chair) by phone; ☒ Israel Pattison (CFAC); ☐ Gino Pazzaglini (Board Chair)

APPOINTED, NON-VOTING MEMBERS PRESENT: ☒ Diane Murphy, (Provider, IDD) ☒ Dava Muserallo, (Provider MH/SUD);

BOARD MEMBERS PRESENT:

GUEST(S) PRESENT: ☐ Mary Hutchings; ☒ Yvonne French (LME Liaison) ☒ Marie Dodson

STAFF PRESENT: Michael Bollini, Chief Operating Officer; Diane Fening, Executive Assistant I; Tia Grant, QI Manager; Wes Knepper, Quality Management Director; Doug Wright, Director of Community and Member Engagement; Damali Alston, Director of Network Evaluation; Terrasine Gardner, Engagement Manager

1. WELCOME AND INTRODUCTIONS – the meeting was called to order at 1:00 pm

2. REVIEW OF THE MINUTES – The minutes from the May 7, 2020, meeting were reviewed. David Curro moved to approve the minutes. Israel seconded and the motion passed.

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<th>AGENDA ITEMS:</th>
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<tr>
<td>3. OLD BUSINESS</td>
<td>• Wes gave an update on next steps from the last meeting:</td>
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<tr>
<td></td>
<td>o Rough estimate for how many state-funded individuals might be counted under the HEDIS measure.</td>
<td>HEDIS-Healthcare Effectiveness Data and Information Set</td>
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<td>1500-2000 for HEDIS measures is a rough estimate, making some assumptions, and if we can get primary care claims and pharmacy claims for them. This is roughly comparable to our Medicaid population.</td>
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<td>o How we are bringing reports to you.</td>
<td>CFAC-Consumer and Family Advisory Committee</td>
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<td>We will more aggressively gray out the reports on the performance dashboard that were submitted more than a month ago. We will focus on measures that we have not yet talked about.</td>
<td>QIP-Quality Management Plan</td>
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<td>o Attending CFAC committees meetings to recruit committee members.</td>
<td>TCLI-Transitions to Community Living Initiative</td>
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<td>Wes went to the meetings and presented.</td>
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<td></td>
<td>• Marie Dodson was introduced as being interested in joining as a new CFAC representative on the committee.</td>
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Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date; minutes approved on Click or tap to enter a date.
**AGENDA ITEMS:**

**DISCUSSION:**

**NEXT STEPS:**

**TIME FRAME:**

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<tr>
<td>QIP Updates (Wes) – The TCLI QIP was to increase number of members in the TCLI referred for individual placement supports/supported employment. It is going well, have exceeded the benchmarks and will be up for a vote at the next meeting to close.</td>
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<td>The HEDIS measures are:</td>
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<td>o HEDIS SAA (Adherence to antipsychotics)</td>
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<td>o HEDIS SSD (Diabetes screening for people with schizophrenia or bipolar disorder who are using antipsychotic medications)</td>
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<td>o HEDIS APM (metabolic monitoring for children/adolescents on antipsychotics)</td>
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<td>The three HEDIS measures have similar interventions:</td>
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<td>▶ Doing targeted outreach by Care Coordination staff,</td>
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<td>▶ Health Crowd-texting and automated voice calls to members identified as meeting the criteria as identified in these measures to prompt them to get the metabolic testing</td>
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<td>▶ Provider report card – we will share performance information with providers so that they can identify what actions need to be taken</td>
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<td>• Most every provider will get a report card of some type, but not everyone has HEDIS. Providers will get information on what they are going to be rated on. Dava asked if providers would get an amendment to the standard contract if there are things that they will be being graded on that aren’t on the contract. Damali said that we would do something to assure that they knew exactly what they are being graded on.</td>
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<td>• We have capacity to do both telephone contact and texts, but have discovered that we get best response rate using texts. We also have and use IVR.</td>
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<td>• Adverse letters (improve the quality of UM decision documentation of adverse letters sent to members) - We hit benchmark. We may not close this right</td>
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Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date; minutes approved on Click or tap to enter a date..
Thursday, June 04, 2020

BOARD QUALITY MANAGEMENT COMMITTEE - REGULAR MEETING
(virtual meeting via videoconference)
1:00-2:30 p.m.

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<td></td>
<td>away because the volume of adverse decisions have decreased so much because of Covid-19 pandemic, that the state has offered flexibility so that providers don’t have to do prior authorizations.</td>
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<td></td>
<td><strong>The last three are supermeasures:</strong></td>
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<td>o Medicaid SUD (Increase the adherence of DHB measure SUD to 40%)</td>
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<td>o State SUD (increase the adherence of DMH measure SUD to 40%)</td>
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<td>o State MH (increase the adherence of DMH measure MH to 40%)</td>
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<td>They are all solidly in the analyze phase. We are reevaluating, given where we are and where we want to go.</td>
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<td>Other LME/MCOs that have the most success improving their numbers are the ones that have set up tight arrangements between a single inpatient provider or facility and a single outpatient provider with links to getting them care and tying both their performances to how much they are reimbursed. We are considering some of these strategies.</td>
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4. NEW BUSINESS

