



Transforming Lives. Building Community Well-Being.

June 22, 2023

**TRILLIUM HEALTH RESOURCES
GOVERNING BOARD MEETING MINUTES**

The Trillium Health Resources Governing Board met on Thursday, June 22, 2023, at 4:00 p.m. via WebEx.

Members Present: David Clegg, Mary Ann Furniss, Charles Jordan, Jerry Langley, Ron Lowe, Janice Nichols, Amy Pridgen-Hamlett, Dr. Denauvo Robinson, Dr. Sheila Smith, David Stanley, Emmie Taylor, and Rob Zapple.

Members Absent: Gary Bass

Staff Present: Cindy Ehlers, Joy Futrell, Senitria Goodman, Mike Lewis, Bobbie Lowe, Melissa Owens, Cecelia Peers, Dave Peterson, Dr. Michael Smith and Lisa Fuller, Clerk.

Guests: Lisa Jackson, liaison with the NC Department of Health and Human Services (DHHS).

I. CALL TO ORDER

Ms. Furniss called the June 22, 2023 meeting to order at 4:00 p.m.

II. CONSENT AGENDA

Ms. Furniss called for a motion to approve the consent agenda to include the following item:

- April 27, 2023 Governing Board Minutes
- Governing Board Meeting Schedule FY 2023-2024
- Compliance Plan FY 2023-2024

Commissioner Zapple moved to approve the consent agenda item. The motion, seconded by Mr. Stanley, was unanimously approved.

III. PUBLIC COMMENTS

None

IV. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2023-2024

Ms. Furniss called for a motion to enter into the public hearing on the proposed budget for fiscal year 2023-2024. Commissioner Langley so moved. The motion seconded by Ms. Taylor, was unanimously approved.

There were no comments or questions from the public on the proposed budget.

Ms. Furniss called for a motion to adjourn the public hearing. Commissioner Langley so moved. The motion seconded by Dr. Robinson.

V. ADOPTION OF AGENDA

Ms. Furniss requested an amendment to the agenda to include “XI. Staff Salary Increase”. Mr. Clegg questioned the necessity of adding the agenda item to the agenda at this time. Ms. Futrell stated that the information was prepared, and the entry was missed on the draft agenda. Commissioner Zapple stated that the Board Clerk had provided the information regarding the staff increase included in the budget to the Board 48 hours prior to the board meeting.

Ms. Furniss called for motion to adopt the agenda. Ms. Nichols so moved. The motion seconded by Commissioner Zapple, was unanimously approved.

VI. BOARD COMMENTS/CONCERNS

Mr. Lowe, Chair of the Nominating Committee introduced the names of the 2023-2024 Nominating Committee members (Commissioner Zapple, Mr. Bass and Mr. Lowe). He reviewed the procedures for Board members to nominate a slate of officers for fiscal year 2023-2024. The vote will take place at the August meeting.

VII. CONVENE FINANCE COMMITTEE MEETING

Ms. Furniss entertained a motion to recess the Governing Board meeting and to convene the Finance Committee meeting. Mr. Clegg so moved. The motion seconded by Commissioner Langley, was unanimously approved.

VIII. BUDGET REVISION II FY 2022-2023

Ms. Owens reported that the previous budget amount was \$785,697,091. The revised budget in the amount of \$800,956,407 equates to a \$15 million increase. The increase is attributed to mainly State allocations we received from the last budget revision, as well as capacity building funds received for tailored care management. The section under expenditures indicates a \$14.9 million increase in contracts and grants. This is directly related to allocations in capacity building funds and state allocations. The other line item adjustments are to cover costs in other areas of administrative expenditures, a \$371,000 increase. Under the revenue section, the initial adjustments are movement of funds related to the Tailored Plan delay, a net zero impact. The increase of \$9.5 million is in service funding - Medicaid \$5.7 million directly related to capacity building funds, State service funding an additional \$1.6 million in funding for Covid Cares Act. Also, \$7.2 million in funds related to federal adult substance abuse which consisted of \$5 million in State opioid response funds and \$1 million in opioid abatement funds. The remaining \$700,000 in TASC funding and substance abuse block grant treatment and recovery. This budget revision is related to the additional State allocations we received throughout the year that were not included in the previous budget revisions.

