



## Board Meeting Minutes

May 15, 2012

The Cabarrus Health Alliance Board met on Tuesday, May 15, 2012 at 5:30 p.m., in the Board Room of Cabarrus Health Alliance, 300 Mooresville Road, Kannapolis, North Carolina 28081.

**Board Members Present:** Charles Phillips, Chair  
Jessica Castrodale, Vice-Chair  
Chad Weston, MD  
Dr. Allan Krusell

**Board Members Absent:** Jay White  
Phyllis Wingate  
Walter Vuchnich, DDS

**CHA Staff Present:** Dr. William F. Pilkington, Secretary to the Board  
Dianne Berry, CMC, Clerk to the Board

**Other Staff Present:** Betty Braxton, Paula Faggart, Tammie Harkey

### CALL TO ORDER

Chairman Phillips called the meeting to order at 5:34 p.m. and offered the invocation.

### APPROVAL OF THE AGENDA

The amended agenda for the May 15, 2012 CHA Board meeting was reviewed. The change noted was the additional of one additional agenda item, New Business, 2012 Employee Benefits. The amended agenda was approved.

### APPROVAL OF MINUTES

Vice-Chair Castrodale noted an error in documentation of the voting from the Board regarding School Volunteer Leave. She also questioned temporary 10% salary increases for four employees assigned to work on the CTG project. It was verified that the minutes from the April 10, 2012 CHA Board meeting for the Community Transformation Grant (CTG) Personnel Actions were correct. The April 10, 2012 CHA Board minutes were approved with changes noted, by absence of dissent.

### REPORTS

Chairman Phillips reviewed the 3<sup>rd</sup> quarter Employee Separations report and the 3<sup>rd</sup> Quarter Goals & Objectives report.

### CONSENT AGENDA

Mrs. Harkey reviewed the budget revisions and amendments:

**\$6,000.00** - Funds received from Cabarrus County Exceptional Children's Program to pay for a school nurse at Mary Frances Wall School and funds from PTO's for extra school nurse hours.

**\$32,000.00** - Donations and contributions received from Cabarrus Medical Alliance Golf Tournament and others for the school nurse program.

**\$17,336.00** - Funds received from DHHS, Division of Public Health, for 2nd distribution of funds based on number of mandated inspections of food and lodging establishments for 2010-2011.

**\$4,000.00** - Funds received from DHHS, Division of Public Health, for Environmental Health Services. No funds were budgeted based on none available at beginning of FY 2012 per state.

**\$1,200.00** - Healthy Cabarrus received funds from Ben Mynatt Children's Foundation to provide dental treatment to children identified through the Give Kids a Smile event.

**\$32,776.00** - Funds received from DPH to support Public Health Preparedness Response activities.

**\$9,000.00** - Funds received from Focused on a Cure to support screening/diagnostic mammograms and SIP outreach activities.

**\$120,000.00** - Grant Funds received from Cannon Foundation at end of last fiscal year (and placed in fund balance) to be appropriated to Capital Project Fund for dental equipment expenses in the new building.

**\$217,253.00** - New funds received from DPH for the Community Transformation Grant. This funding will be used to work with state and local partners to implement policy, systems and environmental changes to support strategic directions related to tobacco free living, active living, healthy eating, etc. Dr. Krusell motioned to approve the budget revisions and amendments as presented. The motion was approved by absence of dissent

## **NEW BUSINESS**

### **2013 Employee Benefits**

Betty Braxton, Human Resources Director, presented recommendations for selection of the health insurance carrier/plan for eligible, full-time CHA employees effective July 1, 2012. She stated that the annual renewal of contracts for CHA employee benefits was conducted by Burchfield Insurance this spring. The renewal for health benefits by Aetna, the current carrier, quoted at an increase of 49%, and reduced to a final increase rate of 46.1% over current rates. She noted that the increase in rates was associated with three large claims. Quotes from other carriers included WellPath and United Health Care (over renewal); Cigna (declined to quote) and BCBS self-funded, which was not a viable option. Mrs. Braxton stated that the recommendation from Burchfield was to secure a quote from the North Carolina Medical Society Plan as represented by Medical Mutual, and shared information about the financial stability of this plan. CHA qualifies to participate in the NC Medical Society Plan since we have a full-time MD on staff. She also noted that with this plan, CHA would have the opportunity to earn up to \$15,000 for employee wellness. Mrs. Braxton's recommendation to the CHA Board was to approve North Carolina Medical Society BCBS PPO 1-2-3/2500 Plan as the insurance plan for CHA employees and to cover 100% of the employee premium for employees effective July 1, 2012. She noted that this high deductible plan would be 13.5% increase over current rates. The remaining budgeted amount (6.5%) would fund the HRA, which is an unfunded record keeping account and CHA funds reimbursements as they are filed by the employee. Mrs. Braxton also asked for Board approval for the HRA Plan administered by Elkin & Associates to limit the out-of-pocket expenses for employees to \$2250 (x2 for dependent coverage). She noted that CHA exposure is \$5250 per employee. She explained in detail how the HRA would be designed to help employees and her plan to provide intensive information to employees on how to make them good consumers. Dr. Krusell stated that designing the HRA in smaller steps, with CHA being responsible for the first amount, would be easier for employees effective this year and going forward. Dr. Weston motioned to approve the BCBS PPO 1-2-3/2500 plan, represented by Medical Mutual as the 2013 health insurance plan for full-time employees. The motion was approved in a voiced vote 4:0.

