



## **HHS – SUBCOMMITTEE ON LME GOVERNANCE**

**March 12, 2012**

**Room 643, Legislative Office Building**

The Subcommittee on LME Governance met on Monday, March 12, 2012 at 2:00 P.M. in Room 643 of the Legislative Office Building. Representative Nelson Dollar served as Chair of the meeting. Members present were: Mark Botts, David Bullins, Robert Carruth, Connie Cochran, Laurie Coker, Yvonne Copeland, Dr. Craigan Gray, Senator Fletcher Hartsell, Bob Hedrick, Representative Pat Hurley, Steve Jordan, Dr. Beth Melcher, Foster Norman, Holly Riddle, Ramon Rojano, Pam Shipman, Gordon Simmons, Rebecca Troutman, Senator Tommy Tucker, and Rosemary Weaver. Representative Verla Insko was also in attendance.

Dr. Pat Porter, Shawn Parker, Jan Paul, Joyce Jones, and Rennie Hobby provided staff support to the meeting. A Visitor Registration Sheet is attached and made a part of the minutes. (See Attachment 1)

Chairman Dollar called the meeting to order and welcomed members and guests. He asked for a motion to approve the minutes from the February 13, 2012 meeting. The motion was made by Senator Tucker and the minutes were approved.

Chairman Dollar explained that the last few meetings had been spent on governance issues related to Governing Board structure but today's meeting would be concentrated on other barriers and issues. Chairman Dollar did a quick review of a compilation of the committee's discussion to this point to include a Summary Recommendation. (See Attachment No. 2) The Recommendation covered LME/MCO Governing Boards and included: size, terms Board training, attendance, Board composition, and the number of meetings per year.

Chairman Dollar explained the next handout on potential barriers at issue. (See Attachment No. 3) He stated that the goal would be to take the concepts listed and reduce them into actual legislative language.

### **LME/MCO Formation and Dissolution**

Responses to items 1-4:

1. - Have mergers approved by 2/3 vote of the comprising County Commissioners Boards as opposed to unanimity among all of the counties merging with another LME.
- 2/3. - Have a two year moratorium on the disengagement of any county from an LME/MCO (which could be lifted at any time by the General Assembly) from January 1 2012 through June 30, 2014 Task DHHS, counties, and LME/MCOs to develop criteria and process where counties could disengage from a MCO for delivery of that plan to the General Assembly no later than April 30, 2013.

Discussion surrounding items 2 and 3:

Dr. Melcher was asked if DHHS has a team assembled to go in and run a MCO if it fails. She replied that there would be safeguards in place and that an alternate MCO would take over an operation if needed. Benchmarks will be established within the contracts and data is already being gathered for review to see that those benchmarks are met. Senator Tucker offered to sponsor legislation so that all the necessary components are clarified in statutes if necessary. Staff was asked to determine if there is currently language in statutes addressing the authority of the DHHS to act in the instance of an MCO failing or with an appearance of failure.

Related to departure of any one county from an LME/MCO, Chairman Dollar suggested that rather than the committee developing the specific parameters around which a county could disengage from a MCO that the Department, the LMEs, and the counties be tasked with developing a procedure to address the issue and that a report be generated from that group to be presented a year from now to the General Assembly. At that point, the moratorium could end.

4. Remove language in statutes that causes conflict for a single county LME to be able to operate as a MCO model. LME/MCOs must be allowed to have independent responsibility and authority to adopt their own budget and have fiscal control like a multi-county area authority.

Discussion on single county language:

All LMEs have to follow G.S. 159, the budget and fiscal control act. Concern was raised that Mecklenburg County be consulted since this would directly impact their statutory authority. Chairman Dollar suggested that as the specific statutory language is drafted by staff that Mecklenburg County be consulted to determine if they consider themselves a single county area authority or a consolidated service agency, in which case they would not be impacted.

### **Responsibility of MH/DD/SA services:**

Response to the revision of language in 122C:

New language (See Attachment No. 2) acts as a modifier stating that counties shall provide MH/DD/SA services through an area authority in accordance with any rules, policies, and guidelines adopted pursuant to the restructuring of management responsibilities of the (b)(c) Waiver. This would tie in with H.B. 916 regarding the responsibilities of the counties with what is currently in statute.

Chairman Dollar referred back to the original document on the *Recommendation for LME Governing Boards* (Attachment No. 2) to discuss the revisions to Model 1. He said that the model reflected the elements of all three models discussed at the last meeting. Thoughts regarding Model 1 proposed in the Recommendation:

- Concern for those LMEs who would have to change their structure - how long would the transition period be and when would it go into effect. (Language in statute would address issue.)
- Suggestion that there be the addition of a provider in an ex-officio (non-voting) capacity - the president or his/her designee from MCO Provider Network Council. Dr. Craigan Gray reported that there was no CMS prohibition to inclusion as long as this is not a voting member

- Consider having six consumer or family representatives on the Board, two from each of the constituent disability groups.
- Training for the Boards should be ongoing, accessible, and independent especially regarding best practice.
- Due to the possibility that there may be some difficulty in some LME/MCOS in meeting the specific criteria outlined for the Board, consider the possibility of appointing a substitute.
- Strengthen the presence of the CFAC on the Boards.
- Suggested that CFAC have the opportunity to recommend members for nomination to the County Commissioners for consideration to the Board.
- Give the Board flexibility regarding membership to the Board. One member could fulfill the criteria for more than one position.
- At-Large (non-designated) slots could be used to increase the number of CFAC members.
- Model needs to look at mechanism associated with Public Health Authority/Hospital Authority since those models identify powers, duties, boards, etc. that may be more appropriate for the new LME/MCOs than 122C.
- CFAC terms (3years/2 terms) are in conflict with the Model recommendation of 3 years/3 terms. (CFAC language would need to be amended.)
- There should be specific attendance requirements for all Board members.
- Board members should reside in area they are representing.
- The Secretary's appointment should be a public member and not an employee of DHHS and could also meet the criteria requirements of the Board.
- Include language of "purpose or intent" to avoid political patriotism.
- Concern that rural LME/MCO may not be able to fill the specialty positions and what would the contractual implications be if unable to meet Federal and State statutes.
- Will there be people with specific expertise willing to serve on a Board?

Chairman Dollar distributed *Potential Barriers – Powers of the LME/MCO* for the committee to review for the next meeting on April 9<sup>th</sup>. (See Attachment No. 4) He suggested that members send any comments or concerns to Dr. Porter or Mr. Parker. He said an additional meeting on May 14<sup>th</sup> would be required in order to have enough time to finalize recommendations to the Joint Legislative Oversight Committee on Health and Human Services.

There being no further business, the meeting adjourned at 4:45 PM.

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Representative Nelson Dollar, Co-Chair

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Rennie Hobby, Committee Clerk