

MEETING OF THE BOARD OF DIRECTORS

December 1, 2016

4:30 pm

The Board of Directors of Vaya Health held a regular meeting on Thursday, December 1, 2016 at 200 Ridgefield Court, Suite 206, Asheville, NC.

Members Attending

Nancy Baker
Carolyn Coward
Jeanne Duncan
Rick French
Billy Kennedy
Michael Lavender
Pat McGinnis
Judy Poe
Joyce Edwards

Members Unable to Attend

Ronnie Beale
Jack Cahn
Ira Dove
Vicki Greene
Myrna Harris
Jeff Heck
Marche Pittman
Mandy Stone
Judy Johannsen

Voting by Proxy

Ronnie Beale
Ira Dove
Joyce Edwards
Jeff Heck
Marche Pittman
Mandy Stone

Also attending the Board of Directors meeting: Brian Ingraham, Chief Executive Officer; Christina Carter, Chief Operating Officer; Tracy Hayes, General Counsel and Chief Compliance Officer; Fred Nirdé, Chief Financial Officer; Dr. Craig Martin, Chief Medical Officer; J.K. Coward, Board Attorney; Jill Knight, Clerk to the Board, and members of the public.

- A. **Call to Order and Roll Call:** Mr. Rick French, Board Chair, welcomed the attendees to the December 1, 2016 Board of Directors meeting and stated a quorum is present. Mr. French called the meeting to order at 4:31 pm.
- B. **Public Comment:** Mr. Jerry Rice addressed the Board and expressed concern regarding the amount in the LME/MCO's fund balances, and stated these funds should be used for services. In addition, he urged the Board of Directors to take more action to address changing legislation which he believes negatively impacts LME/MCOs.

C. Review of Approval of Agenda and Prior Meeting Minutes: Ms. Nancy Baker made a motion the Board approve the December 1, 2016 agenda as presented. Mr. Billy Kennedy seconded the motion. The motion was unanimously approved. Ms. Judy Poe made a motion the Board approve the October 27, 2016 minutes as presented. Mr. Billy Kennedy seconded the motion. The motion was unanimously approved.

D. Conflict of Interest: Ms. Tracy Hayes, General Counsel and Chief Compliance Officer, requested Board members identify any new, actual or potential conflicts of interest which may have arisen since completing the Conflict of Interest Disclosure Form. No new conflicts of interest were reported.

E. Report of the Chair – Rick French, Board Chair

a. **Employee Appreciation Luncheon:** Mr. French invited the Board members to the December 1st Employee Appreciation Luncheon at 12:00 pm at the Crowne Plaza Hotel in Asheville.

b. **Bylaws Amendment:** Mr. Jay Coward, Board Attorney, stated the Bylaws Committee met on December 1st and is recommending the following changes to the Bylaws all of which are in compliance with N.C.G. §122C: (a) combining the Bylaws & Policy Committee and the Nominating Committee; (b) changes to electronic communication to the public and Board; (c) change the quorum from 13 to 11. Mr. Billy Kennedy then requested the word “will” be changed to “may” in Section V.D.4. regarding the Nominating Committee’s requirement to solicit input from the County Commissioner Advisory Board for all vacant and expiring Board appointments. Such change would allow solicitation from other county representatives in addition to members of the CCAB.

Mr. Billy Kennedy made a motion the Board approve the revised Bylaws as presented. Ms. Pat McGinnis seconded the motion. The motion was unanimously approved.

F. Report of the Nominating Committee: Ms. Tracy Hayes, General Counsel and Chief Compliance Officer, stated the Nominating Committee met on December 1st and recommended the Board approve the following nominations which were reviewed and approved at the Executive Committee meeting on December 1st. The positions are mandated by N.C.G.S. §122C-118.1.

Reappointment for Three Years:

- Ronnie Beale (County Commissioner pursuant to N.C.G.S. §122C-118.1(b)(1))
- Jack Cahn (At-large)
- Carolyn Coward (attorney with healthcare experience pursuant to N.C.G.S. §122C-118.1(b)(10))
- Rick French (individual with financial expertise pursuant to N.C.G.S. §122C-118.1(b)(7))
- Billy Kennedy (At-large)
- Pat McGinnis (CFAC Chair or designee pursuant to N.C.G.S. §122C-118.1(b)(2))
Ms. McGinnis' nomination has been approved by CFAC.
- Judy Poe (At-large)
- Mandy Stone (At-large)

The Nominating Committee recommended that Steve Smith, the Public Health Director from Henderson County who currently serves as Henderson County's representative on the County Commissioner Advisory Board be appointed to the Board to fill the slot recently vacated by Maggie Faulkner that is required pursuant to N.C.G.S. §122C-118.1(b)(5), individual with health care experience in fields of MH/SA/IDD. Ms. Faulkner's term was set to expire in December 2018, and Mr. Smith will be up for re-appointment at that time.

The Nominating Committee also recommended that Mr. Ronnie Beale be reappointed in the County Commissioner position required pursuant to N.C.G.S. §122C-118.1(b)(1). This position was previously filled by Vicki Greene, who was not re-elected to the Jackson County Board of Commissioners. The Nominating Committee further recommended that Mr. Ira Dove be moved into the at-large slot vacated by Mr. Beale, and that the Board wait until the new DHHS Secretary is appointed to move forward with filling the Secretary appointment that is required pursuant to N.C.G.S. §122C-118.1(b)(11). Mr. Dove will be up for re-appointment in December 2018, when Ms. Greene's membership was set to expire.