**Performance Dashboard** (Wes)

- We have submitted reports since this committee last met. Measures that are not met fall into two categories: Access to Care and Medicaid, non-Medicaid and a combined measure for urgent, emergent and routine care. There are nine potential measures.
- The Access to Care report – given the historical benchmarks we are unlikely to ever hit that, so our call center is making sure that there are available appointments for members across disabilities and across counties. While we are not meeting the benchmarks, members do have the option of getting these services.
- 7-day follow up measures were not met. QIPs were opened because they were not being met.
- More explanation was given on this requirement: There are requirements for certain urgent care services that have to be available to the patient within two days. For regular care, there is a seven-day requirement. In order for us to have those measures met, the provider has to be available within those two or
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<td>seven days and the recipient needs to go to the provider within the two or seven days and the provider has to bill showing that they provided those services within those two or seven days. Even if we have a provider that will provide those services within the time frames, we are dinged if the patient decides not to go within those periods. We use various methods to try to help patients be able to keep their appointments.</td>
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<td><strong>Telehealth Surveys</strong> - we decided to have two corresponding surveys that fit together to see how things are working with members and providers in these Covid-19 times. We want to ask both groups—what is your experience, what do you like, what don’t you like? The surveys will be going out soon via SurveyMonkey.</td>
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<td>We have heard anecdotally from providers that it actually increases access for some. We are trying to figure out what are lessons learned and what to keep after pandemic.</td>
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<td>There was a question on the provider survey about using the term “member engagement” and whether it is a common enough term and does everyone know what it means. Wes said that we will come up with a definition for providers.</td>
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<td>Dava said that teletherapy with kids much different than with adults and children 11 and under present more challenges, so it might be good to make some sort of differentiation on questions. Wes said setting it up in way that we will be using claims data and other data that will help us analyze the results of survey.</td>
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<td>Quality Management, the Call Center and Doug Wright’s team will be calling members so that we can know which members are responding to which survey.</td>
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<td><strong>Quality Evaluation, Program Description and Work Plan Updates</strong> — one section is being reworked. The format is similar to last year’s. We’ve already talked about performance measures extensively. If you find something later</td>
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<td>• Wes will bring to a future meeting an update on what we can expect to see as quality measures under the Tailored Plan.</td>
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<td>on that Wes missed, let him know. There are more stages to go through before it’s finalized.</td>
<td>• Wes will send out final versions of the Quality Work Plan and the Quality Plan well ahead of the next meeting.</td>
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<td>• We don’t meet in July but it will be back in August along with the Quality Work Plan and the Quality Plan for next year for us to vote on. Wes can send out the more finished product well ahead of next meeting.</td>
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<td>• David Curro moved to end the meeting; the motion passed.</td>
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5. **ADJOURNMENT:** the meeting adjourned at 2:00 pm; the next meeting will be August 6, 2020, from 1:00 p.m. to 2:30 p.m.
ITEM: Consumer and Family Advisory Committee (CFAC) Report

DATE OF BOARD MEETING: August 6, 2020

BACKGROUND: The Alliance Consumer and Family Advisory Committee, or CFAC, is made up of consumers and/or family members that live in Durham, Wake, Cumberland or Johnston 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 Home Office, 5200 West Paramount Parkway, in Morrisville. 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: No meetings were conducted in July. Please review and accept our annual report. Included are two documents mentioned in the report that were delivered to the general assembly, Alliance’s Board and other community stakeholders.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Jason Phipps, CFAC Chair; Doug Wright, Director of Community and Member Engagement
OUR VISION

Alliance CFAC promotes a community-based support system that seeks to have each person reach his or her full potential. This committee of individuals and family members gives voice to the interests and opinions of persons with needs related to mental health, developmental disabilities, and substance use.

It embraces the dignity of all residents in our communities so that each person may achieve his or her highest level of responsibility in the community.

It promotes the empowerment of individuals and the active involvement of family members.

MEMBERS

Vicki Bass
Dorothy Best
Jackie Blue
Jamille Blue
Charlitta Burruss
Helen Castillo
Andrea Clementi
Dave Curro
Christopher Dale
LaDeana Dexter
Albert Dixon
Bobby Dixon
Elena (Marie) Dodson
Jerry Dodson
Pinkey Dunston
Shirley Francis
Bradley Gavriluk
Leanna George
Ellen Gibson
Tracey Glenn-Thomas
Wanda (Faye) Griffin
Briana Harris
Sharon Harris
James Henry
Steve Hill
Connie King Jerome
Carole Johnson
Dorothy M. Johnson
Latasha Jordan
Jessica Larrison
Carson Lloyd, Jr.
Renee Lloyd
Tekeyyon Lloyd
Megan Mason
Regina Mays
Dr. Michael McGuire
Karen McKinnon
Felishia McPherson
Trula Jean Miles
Diane Morris
Carrie Morrisey
Anthony Navarro
Israel Pattison
Jason Phipps
Gregory Edward Schweizer
James (Dan) Shaw
Tammy Harrington Shaw
Annette Smith
Ben Smith
Brenda Soloman
Jessica Shorts
Alejandro Vasquez
Cassandra Williams-Herbert
The Alliance Health Consumer and Family Advisory Committee started fiscal year 2020 with an emphasis on advocacy, outreach and recruitment. CFAC was also focused on Medicaid transformation, our statutory requirements, and COVID-19. It was a busy year for us!

While the budget impasse delayed the implementation of Medicaid transformation into whole health Standard and Tailored Plans, CFAC continues to advise Alliance about the needs and concerns of its members.

Alliance CFAC penned a letter to the Legislature highlighting the impact continued budget cuts would have on the citizens of NC using lived experiences from our members. There was much positive feedback from this effort and hopefully it will have an impact. Our Wake County CFAC subcommittee developed a white paper on the direct support personnel pay and retention crisis, and this paper was presented to each member of the NC General Assembly. It has seemed to resonate with many advocacy groups across NC and is helping to bring them together to resolve this issue.

Pre-COVID-19, we were able to increase out outreach efforts into the community by attending local MH/IDD/SUD events and creating some of our own events. These events helped inform people in our counties about Alliance Health and how Medicaid transformation will affect them. Senior leadership from Alliance Health has been a willing and eager participant in our outreach efforts, which have resulted in increasing CFAC membership to full capacity. We welcome the vitality and ideas that these new folks bring to the table.

The annual Alliance CFAC Retreat was held in February. We invited each local Community Collaborative to join us and partner in our community outreach efforts. This was a natural fit for our two organizations. The Alliance CEO and staff presented the latest information about the Medicaid transformation progress and we received training from NC DHHS.

Although COVID-19 has put a halt to business as usual, it has not stopped us from carrying out our statutory obligations. We still meet virtually, through Zoom, advise Alliance Health and above all, check up on each other during this pandemic.

