

June 23, 2022

**TRILLIUM HEALTH RESOURCES
GOVERNING BOARD MEETING MINUTES**

The Trillium Health Resources Governing Board met on Thursday, June 23, 2022, at 4:00 p.m. via WebEx.

Members Present: Sandra Buckman, Mary Ann Furniss, Ann Floyd Huggins, Charles Jordan, Ron Lowe, Jim Madson, Janice Nichols, Dr. Denauvo Robinson, Lea Wolf and Rob Zapple.

Members Absent: Gary Bass, David Clegg and Emmie Taylor.

Staff Present: Cindy Ehlers, Joy Futrell, Senitria Goodman, Mike Lewis, Melissa Owens, Dave Peterson, Dr. Michael Smith, Dennis Williams 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 23, 2022 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 28, 2022 Governing Board minutes
- Information System Security & Privacy Program Management (PM)
- 2022-2023 Compliance Plan
- 2022-2023 Quality Management & Improvement Plan
- Governing Board Meeting Schedule FY 2022-2023

Ms. Nichols moved to approve the consent agenda item. The motion, seconded by Mr. Lowe, was unanimously approved.

III. PUBLIC COMMENTS

None

IV. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2022-2023

Ms. Furniss call for a motion to enter into the public hearing on the proposed budget for fiscal year 2022-2023. Mr. Lowe so moved. The motion seconded by Commissioner Jordan, was unanimously approved.

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

Ms. Furniss call for a motion to adjourn the public hearing. Commissioner Jordan so moved. The motion seconded by Dr. Robinson, was unanimously approved.

V. ADOPTION OF AGENDA

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

VI. BOARD COMMENTS/CONCERNS

Mr. Lowe reviewed the procedures for Board members to nominate a slate of officers for fiscal year 2022-2023. 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. Jim Madson so moved. The motion, seconded by Ms. Nichols, was unanimously approved.

VIII. BUDGET REVISION III FISCAL YEAR 2021-2022

Ms. Furniss entertained a motion to reconvene the Governing Board meeting. Commissioner Zapple so moved. The motion, seconded by Mr. Lowe.

Ms. Owens reported the previous budget was \$685,337,574, the revised budget is \$707,572,727 which equates to an increase of \$22,235,153. The increase is mainly attributed to the Medicaid rates being adjusted, as well as additional State allocations received. The revision also includes an additional 4.1 million from fund balance, to cover the ongoing expenditures related to Tailored Plan work. The total increase related to Medicaid is approximately 11.4 million, of which 1.4 million is administrative funding; \$233,000 related to risk reserve, and 9.7 million is service funding, which was added to the budget.

The State increase in our service funding allocations is 6.7 million, we received approximately 2 million related to the COVID 19 Cares Act. An additional 1 million in Federal Child Substance Abuse allocations related to Juvenile Detention funding as well as Task. We also received 2.4 million in Federal Substance Abuse, block grant treatment and recovery, recovery housing, pregnant and postpartum women and 1 million in mobile clinics. The new total for this years' budget is 77 million.

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

IX. STAFF SALARY INCREASE

Management proposed to the Board a 3% across the board cost of living adjustment (COLA). The last time an increase was approved by the Board was February 21, 2020. Ms. Futrell stated with the current state of our economy, and with prices for food and gas, the increase would help our staff.

Mr. Madson moved to accept the recommendation of management to increase staff salaries by 3% effective July 1, 2022. The motion, seconded by Ms. Buckman, was unanimously approved.

BONUS

Management proposed in addition to the 3% COLA, a one-time bonus of \$2,500 for all staff employed as of July 1, 2022 through December 31, 2022. The bonus will be contingent upon a successful go live Tailored Plan in December 2022, and if the funds are available at the time.

Commissioner Zapple moved to approve the one-time bonus recommended by Management. Mr. Lowe seconded the motion. The motion passed 9-1.