Ms. Furniss called for a motion to approve the budget revision. Commissioner Langley so moved. The motion seconded by Commissioner Zapple, was unanimously approved.

IX. PAY PLAN FOR FISCAL YEAR 2023-2024

Ms. Owens reviewed the Pay Plan for fiscal year 2023-2024. She reported a small change made to remove years of experience ranges. For example, in the past a minimum of 1 to 4 years of experience may have been required. To add specificity, to it will now read 2 years of experience, this will assist in better qualifying applicants, as well as align with our salary tool and recruitment strategies.

We are required to perform an annual review of the pay plan in comparison with our catchment area counties. We did not exceed any pay ranges. The comparison of the pay plan salary ranges resulted in an increase in the ending salary range for some pay grades to align. Those were all related to IT

positions, 3 grades, grades 30, 31 and 35. Each of the grades increased by 5%, there were no automatic salary increases related to the change. The total number of positions for the pay plan is 755 for next fiscal year.

Ms. Furniss called for a motion to approve the pay plan as presented. Mr. Clegg so moved. The motion seconded by Ms. Nichols, was unanimously approved.

X. BUSINESS FINANCIAL PLAN AND ADOPTION OF BUDGET ORDINANCE FY 2023-2024

The total budget for fiscal year 2023-2024 is \$972,567,030. The primary sources of funding this upcoming year is 90% Medicaid, 8% State preparations and non-medical federal funds, and 1% county appropriations from our 28 counties. Also, 1% miscellaneous funding, which includes the appropriated fund balance. The budget for fiscal year 23-24 is approximately 18% higher than our current year budget, with the consideration of the budget revision that was just approved. The budget supports a total of 755 positions, as well as a 5% COLA across the board salary increase for employees. The budget also includes appropriated fund balance in the amount of \$2.9 million. This amount is the inter-governmental transfer that we must pay per legislation. We did not include any additional fund balance in the budget, so funds would be available for any one-time expenditures that may be needed for future budget revisions.

Of the \$882 million in Medicaid funding, 88.9% is attributed to service funding which includes tailored care management. The tailored care management funding is related to care management, both internal and external to support care management for our members. In the upcoming year we are assuming responsibility for 86,000 Medicaid eligibles and 194,000 state funded eligibles. We have included for all reoccurring state allocations, less any one-time funding, and budgeted county dollars are going to our current budget year.

From a risk management perspective, we continue to monitor reporting, measure outcomes and expenditures. We have several monthly, quarterly, and annual reports, required metrics to report to the State to ensure we are aware of any financial risk.

Commissioner Zapple noted a correction on page 2, paragraph 3, line 3 of the Business Plan. Ms. Owens noted the change to be made.

Commissioner Zapple asked for clarity regarding the option for students/schools to participate in prevention education programs. Mr. Peterson, Trillium Central Regional Director – The Post Center will offer an educational program for parents. The “Sold Out Youth” program is primarily for individual high school students interested in learning about the dangers of fentanyl. These programs are being offered to school systems and they can decide to participate. Trillium will not be directly interacting with parents or students. We have met with school superintendents, guidance counselors, school board members and principals. Schools must be willing to advertise both programs.

Ms. Furniss called for a motion to approve the Business Financial Plan and adopt the Budget Ordinance for FY 2023-2024. Commissioner Zapple so moved. The motion seconded by Commissioner Langley, was unanimously approved.