I would like to thank the Alliance Health Board of Directors, as well as its CEO and staff for their outstanding support to the Consumer and Family Advisory Committee this past year. It means a lot to the people they serve to be heard and appreciated.
STATE STATUE CHARGES 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/developmental disabilities and substance use/addiction services

ACHIEVEMENTS

- Consistently updated the Alliance Board through monthly reports and this Annual Report
- Advised Alliance Board and staff on budget priorities, and gaps and needs
- Provided feedback on Medicaid transformation and its moving parts
- Participated on the Alliance Global Quality Management Committee
- Advocated effectively at the state level
- Created an open letter to the NC General Assembly and a white paper on the direct care worker crisis
- Participated in multiple community events in each county and in several conferences throughout the year
- Recruited and educated new members
- Listened to our community members
- Hosted annual CFAC retreat with Alliance leadership

CONCERNS

- Continued electronic health records delays
- COVID-19 crisis
- Direct care staffing crisis
- Medicaid Transformation: delays and confusion
- Members falling through the gaps
- Opioid crisis/substance use
- State funding and service reductions statewide for the uninsured population
- Stigma
- School services
- Tailored Plan delays
- Transition services for youth
- Unmet social needs
- Unserved populations growing – Medicaid expansion

During the year members of Alliance CFAC received a comprehensive array of training:

Acronyms
CFAC Composition and Structure in Tailored Plans
CFAC Roles and Responsibilities
Coronavirus Self-Monitoring
Creating a Recovery Oriented System of Care
DMH Military and Veterans Program
Effective Systems Advocacy
Making the Connection, Recruitment and Retention
Medicaid Health Care – Understanding the Changes and Supports
NC Medicaid Enrollment Broker
NC Medicaid Direct Transition
Rylan’s Law
Stakeholder Engagement
Suicide Prevention
Tailored Plan Enrollment and Eligibility
Tailored Plan Pre-release Policy Paper
Teen Violence
Understanding Bullying

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CFAC Composition and Structure in Tailored Plans
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Stakeholder Engagement
Suicide Prevention
Tailored Plan Enrollment and Eligibility
Tailored Plan Pre-release Policy Paper
Teen Violence
Understanding Bullying
DURHAM COUNTY

CFAC SUMMARY

Durham CFAC members, chaired by Steve Hill, really got involved this year with our Outreach and Membership drive. As a result, during the month of October we welcomed three new members to our committee. Charlitta Burruss, Helen Castillo and Regina Mays will strengthen our efforts to identify the challenges with needs and gaps in our community.

As we do each year, we were also highly involved in the community, collaborating with the Recovery Community of Durham and participating in the Durham Celebrates Recovery Event, while Tammy Shaw attended the NAMI conference.

Durham CFAC hosted a community forum in December in collaboration with the Durham Community Collaborative and System of Care. Topics for discussion ranged from Families First and Raise the Age to Medicaid Transformation, DSS and juvenile justice. Representatives from health plans that will be operating Standard Plans in North Carolina were also invited to present at the event.

Two of our newest members, Charlitta Burrus and Regina Mays, attended the One Community in Recovery Conference in Greensboro in March, but unfortunately the COVID-19 pandemic forced us to curtail our planned engagement in several community events, including Bull City Fresh Start, Durham Community Collaborative, NAMI Walks, and the CFAC Legislative Day.

We have learned to focus our efforts in a safer way, spending time educating ourselves about Medicaid transformation and supporting our community in creative ways by learning more about this COVID-19 pandemic we find ourselves dealing with.

COVID-19 has changed the way we live and interact with each other, dealing with how this has had an impact on ourselves, our families, and our communities. We look forward to continued growth in the coming year.

Post Script:

Alliance Board member and outgoing CFAC Chair Dave Curro was recognized this year with an honorable mention for ACAP’s national Leadership in Advocacy Award.

ACAP is the Association For Community Affiliated Plans, a policy and advocacy group of not-for-profit health plans across the county that share a mission to provide high-quality health care to people with low incomes and complex health care needs.
Wake CFAC, chaired by Carole Johnson, has embraced educating our county regarding behavioral health. Each member actively supports our community with education, outreach, and purpose. We’ve united with the Wake Children’s Collaborative to plan community events to ensure that every member in the community is represented.

Wake CFAC created a sub-committee to address the problems of hiring and maintaining direct support workers, called the NC DSP Wage Taskforce, with the goal to create a living wage for DSP workers to ensure long-term consistent quality of care. A two-page white paper was created and distributed to NC House and Senate members and other LME/MCO CFAC groups. The taskforce created a Facebook page and member Ben Smith, along with his DSP worker, created a video submitted to all legislators and posted to YouTube to allow viewers to see the importance of direct support work.

With a steadfast membership drive we are at full capacity, and are joined at our meetings by a number of non-members with a shared interest in serving and embracing Wake County community needs.

Despite COVID-19 and its many restrictions, Wake CFAC members have remained active at community events at a safe distance. Several attended the 11th Annual NC One Community in Recovery March in Greensboro, and others attended the i2i Conference in Pinehurst.

We hosted an informational table at “Cary Care and Share,” sharing resources and networking. Ben Smith (pictured below), a Wake CFAC member, is the face of this community resource fair year after year.

We continue to attend the State CFAC meetings and Legislative Day, and several members have written personal stories and distributed them to legislators. Many members engage in the DHHS weekly COVID calls for individuals and families.

Our members and NC DSP task force have been instrumental advocated for HB488, which includes a wage survey for direct support workers in North Carolina, and if passed can provide essential data to address low wages.
Cumberland CFAC has worked hard during this challenging year to remain impactful throughout our community, sharing information about our group and Alliance Health, and about changes to our public system during Medicaid transformation that will affect many of our neighbors.

Cumberland CFAC is at full capacity this year as we welcomed three new members, Felishia McPherson, Andrea Clementi and Alejandro Vasquez, and Michael McGuire was elected Vice Chair of our group.

As a result of COVID-19 our group, like many others, made the necessary transition from live to virtual meetings whenever possible.

Prior to the pandemic limiting our activities, we collaborated with the Cumberland County Community Collaborative to educate the inner city of Fayetteville by hosting a forum on Medicaid transformation and how it will impact how people here receive their health care in the future.

Our members attended viewings of the powerful documentary *The Anonymous People* across the community and at various conferences. A number of our members attended the I2I Conference in Pinehurst, as well as the Alliance Health CFAC Retreat and the State CFAC meeting.

We shared Alliance Health information in the Cumberland County Schools and at PTO/PTA and at NAMI meetings, and hosted information booths at school events, fall festivals, and other community venues. Many of our members were proud to participate in the NAMI Walk.

Needs and gaps continue to be an important part of Cumberland CFAC discussions, with our members constantly brainstorming ways to bridge the gap of needed information and resources for those in need. In the same vein, the impact of State budget cuts remains a significant concern for our group.

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**CUMBERLAND COUNTY CFAC SUMMARY**

Cumberland CFAC has worked hard during this challenging year to remain impactful throughout our community, sharing information about our group and Alliance Health, and about changes to our public system during Medicaid transformation that will affect many of our neighbors.

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In memoriam: Jamille Blue
Johnston CFAC continued to be chaired by Jason Phipps and Cassandra Williams-Herbert, and welcomed three new members, Marie Dodson, Anthony Navarro and Jessica Storts.