X. PAY PLAN FOR FISCAL YEAR 2022-2023

Ms. Owens reviewed the Pay Plan for fiscal year 2022-2023. She reported the consistent change of a 10% increase in the ending salary range for each pay grade, with the exception of pay grade 37 (CEO). This accommodates the cost of living adjustment, and the one-time staff bonus payment approved by the Board. We increased the starting salary for some pay grades to align with our salary total, to develop consistency as well as equity within departments. Total number of positions is 680.

Ms. Furniss entertained a motion to approve the Pay Plan. Dr. Robinson so moved. The motion, seconded by Commissioner Huggins, was unanimously approved.

XI. BUSINESS FINANCIAL PLAN AND ADOPTION OF BUDGET ORDINANCE FOR FY 2022-2023

The budget will include funding related to the Tailored Plan as well as Medicaid Direct, both will launch in December 2022. The proposed budget total for fiscal year 2023 is \$866,795,006. The primary source of the funding is 90% Medicaid, 8% State preparations and non-medical federal funds, and 1% county appropriations from our 28 counties. Also, 1% related to the miscellaneous funding, which includes the appropriated fund balance within the budget. Next year's budget is approximately 26% higher than the current budget, due to the integrated care that will start in December 2022. As stated earlier the budget supports 680 positions, and includes a 3% COLA and the changes in the Pay Plan approved by the Board.

The budget includes appropriated fund balance in the amount of 5.7 million. This amount is comprised of the inner governmental transfer invoice in the amount of 2.9 million, the remaining 2.8 million is related to Tailored Plan go live. Medicaid funding is budgeted at 782 million, of which 85% is attributed to service funding. New funding in the report related to care management, both internal and external to support members. We are assuming responsibility for an estimated 84,354 Medicaid eligibles monthly.

State funding, we have budgeted all reoccurring state allocations, minus a one-time funding received this fiscal year. The same amount budgeted for county dollars in the current budget, was budgeted for the coming year. We are assuming 137,942 state funded eligibles monthly. Included in the budget is our continuation allocation letter from the State, should any future budget revisions be needed.

We will continue to monitor reports to ensure outcomes, and to forecast any financial risk or potential penalties. The total budget amount for the next fiscal year is \$866,795,006.

Ms. Buckman noted that the budget for the Community Family Advisory Committees (CFAC) was less than in years past. Ms. Owens stated that the amount was probably based on historical cost of this current year. During the COVID pandemic CFAC members were not able to meet face-to-face, attend trainings and events. Ms. Futrell stated that the funding will be adjusted to the pre-COVID amount.

Commissioner Zapple expressed concern regarding the budgeted amount in State funding. Ms. Owens stated we received the continuation allocation letter, and there was minimal change, and we are very confident in the numbers. As for Medicaid the State provided estimated revenue amounts, we have included that in our budget, until we receive final rates for July. We have a meeting scheduled with DHHS to discuss rates. At this point we are very confident in the numbers based on what DHHS has provided.

Commissioner Zapple moved to approve the Business Financial Plan and Adoption of Budget Ordinance for FY 2022-2023. The motion, seconded by Dr. Robinson, was unanimously approved.

XII. ADOPTION OF BUDGET REVISIONS 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 2021-2022 needed subsequent to this Board meeting and June 30, 2022.

Commissioner Zapple so moved. The motion, seconded by Ms. Nichols, was unanimously approved.

XIII. NCGA UPDATES

Ms. Forrest, Trillium's Director of Government Relations gave an update on the North Carolina General Assembly.

Statewide Foster Care Program (HB-144) – The Senate passed the bill 41-0. As of today the Senate and the House have not started negotiations, the bill has not moved for a concurrent vote, and is not moving forward at this time.

There may be a potential bill moving forward related to “Tailored Plan Go Live”, as either part of the budget or a standalone bill. Meetings with DHHS are being held to determine what will be included in the bill. At this point two versions have been drafted, a possible third maybe on the way.

The Medicaid Expansion bill passed in the Senate. The House introduced their version of the bill. Negotiations are ongoing, options are on the table.