The Nominating Committee recommended that Vaya management identify candidates who are eligible to fill the hospital administrator position vacated by Casey Cooper that is required pursuant to N.C.G.S. §122C-118.1(b)(13), and the insurance representative position vacated by Myrna Harris that is required pursuant to N.C.G.S. §122C-118.1(b)(8).

The Nominating Committee recommends the members of current committees be reappointed, and that the Bylaws & Policy and Nominating Committees be merged into one Committee, to be called the Bylaws & Nominating Committee, which will consist of the current members of both of those Committees.

Ms. Nancy Baker stated CFAC recommends the Board allow Ms. Johannsen, a current member of the Board representing CFAC, be re-appointed as a **non-voting** member until such time as a new CFAC recommendation is submitted to the Board. This action is due to Ms. Johannsen's conflict of interest as identified in the October 27th Board meeting.

Ms. Baker then made a motion the Board of Directors approve the re-appointments, appointments, and committee membership to the Board as presented above, including the designation of Ms. Johannsen as a non-voting member as described above. Ms. Pat McGinnis seconded the motion. The motion was unanimously approved.

Mr. Michael Lavender made a motion Mr. Rick French be appointed to serve as Chair of the Board of Directors. Ms. Pat McGinnis seconded the motion. The motion was unanimously approved.

G. Report of the Chief Executive Officer – Brian Ingraham

- 1. Pinehurst Conference Presentation:** Mr. Ingraham stated Vaya Health will be presenting a presentation regarding Vaya Total Care at the December 6-9, 2016 NC Council of Community Programs Pinehurst Conference. Mission Health Partners and MAHEC, partners in the Vaya Total Care initiative, will be presenting with Vaya Health.
- 2. Election Results:** Mr. Ingraham reviewed the results of the November elections, and the Board discussed the potential impact of the results on the LME/MCOs.
- 3. Vaya Health Staff Update:** Mr. Ingraham stated Mr. Don Briggs will begin employment with Vaya Health on December 12, 2016 as Senior Director of Human Resources.

H. Closed Session pursuant to N.C. Gen. Stat. § 143-318.11(a)(1) in order to prevent the disclosure of competitive health care information that is privileged or confidential pursuant to N.C. Gen. Stat. § 122C-126.1, or not considered a public record within the meaning of Chapter 132 of the General Statutes; or to consult with attorneys pursuant to N.C. Gen. Stat. § 143-318.11(a)(3).

Mr. Billy Kennedy made a motion the Board of Directors enter into closed session. Mr. Michael Lavender seconded the motion. The motion was unanimously approved. The Board entered into closed session at 5:09 pm.

Ms. Judy Poe made a motion the Board of Directors resume open session. Mr. Michael Lavender seconded the motion. The motion was unanimously approved. The Board resumed open session at 5:40 pm.

I. Report of the Finance Committee and Chief Finance Officer – Judy Poe, Chair or Fred Nirdé, Chief Finance Officer

Mr. Fred Nirdé reviewed the financial reports as of October 31, 2016, which were approved by the Finance Committee of the Board of Directors at the December 1, 2016 Finance Committee meeting. The Board discussed the State mandated \$20.5 million single-stream replacement and the efforts of LME/MCOs to change this requirement.

Mr. Nirdé then stated the Medical Loss Ratio is a new report which measures the expenditure of service funds to administrative funding, minus the risk reserve funding. A portion of the service expenditures are internal (i.e. care coordination). DMA contractually requires the ratio to be above 85%, and Vaya Health's medical loss ratio is 88.3%.

Referring to the Cash Flow Statement as of October 31, 2016, the net cash flow from operations (for the month of October 2016) was a deficit of \$2,107,792, and cash and equivalents as of October 31, 2016 was \$92,330,595. Mr. Nirdé stated cash is expected to continue to decline due to the ongoing single stream replacement.

Ms. Judy Poe made a motion the Board of Directors approve the financial reports as of October 31, 2016 as presented. Mr. Michael Lavender seconded the motion. The motion was unanimously approved.

J. Regulatory Compliance and Quality Committee: Mr. Billy Kennedy, Regulatory and Compliance and Quality Committee Chair, stated the Committee met on December 1st. The composition of the Committee has been expanded to include more Vaya Health staff and has four Board members. Mr. Kennedy stated that overall the compliance and quality data is trending upwards, and claims denied is slightly trending down.

K. Consumer and Family Advisory Committee – Pat McGinnis, Chair

Ms. McGinnis stated the regional CFAC committees met in October, and the agenda included reviewing the results of the local CFAC self-assessment. CFAC also received updates regarding Vaya Health's ongoing initiatives and community reinvestment. The CFAC Steering Committee met in November and the agenda included reviewing Vaya Health's financial documents and Vaya Health Quality Improvement Projects. The CFAC Retreat was held in November and presentations included conducted regarding whole person care, health integration project, veteran's initiative, and MindKare kiosks.

L. Provider Advisory Council Update – Jeanne Duncan, Chair

Ms. Duncan stated the Provider Advisory Committee (PAC) is currently in the process of restructuring the PAC to better meet its goals including creating subcommittees to address each disability. Vaya Health recently conducted training for the PAC regarding electronic medical records.

M. County Commissioner Advisory Committee – Vicki Greene, Chair

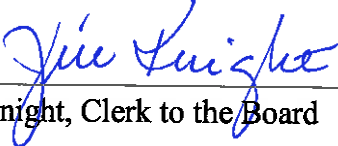
No report.

N. Consent Agenda

No items for consideration

O. Adjournment

Mr. Billy Kennedy made a motion the Board of Directors adjourn. Ms. Judy Poe seconded the motion. The motion was unanimously approved. The Board adjourned at 6:30 pm.



Jill Knight, Clerk to the Board