As well as serving on the Johnston CFAC, our members continue to serve and take on leadership roles on other local, regional, state and federal advocacy and community agencies.

Johnston CFAC continues to receive updates on Medicaid transformation from the DHHS Community Engagement Team as well as Alliance Health management and staff. Our questions, feedback and suggestions are sought, welcomed and considered.

This year has been one of transition as we all have been preparing for the roll out of the state Standard Plans and communicating information about Medicaid transformation has been a focus of our community outreach events.

Before the COVID-19 pandemic curtailed many normal activities, Johnston CFAC hosted a table at the Johnston County Opioid Task Force Resource Fair, where they shared Alliance CFAC literature and drug disposal kits.

JOHNSTON COUNTY CFAC SUMMARY

Johnston CFAC and Alliance Health staff hosted a county community forum to present information on Medicaid transformation and the Raise the Age program, and we invited each of the health plans that will be operating the states Standard Plans to share information during the event.

We also collaborated with the Alliance Health Community Engagement Team to host a booth at the Clayton Harvest Festival, again sharing information about Alliance Health, CFAC and Medicaid transformation, as well as drug disposal kits and other resources.

With the onset of the global Coronavirus pandemic it is hard know how future collaborations and community events will be planned, implemented or even allowed, but Johnston CFAC is prepared to meet the challenge with the help of its members, Alliance staff, and our community partners.

We are looking for ways to keep our members, that are in self-quarantine and have limited technological resources available, engaged with CFAC. We continue to be the voice of our communities around the decision-making table to ensure their needs are being met and voices are being heard.
An Open Letter to the North Carolina General Assembly

Honorable General Assembly Members,

As members of the Consumer and Family Advisory Committee (CFAC) for Alliance Health LME/MCO, we are dismayed by the continuing cuts to single stream funding for mental illness, substance use disorder, and intellectual/developmental disability.

Alliance CFAC is comprised of individuals and family members who receive mental health, intellectual/developmental disability, and substance use/addiction services. CFAC is a self-governing, state mandated committee that serves as an advisor to the Alliance administration and board of directors, with a statutory requirement to participate in the Alliance budget process. The single-stream cuts in the pending state budget would mark the sixth consecutive year of reductions to the non-Medicaid state appropriation for services for uninsured/underinsured citizens with mental health, IDD, and SUD needs – some of the most vulnerable residents of our state. These cuts to this critical state behavioral health funding have diverted more than half a billion dollars from the state’s public behavioral health system, including what would be nearly $80 million from Alliance.

I urge you and your colleagues in the General Assembly to stop cutting single stream funding. These state funds are critical for providing services for uninsured/underinsured citizens with mental health, intellectual/developmental disabilities, and substance use disorder needs, and these budget cuts are directly at the expense of North Carolina’s most vulnerable populations.

Please hear and take to heart the following comments shared by our members:

“Budget cuts will affect me tremendously with OJ. It is hard enough to take care of an adult child. It will be even harder with the budget cuts.”

Carrie Morrisey, CFAC member

“With the cuts who will be responsible for the so-called future criminal activities and the criminal justice system who is not going to know what to do with the mental health consumers except lock them up.”

Dr. M. Michael Bryant McGuire, voter, retired LTC, disabled veteran, person living with a disability, advocate with a loud voice, and a CFAC member

“If funding cuts continue, the services for below poverty level residents will continue to be an issue.”

Ellen Gibson, CFAC Co-Chair
“I have a daughter who lives with schizophrenia who was diagnosed in her twenties and is now fifty years old. She lives by herself and is doing well at the present time. The reason that she is doing so well is because of the mental health program in place which could be in jeopardy when funding is cut or done away with.”
Dorothy Johnson, CFAC member

“State budget cuts have already been felt by the community. Further cuts will ripple through the community restricting access to care”
“Cuts have direct impact on families and stakeholders”
“Have caused children and families to go without crucial services needed to maintain health”
“Direct impact on homelessness within the catchment area”
Johnston County members

“I am living with bi-polar and I am an advocate for myself, my family and my community. I want more funding for people with no insurance and for the people that need help paying for services that their insurance does not pay for.”
Tammy Harrington, CFAC member

“Without this funding it causes a rippling effect which involves homelessness, unemployment, lack of retention, high emergency cost to the county in which you live.”
Charlitta Burriss, CFAC member

“Concerning health insurance, I feel it is unfair if the person or family can’t afford it, to take from and limit the needs of those that desperately need the help.”
Pinkey Dunston, CFAC member

“It grieves me as a mother to think of the world that my son will have to try to live a successful life as proposed changes take place. “
Regina Mays, CFAC member

“My biggest fear with the cuts is that I will be readmitted to the hospital and not be able to see my family”.
Faye Griffin, CFAC member

We have two clear and emphatic requests for you:
- Stop the single stream funding cuts to the LME/MCOs
- Sufficiently fund and strengthen our public behavioral healthcare system
Sincerely,

David Curro
Chair, Alliance Health CFAC

Members, Alliance Health CFAC:

Vicky Bass  Ellen Gibson  Regina Mays
Dorothy Best  Tracey Glenn-Thomas  Dr. Michael Bryant McGuire
Jackie Blue  Wanda (Faye) Griffin  Karen McKinnon
Jamille Blue  Briana Harris  Felisha McPherson
Charlitta Burruss  Sharon Harris  Trula Jean Miles
Helen Castillo  James Henry  Israel Pattison
Andrea Clementi  Steve Hill  Jason Phipps
Christopher Dale  Carole Johnson  Carrie Morrisey
LaDeana Dexter  Connie King Jerome  Anthony Sarasona
Bobby Dixon  Dorothy M. Johnson  Gregory Edward Schweizer
Albert Dixon, Jr.  Latasha Jordan  James (Dan) Shaw
Jerry Dodson  Joe Kilsheimer  Tammy Harrington Shaw
Marie Dodson  Jessica Larrison  Annette Smith
Pinkey Dunston  Renee Lloyd  Ben Smith
Shirley Francis  Tekeyyon Lloyd  Brenda Solomon
Bradley Gavriluk  Carson Lloyd, Jr.  Cassandra Williams-Herbert
Leanna George  Megan Mason
**Perspectives from the Wake County Trenches**

*Urgent Need to Include DSPs in Minimum Wage Increases*

By Alliance Wake Consumer and Family Advisory Committee

May 2020

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**Shortage Crisis of DSPs in I/DD Community**

There are currently 20,000 individuals with intellectual and/or developmental disabilities (I/DD) receiving services through North Carolina’s Medicaid-funded Innovations Waiver. There are over 13,000 on the Innovations waitlist; over 9,000 of those on the waitlist receive no LME-MCO funded services and the others receive minimal services.