XI. STAFF SALARY INCREASE

Ms. Futrell asked the Board to consider approving the 5% pay increase (\$3 million) for staff included in the budget. This includes a 3% (\$1.9 million) salary increase for all Trillium employees effective July 1, 2023. A portion of the 5% (\$1.1 million) in flexibility funds for hiring new staff and performance bonuses. This would not change the pay plan or go outside of our salary tool.

Commissioner Zapple - What is the motivation for the increase?

Ms. Futrell – The increase would help to retain current staff, cost of living, and assist in hiring new staff.

Ms. Furniss – I had originally thought the increase was 5%, when was it changed to 3%?

Ms. Futrell - Usually 5% is added to the budget, and a small portion is reserve for performance pay and other one-time bonuses for staff for specific projects.

Ms. Furniss called for a motion to approve the 3% staff salary increase for all staff effective July 1, 2023. Mr. Clegg so moved. The motion seconded by Ms. Nichols, was unanimously approved.

XII. ADOPTION OF BUDGET RESOLUTION NECESSARY TO CLOSE FISCAL YEAR

Ms. Furniss called for a motion to adopt a resolution authorizing the Governing Board chair to approve any budget revisions for fiscal year 2022-2023 needed subsequent to this Board meeting and June 30, 2023.

Commissioner Langley so moved. The motion seconded by Ms. Taylor, was unanimously approved.

XIII. RESOLUTION – NCDOT PERMANENT UTILITY EASEMENT

Trillium General Counsel, Ms. Goodman addressed the Board to consider adopting a resolution regarding a permanent utility easement for Trillium owned property located in Northampton County, Jackson Township (9486 NC 305 HWY, Jackson, NC 27845). The North Carolina Department of transportation needs a small piece of the property (0.144 acres) to complete an expansion project for highway 305. Trillium was offered \$2,800 to acquire an easement for utility purposes for the installation and the maintenance of a permanent utility. Giving this easement does not impact upon our ability to use the property in any respect.

Mr. Stanley – Do we know what type of utility, and will it cause any issues with our use of the property?

Ms. Goodman – The specific utility has not been shared with us; it may be contained in the project plan. It is spelled out in the deed, that it is understood Trillium Health Resources will not be disturbed, and during any future project that may require any work, Trillium will be compensated the value.

Mr. Stanley – Please follow-up on what type of utility.

Ms. Furniss called for a motion to adopt the resolution for the NCDOT Permanent Utility Easement. Mr. Stanley so moved. The motion seconded by Commissioner Zapple, was unanimously approved.

XIV. DIRECTOR'S REPORT

Tailored Plan Activities

We are focused on building our network throughout our 28 counties and the entire state, to ensure members can continue to see their same physicians and providers. Contracting work continues with the hospital systems – UNC-Chapel Hill, Duke, and Atrium.

Due to the number of Tailored Plan delays, CMS is again requiring Readiness Reviews for all six LME/MCOs. Trillium was scheduled for reviews next week; due to potential legislation it has been rescheduled.

Medicaid Expansion – The majority of the population will be going to the Standard Plans. The estimates are that 7% of the expansion population will go to the Tailored Plans. Although we have not seen the exact numbers, for Trillium that maybe approximately 4,000 people.

Commissioner Zapple – What is the source of funding for the additional 4,000 people?

Ms. Futrell – The Medicaid Capitation will be adjusted, as well as rates, to account for the additional enrollees.

NC DHHS

Note the LME/MCO/TP Dashboard dated May 10, 2023, Trillium continues to do really well with not having people in inappropriate crisis settings. The first metrics shows Trillium is the lowest in the state for children in the ED awaiting placement. The second metrics are a result of the work we have done over the years investing in community resources and wrap around services to get members taken care of in their communities. This helps to avoid individuals being placed in a PRTF and in inappropriate treatment settings.

Other areas where Trillium consistently performs well, is with the people on the Innovations waiting list; 67% of people waiting for a slot are receiving some services. The last metrics, Follow-up after Inpatient Discharge, shows we do a good job of making sure we get services to people and communicating with them about how to access services.