XIV. PROPOSED AMENDMENTS TO BYLAWS

Ms. Goodman, General Counsel presented to the Board the proposed amendments to the Governing Board Bylaws.

Amend bylaws to include the addition of Halifax and Bladen Counties. Halifax County joined Trillium in December 2021 and Bladen County joined February 2022, bringing the total number of counties in the Trillium catchment area to 28. (pp. 1-2)

Amend the current per diem and subsistence allowance from \$50 to \$80, this is consistent with the change in N.C.G.S.138-6(a)(3). (p. 4)

Amend references to specific roles to reflect current practices, with respect to General Counsel as a member on the Regulatory Compliance Subcommittee. (p.7) Monthly account of revenue and expenditures maintained by the CFO. (p.8)

Ms. Furniss called for a motion to accept the proposed amendments to the Governing Board Bylaws.

Commissioner Jordan so moved. The motion, seconded by Commissioner Zapple, was unanimously approved.

XV. DIRECTOR'S REPORT

Tailored Plan Activities

In May DHHS reviewed our service support lines, everything went well, and they went live as scheduled. We are scheduled to have our (all function) onsite review in July. We expect to receive feedback from the review mid-August.

We are continuing to work with our Standard Plan partner, Carolina Complete Health to align the physical health care components.

DHHS announced a delay in the implementation of the pharmacy from December 1, 2022 to start April 1, 2023 for all Tailored Plans.

NC DHHS

Ms. Forrest already reported on the current state of the NC's Children and Families Specialty Plan also known as the Statewide Foster Care Program (HB-144). We will continue to monitor any movement and/or action on this bill. We will continue to work with other LME/MCO's to ensure we have the best services available for this population.

General Assembly

DHHS requires each LME/MCO to pay a portion of our risk reserve payments (Governmental Transfer) each budget cycle, while Standard Plans are not required to do the same. In conversations with DHHS over the last few years, they have agreed to end this practice. LME/MCO's want the General Assembly to have this written into the State budget. When the Tailored Plans go live, we will no longer be required to make these payments. That would be a savings of approximately 1.2 to 1.3 million dollars in our annual budget.

Mobile Clinics

Trillium received funding for two more Mobile Clinics, this will allow us to provide additional coverage.

Personnel Changes

Two key positions that we hope to have filled in the next month or two, Deputy Chief Medical Officer and Utilization Management Director.

XVI. CFAC REPORT

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

XVII. CHAIR'S REPORT

Ms. Furniss acknowledged two exiting members of the Governing Board for their outstanding service and commitment, Lea Wolf and Sandra Buckman. Ms. Futrell on behalf of the Trillium staff thanked both Ms. Wolf and Ms. Buckman for their service.

Ms. Furniss thanked Trillium for the hard work it continues to do on behalf of its members.

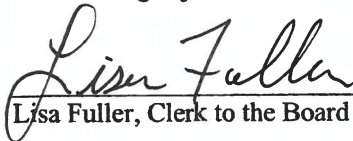
XVIII. CLOSED SESSION TO DISCUSS CEO EVALUATION

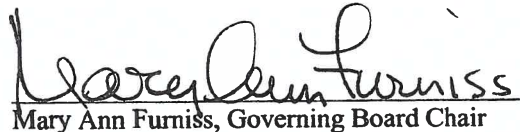
Ms. Furniss entertained a motion to enter into close session, pursuant to GS 143-318.11(a)(1)&(6), to discuss a personnel matter. Dr. Robinson so moved. The motion, seconded by Mr. Lowe, was unanimously approved.

XIX. ADJOURNMENT

Upon returning to open session, with there being no other business, Ms. Furniss called for a motion to adjourn. Commissioner Jordan so moved. Commissioner Zapple seconded the motion which was unanimously approved.

The meeting adjourned at 6:01 p.m.


Lisa Fuller, Clerk to the Board


Mary Ann Furniss, Governing Board Chair