This program is historically underfunded and the situation will only get worse as we transition to meet the updated standards of community service delivery. The direct labor support budget usually takes most of the shortfall and the availability and quality of support for individuals with I/DD suffers greatly.

**Direct Support Professionals (DSP)** are specially trained health professionals on the front line of I/DD care. Their daily responsibilities include assisting and encouraging independence and inclusion at home, work, and in the community. **DSPs must be able to manage challenging situations that could directly affect the individual’s health, safety, and well-being.** Specific job duties are based solely on the individual’s needs and desired goals. These include supporting an individual’s efforts to make choices, form positive social relationships, learn skills, and communicate thoughts and feelings. The specific tasks range from basic self-care to complex medical and behavioral supports. Their range of duties requires, at a minimum, CPR and First Aid. They may also need specialized training to implement behavior intervention plans, administer medications, respond to seizures, or use assistive technologies.

**Key DSP Workforce Dynamics**

- Need for DSPs has increased by 86% between 2005 – 2016 as the number of service recipients has grown from 433K to 807K nationally
- Turnover rates for DSPs are soaring due to high stress of job responsibilities coupled with low wages
- Wages have not kept up with inflation rate and do not meet the standards of a “living wage”
- Hourly workers do not qualify for benefits such as sick leave and vacation
- “Almost half of DSPs receive publicly funded benefits, such as medical, food or housing assistance” (PHI, 2017)-Presidents Committee for People with Intellectual Disabilities-2017 Report
- There are not enough DSPs to meet the needs of all individuals with I/DD

Nationally, the turnover rate for direct support roles was 43.8%. In large part, this can be explained by low median hourly wages for DSPs, which stood at just $12.09 nationally. *(Case for Inclusion 2020 Report)*

*Wage data sourced from NCI 2017 Staff Stability Report*
The Alliance Wake Consumer and Family Advisory Committee (CFAC) consists of individuals and family members who receive mental health, intellectual/developmental disabilities, and/or substance use/addiction services and live in Wake County in the Alliance LME-MCO regional area of central NC.

The Alliance CFAC is a self-governing committee that serves as an advisor to Alliance administration and the Board of Directors.

To Join Our Effort -
Contact: Annette Smith
Alliance Wake CFAC DSP Workforce Chair
nettersmith@yahoo.com
ITEM: Finance Committee Report

DATE OF BOARD MEETING: August 6, 2020

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 3:00 p.m. prior to the regular Board Meeting. This month’s report includes the draft minutes from the June 4, 2020, meeting, the Summary of Savings/(Loss) by Funding Source and ratios for the period ending May 31, 2020 and recommendations to the Board to approve all presented contracts over $500,000.

REQUEST FOR BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

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

1. Review of the Minutes – June 4, 2020

2. Monthly Financial Reports as of May 31, 2020
   a. Summary of Savings/(Loss) by Funding Source
   b. Statement of Revenue and Expenses (Budget & Actual)
   c. Cash Trend
   d. Senate Bill 208 Ratios
   e. DMA Contractual Ratios

3. Year End Schedule

4. Adjournment
**AGENDA ITEMS:**

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
</table>
| 3. Monthly Financial Reports as of April 30, 2020 | The monthly financial reports were discussed which included the Summary of Savings/(Loss) by Funding Source, the Statement of Revenue and Expenses, Senate Bill 208 Required Ratios, and Division of Health Benefits (NC Medicaid) Contract Ratios as of April 30, 2020. Ms. Pacholke discussed the monthly reports:  
  - As of April 30, 2020, the summary of savings by funding source shows a savings of $16.9M  
  - As of April 30, 2020, there is a fund balance of $104.9M, with $20M being unrestricted (19%).  
  - Alliance is meeting all Senate Bill 208 and Division of Health Benefits (NC Medicaid) contract ratios.  
  Ms. Pacholke also reported on and provided cash trends. | | |
| 4. FY20 Budget Amendment for Approval | Ms. Pacholke went over the recommended FY20 budget amendment. The amendment includes the following:  
  - An increase to administrative and Medicaid funding sources related to retroactive eligibility, April 1, rate increases, an additional anticipated retro rate adjustment  
  - An increase to State funding sources related to additional allocations for programs like TCLI, Opioid, ADATC, NC Start, etc.  
  - A slight decrease to local funding related to Cumberland County for a salary adjustment  
  - An increase in grant funding related to a HUD grant | Take the motion to the Board for approval. | 6/4/20 Meeting |
AGENDA ITEMS: | DISCUSSION: | NEXT STEPS: | TIME FRAME:
--- | --- | --- | ---
5. FY21 Recommended Budget for Approval | Ms. Goodfellow went over highlights of the FY21 recommended for approval budget presentation that she will give to the full Board.  
- Increase from recommended to recommended for approval budget of $8,332,251 is a result of receiving our 7/1/20 PMPM rate and an increase in the Wake County budget.  
- State is putting in an ability to review the capitation rate based on enrollment growth above a target and/or changes in stay-at-home order or school closures.  
- In addition, State is putting a risk corridor in place due to COVID adjustments. This adds a Target Treatment Ratio (TTR).  
- Discussed a reinvestment plan that will be submitted to the State. This reinvestment plan is approved to be submitted to the State; however the reinvestment plan is not being approved by the Board.  
A motion was made by Mr. Pazzaglini and seconded by Ms. Anderson to recommend the Board approve the FY21 Recommended Budget for Approval for $551,842,256. | Take the motion to the Board for approval. | 6/4/20 Meeting

6. ADJOURNMENT: the meeting adjourned at 3:26 p.m.; the next meeting will be August 6, 2020 from 3:00 p.m. to 4:00 p.m.
### Summary of Savings/(Loss) by Funding Source as of May 31, 2020