NC General Assembly

The House is considering a \$15 million reduction in single stream funding. The impact to Trillium would force us to use some of our fund balance, resulting in reduced services. As we transition to the Tailored Plan we need the savings, for any one-time event. The LME/MCOs met with legislators last week to follow-up and share financial information. We shared the details of our fund balance, to give them a better understanding of our budgets.

Ribbon cuttings and other events

In June we opened a new Oxford Home, an 8 bed recovery home for men in the Whiteville area.

Trillium invested over \$1.5 million to expand foster homes, intensive alternative family treatment and licensed respite homes for children and alternative family living for adults.

Ms. Ehlers presented at the National Association for Maternal Child Health Programs; a peer-to-peer conference held at UNC-Chapel Hill. She discussed the successes and the sustainability of our Family Navigator model.

Trillium was recognized for two awards at the i2i Conference in Raleigh. One for collaborative work with a family in Elizabeth City who initiated the NC Rock Autism Music Festival. The other Trillium partnered with Access East and Community Care of the Lower Cape Fear to support transition to integrated care in pediatric practices.

Personnel Changes/Other

Our current staff turnover rate is 12.78%, this is a little higher compared to our health peers. This is a result of all the changes associated with the rollout of care management. Currently we have 18% of our budgeted positions vacant, mainly in care management. This is intentional, we will begin to bring people on board in July. We are doing everything we can to retain staff.

XV. CFAC REPORT

Ms. Furniss Southern Region CFAC designee, Mr. Lowe, Northern Region CFAC chair, and Dr. Smith, Central Region CFAC chair, gave reports on behalf of their respective committees.

XVI. CHAIR'S REPORT

Ms. Furniss announced the retirement from the Governing Board, of Ms. Emmie Taylor and Dr. Denauvo Robinson. Ms. Furniss and the Board thanked them both for their many years of service and dedication to Trillium.

XVII. CLOSED SESSION TO DISCUSS A COMPETITIVE HEALTH CARE MATTER

Ms. Futrell asked that Senior Executive staff and Dave Peterson, Central Regional Director be allowed to remain in the closed session.

Ms. Furniss entertained a motion to enter into closed session, Pursuant to N.C.G.S. 122C-126.1, to discuss confidential information. Ms. Nichols so moved. The motion, seconded by Ms. Taylor, was unanimously approved.

Upon returning to open session, no action was taken.

XVIII. CLOSED SESSION TO DISCUSS CEO EVALUATION

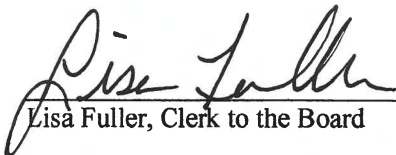
Ms. Furniss entertained a motion to enter into closed session, Pursuant to N.C.G.S. 143-318.11(a)(1)&(6), to discuss a personnel matter. Dr. Robinson so moved. The motion, seconded by Ms. Taylor, was unanimously approved.

Upon returning to open session, Ms. Furniss called for a motion to approve a 7% salary increase for Ms. Futrell effective July 1, 2023. Ms. Taylor so moved. The motion seconded by Ms. Nichols and approved by a vote of 5 to 3.

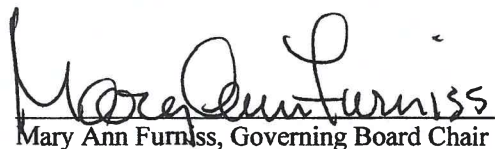
XIX. ADJOURNMENT

With there being no other business, Ms. Furniss called for a motion to adjourn. Dr. Robinson so moved. Commissioner Langley seconded the motion, was unanimously approved.

The meeting adjourned at 6:35p.m.



Lisa Fuller, Clerk to the Board



Mary Ann Furniss, Governing Board Chair