Mrs. Braxton also updated the CHA Board on information gathered in follow-up to Chairman Liz Poole's request that CHA explore the option of providing health insurance benefits to School Health Nurses. Current CHA benefit documents state that employees must work full-time/40 hours per week, to be eligible for health insurance benefits. This change would require a re-definition of eligibility for health insurance at 24 hours per week, and would affect 54 employees. Mrs. Braxton shared costs to insurance 52 part-time employees, which would total \$361,584 annually. After considerable discussion, Chairman Phillips stated that it will just have to be communicated with the Cabarrus County Commissioners that the CHA Board could not make it work, without additional funding to cover this additional expense. Vice-Chair Castrodale requested a new survey of School Health Nurses to see what they value about their position and benefits.

### **2013 Preliminary Budget**

Tammie Harkey, Finance Director, reviewed with the CHA Board the preliminary FY 2012 Budget. She explained that \$300,000 was used from the fund balance to help balance the budget. These monies were from the sale of Home Health. She stated that Finance staff is still waiting for notification on the 2011 Medicaid settlement, but we hope to know by next week. Dr. Krusell stated that the FY 2013 budget has a lot of 'rosy' scenarios. Mrs. Harkey stated that the FY2013 Budget has no services cuts, no employee cuts, and using \$300,000 from the fund balance is what it took to cover it. She pointed out that the proposed FY

2013 budget also includes increasing 22 School Health Nurse salaries to bring them up to the market rate. Chairman Phillips asked Mrs. Harkey to guide the Board on what they want to see in June. She responded that CHA discussed funding requests for FY 2013 to the Cabarrus County Board of Commissioners earlier, and will present again on May 29 to give a recommendation of what we want.

#### **REVIEW & DISCUSSION – APPLICANTS FOR CABARRUS HEALTH ALLIANCE BOARD**

Chairman Phillips noted that the CHA Board will have three vacancies effective July 1, 2012, all of which are public seats. Last month, Chairman Phillips announced that he had made the decision to leave the CHA Board when his term of office ends on June 30, 2012. Additionally, terms of office for Jessica Castrodale and Walter Vuchnich, DDS, end June 30, 2012. Dianne Berry, Clerk to the Board, was recently notified by the County Clerk that five applications for appointment had been received in her office. To assist the CHA Board in submitting recommendations for appointment to the Cabarrus County Commissioners, the clerk requested from each application a one-page summary of what attributes they could bring to the board. After considerable discussion, the CHA Board ranked the applicants in order of their preference: (1) Jessica Castrodale, (2) James T. Mack, Jr., (3) Tom Kincaid, (4) Dari Caldwell. Ranking was approved on a 3 to 1 vote with Dr. Krusell dissenting. Chairman Phillips requested that the clerk send each one-page summary for the number one and two applicants and a letter of recommendations and support to the County Clerk by the May 24, 2012 deadline.

#### **FINANCIAL CONTRIBUTION TO THE CABARRUS COMMUNITY HEALTH CENTER**

Chairman Phillips stated that CHA is currently providing a full-time administrator to the Cabarrus Community Health Center. The CHA Board was asked to approve financial contribution to the Cabarrus Community Health Center for the months of July and August 2012, with renewal options to cover the administrator's salary. It was noted that there was a federal audit conducted at the Cabarrus Community Health Center recently and they presented several options. Chairman Phillips stated that it is Dr. Pilkington's desire to continue to work with the Cabarrus Community Health Center for at least two additional months, until they can get on their feet enough to become independent. They are currently working on a five-year grant application due at the end of August. Additionally, the Cabarrus Community Health Center has an opportunity to move into Rowan County. Vice-Chair Castrodale motioned to approve financial contribution to the Cabarrus Community Health Center through August 31, 2012. The motion passed in a voiced vote 4:0.

#### **INFORMAL PUBLIC COMMENTS/SPEAKERS FROM THE FLOOR**

Chairman Phillips called for any comments from the floor. There being none, he closed the public comments section and proceeded with the regular meeting.

#### **ADJOURNMENT**

There being no further business to come before the Board, Chairman Phillips declared the Cabarrus Health Alliance Board meeting adjourned at 7:30 p.m.



Charles C. Phillips, Chairman  
Cabarrus Health Alliance Board



Dianne P. Berry, CMC  
Clerk to the Board