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Revenue</th>
<th>Expense</th>
<th>Savings/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Waiver Services</td>
<td>$357,881,497</td>
<td>$348,283,971</td>
<td>$9,597,527</td>
</tr>
<tr>
<td>Medicaid Waiver Risk Reserve</td>
<td>$6,225,389</td>
<td>$6,225,389</td>
<td>$0</td>
</tr>
<tr>
<td>Federal Grants &amp; State Funds</td>
<td>$62,171,164</td>
<td>$61,940,571</td>
<td>$2,230,594</td>
</tr>
<tr>
<td>Local Funds</td>
<td>$25,326,343</td>
<td>$24,934,136</td>
<td>$392,207</td>
</tr>
<tr>
<td>Administrative</td>
<td>$54,022,299</td>
<td>$57,562,431</td>
<td>(3,540,132)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$507,626,693</strong></td>
<td><strong>$492,721,108</strong></td>
<td><strong>$14,905,585</strong></td>
</tr>
</tbody>
</table>

#### Committed
- Legislative Reductions: $(2,757,164) $(3,007,817)
- Intergovernmental Transfers: $(46,877) $(60,000)
- Reinvestments-Service: $(2,181,000) $(2,900,000)
- **Total Committed** $(4,985,041) $(5,967,817)

#### Restricted
- Medicaid Waiver Services: $8,225,389 $8,225,389
- Medicaid Waiver Risk Reserve: $5,022,299 $5,022,299
- Federal Grants & State Funds: $62,171,164 $61,940,571
- Local Funds: $25,326,343 $24,934,136
- **Total Restricted** $79,644,085 $79,400,095

#### Unrestricted
- Medicaid Waiver Services: $357,881,497 $357,881,497
- Medicaid Waiver Risk Reserve: $6,225,389 $6,225,389
- Local Funds: $25,326,343 $25,326,343
- **Total Unrestricted** $492,721,108 $492,721,108

**Total Fund Balance Change** $14,905,585 $24,565,263

### Fund Balance as of May 31, 2020

<table>
<thead>
<tr>
<th>May 31, 2020 Change</th>
<th>Projection as of June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Fixed Assets</td>
<td>4,446,365 $(492,075)</td>
</tr>
<tr>
<td>Restricted - Risk Reserve</td>
<td>51,602,006</td>
</tr>
<tr>
<td>Restricted - Other State Statutes</td>
<td>7,005,672</td>
</tr>
<tr>
<td>Prepaids</td>
<td>858,436 $(142,298)</td>
</tr>
<tr>
<td>Restricted - Other</td>
<td>7,864,108 $(142,298)</td>
</tr>
<tr>
<td>Total Committed</td>
<td>7,342,029 $(7,342,029)</td>
</tr>
<tr>
<td>Intergovernmental Transfer</td>
<td>3,007,817 $(2,757,164)</td>
</tr>
<tr>
<td>Reinvestments-Service</td>
<td>1,832,000 $(46,877)</td>
</tr>
<tr>
<td>Reinvestments-Administrative</td>
<td>4,953,013 $(2,181,000)</td>
</tr>
<tr>
<td>Total Committed</td>
<td>17,134,859 $(4,985,041)</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>6,426,721</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>87,974,059</strong> $14,905,585</td>
</tr>
</tbody>
</table>

### May 31, 2020 Actual
- Investment in Fixed Assets: 18%
- Restricted - Risk Reserve: 4%
- Restricted - Other: 58%
- Total Committed: 12%
- Unrestricted: 8%

### June 30, 2020 Projection
- Investment in Fixed Assets: 25%
- Restricted - Risk Reserve: 4%
- Restricted - Other: 54%
- Total Committed: 10%
- Unrestricted: 7%
A  Projected Administrative Loss as of 6/30/20  $ (5,103,652)
Committed-Intergovernmental Transfers  3,007,817
Committed-Reinvestments-Administrative  2,900,000
Net Administrative Savings/(Loss) After Committed Funds  $ 804,165

B  FY20 Committed Reinvestment Plan

<table>
<thead>
<tr>
<th>Crisis Services</th>
<th>Committed Funds</th>
<th>Spent</th>
<th>Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumberland Crisis Facility</td>
<td>1,200,000</td>
<td>45,202</td>
<td>-</td>
</tr>
<tr>
<td>NC START</td>
<td>132,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$ 1,332,000</strong></td>
<td><strong>45,202</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Engagement and Self-Management</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Misc</td>
<td>500,000</td>
<td>1,675</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$ 500,000</strong></td>
<td><strong>1,675</strong></td>
<td><strong>60,000</strong></td>
</tr>
<tr>
<td><strong>Total - Services</strong></td>
<td><strong>$ 1,832,000</strong></td>
<td><strong>46,877</strong></td>
<td><strong>60,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administration</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailored Plan planning and implementation</td>
<td>4,953,013</td>
<td>2,181,000</td>
<td>2,900,000</td>
</tr>
<tr>
<td><strong>Total - Administrative</strong></td>
<td><strong>$ 4,953,013</strong></td>
<td><strong>2,181,000</strong></td>
<td><strong>2,900,000</strong></td>
</tr>
<tr>
<td><strong>Total Service and Administration</strong></td>
<td><strong>$ 6,785,013</strong></td>
<td><strong>2,227,877</strong></td>
<td><strong>2,960,000</strong></td>
</tr>
</tbody>
</table>

C  Key Assumptions

1) Restricted - Other State Statutes - using 6/30/19 amount. This will change once 6/30/20 is closed.
2) The savings related to Medicaid Waiver Services are based on June preliminary numbers.
3) Projections are based on currently available information and therefore are subject to change.
<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Current Period</th>
<th>Year to Date</th>
<th>Balance</th>
<th>% Received/Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Grants</td>
<td>$38,784,914</td>
<td>$963,827</td>
<td>$25,326,343</td>
<td>$13,458,571</td>
<td>65.30%</td>
</tr>
<tr>
<td>State &amp; Federal Grants</td>
<td>$73,542,409</td>
<td>$4,443,330</td>
<td>$62,171,164</td>
<td>$11,371,244</td>
<td>84.54%</td>
</tr>
<tr>
<td>Medicaid Waiver Services</td>
<td>$427,520,615</td>
<td>$31,157,609</td>
<td>$366,106,887</td>
<td>$61,413,728</td>
<td>85.63%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$539,847,938</td>
<td>$36,564,765</td>
<td>$453,604,394</td>
<td>$86,243,543</td>
<td>84.02%</td>
</tr>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Administration</td>
<td>$387,584</td>
<td>$32,299</td>
<td>$355,293</td>
<td>$32,292</td>
<td>91.67%</td>
</tr>
<tr>
<td>LME Administrative Grant</td>
<td>$4,359,385</td>
<td>$363,283</td>
<td>$3,996,113</td>
<td>$363,272</td>
<td>91.67%</td>
</tr>
<tr>
<td>Medicaid Waiver Administration</td>
<td>$56,269,571</td>
<td>$4,251,306</td>
<td>$49,084,525</td>
<td>$7,185,046</td>
<td>87.23%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>$807,500</td>
<td>$50,277</td>
<td>$786,368</td>
<td>$221,132</td>
<td>72.62%</td>
</tr>
<tr>
<td><strong>Total Administrative Revenue</strong></td>
<td>$61,824,040</td>
<td>$4,697,165</td>
<td>$54,022,299</td>
<td>$7,801,742</td>
<td>87.38%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$601,671,978</td>
<td>$41,261,931</td>
<td>$507,626,693</td>
<td>$94,045,285</td>
<td>84.37%</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Services</td>
<td>$38,784,914</td>
<td>$969,442</td>
<td>$24,934,136</td>
<td>$13,850,778</td>
<td>64.29%</td>
</tr>
<tr>
<td>State &amp; Federal Services</td>
<td>$73,883,287</td>
<td>$4,193,543</td>
<td>$61,940,571</td>
<td>$11,942,716</td>
<td>83.84%</td>
</tr>
<tr>
<td>Medicaid Waiver Services</td>
<td>$420,671,920</td>
<td>$32,961,332</td>
<td>$348,283,971</td>
<td>$72,387,949</td>
<td>82.79%</td>
</tr>
<tr>
<td><strong>Total Service Expenses</strong></td>
<td>$533,340,121</td>
<td>$38,124,317</td>
<td>$435,158,677</td>
<td>$98,181,443</td>
<td>81.59%</td>
</tr>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td>$10,870,163</td>
<td>$800,306</td>
<td>$9,266,478</td>
<td>$1,603,685</td>
<td>85.25%</td>
</tr>
<tr>
<td>Salaries, Benefits, and Fringe</td>
<td>$50,705,156</td>
<td>$3,949,187</td>
<td>$43,224,580</td>
<td>$7,480,575</td>
<td>85.25%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$5,949,039</td>
<td>$415,575</td>
<td>$5,071,372</td>
<td>$877,667</td>
<td>85.25%</td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>$807,500</td>
<td>$0</td>
<td>$807,500</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Administrative Expenses</strong></td>
<td>$68,331,857</td>
<td>$5,169,068</td>
<td>$57,562,431</td>
<td>$10,769,427</td>
<td>84.24%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$601,671,978</td>
<td>$43,289,384</td>
<td>$492,721,108</td>
<td>$108,950,870</td>
<td>81.89%</td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>($2,027,454)</td>
<td>($14,905,585)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 (7/1/19-6/30/20).
ITEM: Executive Committee Report

DATE OF BOARD MEETING: August 6, 2020

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. This month’s report includes approved minutes from the June 15, 2020 meeting and draft minutes and supporting document(s) from the July 20, 2020, meeting.

REQUEST FOR BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Gino Pazzaglini, Board Chair; Robert Robinson, CEO
### AGENDA ITEMS:

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| 3. Updates                    | a) LEGISLATIVE/MEDICAID REFORM: Mr. Perkins provided an update, specifically Senate Bill (SB) 808 to allocate funding to pursue Medicaid transformation with a proposed standard plans go-live date of July 2021 and subsequent tailored plans would then expect to go-live July 2022. This bill also removes DHHS' relocation to Granville County and does not include Medicaid expansion; it is unclear if the NC governor will sign it into law.  

b) COVID-19: Mr. Robinson provided an update on the agency's re-entry plan.  
c) ACAP AWARD: Mr. Robinson shared about the Association for Community-Affiliated Plans (ACAP) eleventh annual Making a Difference Award, which was awarded to Ann Oshel, Senior Vice-President/Community Health and Well-Being. ACAP is a national trade organization representing not-for-profits health plans serving Medicaid and Medicare enrollees. Ms. Oshel received this award from nominees across all ACAP membership. | a) N/A  
b) N/A  
c) N/A | a) N/A  
b) N/A  
c) N/A |
| 4. Board Terms and Vacancies  | Ms. Ingram reviewed the current vacancies and progress with reappointment by respective Boards of County Commissioners. | None specified. | N/A |
| 5. Agenda Setting Revision    | Chair-elect Pazzaglini reviewed tentative plans to revise the agenda for Board meetings. | Vice-Chair Pazzaglini will provide an update. | 7/20/20 |

**COMMITTEE ACTION:**

The Committee received the updates.

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date; minutes approved on July 20, 2020.
## BOARD EXECUTIVE COMMITTEE - REGULAR MEETING
(virtual meeting via videoconference)
4:00-6:00 p.m.

### AGENDA ITEMS:

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| 6. Closed Session     | **COMMITTEE ACTION:**
|                       | A motion was made by Dr. Silberman to enter closed session pursuant to North Carolina General Statute (NCGS) 143-318.11 (a) (1) to prevent the disclosure of information that is confidential and not a public record under NCGS 122C-126.1. Motion seconded by Mr. McDonald. Motion passed unanimously. Committee returned to open session. | None specified.   | N/A         |

7. **ADJOURNMENT:** the meeting adjourned at 5:15 pm; the next meeting will be July 20, 2020, at 4:00 p.m.
**BOARD EXECUTIVE COMMITTEE - REGULAR MEETING**  
(virtual meeting via videoconference)  
4:00-6:00 p.m.

**APPOINTED MEMBERS PRESENT:** ☒David Curro, BS (Audit and Compliance Committee Chair); ☒Angela Diaz, MBA (Client Rights/Human Rights Committee Chair); ☒Lodies Gloston, MA (Policy Committee Chair); ☒David Hancock, MBA, PFAff (Finance Committee Chair); ☒Donald McDonald, MSW (Network Development and Services Committee Chair); ☒Lynne Nelson, BS (Board Vice-Chair), ☒Gino Pazzaglini, MSW LFACHE (Board Chair), and ☒Pam Silberman, JD, DrPH (Quality Management Committee Chair)

**BOARD MEMBERS PRESENT:** None  
**GUEST(S):** None  
**STAFF PRESENT:** Kelly Goodfellow, Executive Vice-President/Chief Financial Officer; Veronica Ingram, Executive Assistant II; Brian Perkins, Senior Vice-President/Strategy and Government Relations; Monica Portugal, Chief Compliance Officer; Robert Robinson, CEO; Sara Wilson, Senior Director of Government Relations; and Carol Wolff, General Counsel

1. **WELCOME AND INTRODUCTIONS** – the meeting was called to order at 4:01 p.m.

2. **REVIEW OF THE MINUTES** – The minutes from the June 15, 2020, meeting were reviewed; a motion was made by Ms. Gloston and seconded by Mr. Curro to approve the minutes. Motion passed unanimously.

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<td>3. Closed Session</td>
<td>COMMITTEE ACTION: A motion was made by Mr. Curro to enter closed session pursuant to North Carolina General Statute 143-318.11 (a) (3) to consult with or give instructions to an attorney in order to preserve the attorney-client privilege. Motion seconded by Mr. McDonald. Motion passed unanimously. Committee returned to open session.</td>
<td>None specified.</td>
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<td>4. Proposed Revisions to the Code of Ethics</td>
<td>Monica Portugal, Chief Compliance Officer, presented proposed revisions as directed by the Board Chair and mentioned at the June 4, 2020, Board meeting. The Board recommended strengthening the language within Alliance’s Code of Ethics denouncing racism within the organization. Committee reviewed the proposed revisions and provided additional detailed input. COMMITTEE ACTION A motion was by Vice-Chair Nelson to recommend to the Board of Directors that the proposed standard be approved and added to the existing Employee Code of Ethics and Conduct. Motion seconded by Dr. Silberman. Motion passed unanimously.</td>
<td>Topic will be presented to the Board for approval.</td>
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<td>5. Sale of Property at 3309 Durham Drive, Raleigh</td>
<td>Ms. Goodfellow and Ms. Wolff provided an update on this facility. Committee reviewed potential next steps to facilitate sale of this property.</td>
<td>Topic will be presented to the Board for approval.</td>
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Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date; minutes approved on [Click or tap to enter a date.](#).
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<td>A motion was made by Dr. Silberman to waive the rules set forth in the by-laws and to authorize the CEO to enter into any binding or non-binding agreement for the sale of the property at 3309 Durham Drive, Raleigh, as long as it meets or exceeds the original purchase price, subject to approval of the Board Chair; if less than this amount, it would be approved by the Board Executive Committee. Motion seconded by Ms. Diaz. Motion passed unanimously.</td>
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<td>Ms. Ingram will forward the agenda to staff.</td>
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<th>6. Agenda Setting Revision/Draft Agenda for August Board Meeting</th>
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<td>Chair Pazzaglini reviewed revisions to the agenda as noted in the draft agenda for the August Board meeting; he reminded the Committee that the changes were proposed to support optimal functioning of the Board, address items needing decisions earlier in the agenda, and to increase efficiency of topics presented to the Board. Committee members supported the revisions.</td>
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<th>7. Updates</th>
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<td>a) <strong>LEGISLATIVE/MEDICAID REFORM:</strong> Mr. Robinson shared the tentative go-live date for NC DHHS’s Standard Plans in July 2021 and Tailored Plan, which is July 2022.</td>
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<td>b) <strong>COVID-19:</strong> topic was postponed.</td>
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<td>c) <strong>FUTURES WORKGROUP MEETINGS AND MEMBERSHIP:</strong> topic was postponed.</td>
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<td>a) None specified.</td>
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<td>b) Topic will be presented at an upcoming committee meeting.</td>
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<td>a) N/A</td>
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<td>b) N/A</td>
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<td>c) 8/17/20</td>
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<th>8. Board Applicant Interviews</th>
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<td>Committee interviewed one of two applicants for the vacant seat representing Wake County; due to time constraints, the Committee postponed the interview with a second applicant until the next meeting.</td>
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<td>Committee will interview additional applicants for vacant Board seats.</td>
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9. **ADJOURNMENT:** the meeting adjourned at 5:57 pm; the next meeting will be August 17, 2020, at 4:00 p.m.
New Employee Code of Ethics and Conduct Standard Addressing Racial Discrimination

Introduction:
During its June Board meeting and in response to the killing of George Floyd and related, recent protests, the Board decided to add a standard to the existing Employee Code of Ethics and Conduct addressing racism and racist acts. At the Board’s direction review and input were provided by the Alliance Board Chair, Board Executive Committee, and by staff, which included the Alliance Diversity, Equity & Inclusion Council (DEIC) and the Executive Leadership Team. The proposed standards (below) has been supported by staff and approved by the Board Executive Committee on July 20, 2020. It is recommended to the Board of Directors for approval and inclusion into the existing Employee Code of Ethics and Conduct.

Proposed Standard:
Alliance promotes an organizational culture of diversity, equity and inclusion and is committed to creating a culture without racial inequities, institutional biases and social injustice that can lead to disproportionate impact on minority populations. Alliance promotes an open and inclusive work environment where employees are encouraged to raise awareness of unconscious bias, prejudice and discrimination. Personnel shall treat all coworkers, other professionals, members, and visitors with compassion, sensitivity, dignity and respect. There is zero tolerance for racial discrimination in any form.

Definition:
Race Discrimination involves treating someone (an applicant, employee, member or other stakeholder) unfavorably because he/she is of a certain race or because of personal characteristics associated with race such as hair texture, skin color, or certain facial features. Manifestations may be conscious or unconscious, direct or indirect, and include racial acts, prejudice, discrimination and the use of derogatory or racist language.
ITEM: COVID-19 Update

DATE OF BOARD MEETING: August 6, 2020

BACKGROUND: Alliance staff will provide an update on the agency’s efforts to continue operations and to coordinate care for the people Alliance serves while maintaining staff and community safety.

REQUEST FOR AREA BOARD ACTION: Accept the update.

CEO RECOMMENDATION: Accept the update.

RESOURCE PERSON(S): Mehul Mankad, MD, Chief Medical Officer
ITEM: DSS Proposal Presentation

DATE OF BOARD MEETING: August 6, 2020

BACKGROUND: Working with DSS partners, Alliance has identified a group of youth with complex needs for whom there are gaps in services and supports. Alliance has identified a continuum of services and is creating partnerships with providers and DSS to implement a plan to address the needs of these youth.

REQUEST FOR AREA BOARD ACTION: Accept the presentation.

CEO RECOMMENDATION: Accept the presentation.

RESOURCE PERSON(S): Beth Melcher, Ph.D., Senior Director of Clinical Innovation