

**DANVILLE-PITTSYLVANIA COMMUNITY SERVICES
BOARD OF DIRECTORS
Thursday, October 10, 2013
Meeting Minutes**

The Regular Meeting of the Danville-Pittsylvania Community Services (DPCS) Board of Directors was held Thursday, October 10, 2013, in the Betty Whitehead, M.D., Board Room at 245 Hairston Street, Danville, Virginia.

BOARD MEMBERS PRESENT

William Brown, <i>Secretary</i>	Shelby Irving
Jessie Barksdale, <i>Member-At-Large</i>	Gerald Milliman
Mary Lee White, <i>Member-At-Large</i>	Robert Warren
Angela Fowler	Frank Wickers
Polly Humphrey	

BOARD MEMBERS ABSENT

Ronald Merricks, <i>Chairperson</i>	Gracie Mays
Julie Brown, <i>Vice Chairperson</i>	Marie Young
Anne Geyer	

STAFF MEMBERS PRESENT

Jim Bebeau, *Executive Director*
Pat Burnette, *Executive Assistant*
Bill Cook, *Behavioral Health Services Division Director*
Richard Gary, *Intellectual Disability Services Division Director*
Amanda Oakes, *Prevention Services Division Director*
Cindy Lewis, *Human Resources Division Director*
Mary Beth Clement, *Finance Division Director*
Allen Thorn, *Compliance and Information Systems Division Director*

CALL TO ORDER

In view of Chairperson Ronald Merricks and Vice Chairperson Julie Brown not being able to attend this Board Meeting, Secretary William Brown acted as Chairperson pro tem for this meeting. Mr. Brown called the meeting to order at 5:30 pm.

ADOPTION OF AGENDA

The Agenda was distributed with the Board Packet for this Meeting. There was no request for amendment.

Motion was made by Gerald Milliman and seconded by Jessie Barksdale to adopt the Agenda as presented. The motion passed unanimously.

PROGRAM PRESENTATION

Financial Statements and Audit (Finance Division)

Mary Beth Clement, Director of the Finance Division, gave an overview of the process for DPCS' annual Financial Statements and Audit Report. Presented with an auto racing theme, the overview addressed the numerous "Laps" in the "Race Against the Clock," starting with a detailed trial balance in early August and ending with audited consolidated financial statements in late September. The "Laps" include Internal Control and Fraud, Free of Material Misstatement, Testing of Transactions, Verification of Amounts in Trial Balance, Testing of Compliance with

Grants, and Comparison of Current and Previous Fiscal Years. The “Final Lap” includes assembling the Financial Statements—Net Assets; Revenues, Expenses, and Changes in Net Assets; and Cash Flows, along with Notes to the Financial Statements; preparing the Management’s Discussion and Analysis; and preparing the full Draft Audit Report. The Auditor then meets with the Budget, Finance, and Operations Committee of the DPCS Board of Directors for review and discussion of the Draft Report. The Committee formulates a recommendation to the DPCS Board of Directors regarding approval of the Audit Report, and the final Report is distributed to the Directors for consideration. Upon approval by the Board of Directors, the Audit Report is distributed to agencies relevant to DPCS; i.e., Department of Behavioral Health and Developmental Services, grantors, etc.

BOARD MEMBER APPOINTMENTS

William Brown announced the appointment of Angela Fowler to her first term as Board Member representing the City of Danville, and Marie Young to her first term as Board Member representing Pittsylvania County – Callands-Gretna District. Board Members welcomed them to the Board. The Board currently has a vacancy in the position representing Pittsylvania County – Westover District. A first term appointment by the Pittsylvania County Board of Supervisors to fill this position is anticipated in the near future.

ACTION ITEMS

Minutes – August 1, 2013, Regular Board Meeting

Minutes of the August 1, 2013, Regular Board Meeting were distributed with the Board Packet for this Meeting. There was no request for amendment.

Robert Warren made motion to approve the August 1, 2013, Minutes as presented; Jessie Barksdale seconded, and the motion passed unanimously.

Audit Report for Fiscal Year Ended June 30, 2013

Mary Beth Clement addressed DPCS’ Audit Report for Fiscal Year Ended June 30, 2013. The Audit Report was prepared by Robert D. Dorr, CPA, of Foster & Dorr, P.C., Certified Public Accountants. On September 30, 2013, Mr. Dorr met with Budget, Finance, and Operations Committee Chairperson Shelby Irving and Executive Committee Members Ronald Merricks, Julie Brown, Jessie Barksdale, and Mary Lee White to discuss the scope of the Audit, as required under the *U.S. Office of Management and Budget (OMB) Circular A-133 and Government Auditing Standards*. The Auditor’s report expressed an unqualified opinion on the financial statements, with no deficiencies in internal control disclosed and no instances of noncompliance materials to the financial statements disclosed. Ms. Clement reported the consensus of the Board Members who attended the September 30 meeting with the Auditor that the Board accept the Agency’s Audit Report for the Fiscal Year Ended June 30, 2013.

Motion was made by Jessie Barksdale to approve the DPCS Audit Report for Fiscal Year Ended June 30, 2013, as presented. Frank Wickers seconded, and the motion passed unanimously.

Virginia Retirement System – Resolution of Irrevocable Election Not to Participate in Virginia Local Disability Program

Cindy Lewis reiterated information presented at the June 27, 2013, Board Meeting regarding the Virginia Retirement System (VRS) Disability Program. The 2012 General Assembly created the Virginia Local Disability Program (VLDP) for political subdivision and school division employees who will be covered under the VRS Hybrid Retirement Plan effective January 1, 2014. The Hybrid Retirement Plan will apply to most new employees hired on or after January 1, 2014, and current employees who opt to switch to the Plan. VLDP was created as a result of VRS Disability Retirement not being available to Hybrid Retirement Plan participants. Participation in VLDP is automatic unless the Board of Directors elects to opt out and provide a comparable employer-paid disability program effective January 1, 2014, to the Hybrid Retirement Plan participants. The comparable coverage must include short-term disability and long-term disability, but not the long-

term care component provided in the VLDP. The decision to participate or opt-out is irrevocable. By September 1, 2013, DPCS had to either submit a resolution opting out of VLDP and providing a comparable plan or request an extension of the resolution deadline until November 1, 2013. If VRS did not receive either a resolution opting out or a request for an extension by September 1, DPCS would automatically be covered by VLDP. As reported at the June 2013 Board Meeting, DPCS requested an extension of the resolution deadline until November 1, 2013, in order to allow more time to evaluate other possible disability options comparable to VLDP.

The Virginia Association of Counties Risk Pool (VACoRP) Supervisory Board voted to endorse an opt-out solution to the VLDP with a plan by Standard Insurance Company that provides customized coverage that meets or exceeds the comparable plan requirements specified in the *Code of Virginia*. The VRS rate January 1, 2014 – June 30, 2014, is .91% of Hybrid Plan covered payroll while the VACoRP proposed rate is .79% guaranteed for three years, and VACoRP has a more stable pool exposure than VRS. These rates apply only to most new employees hired on or after January 1, 2014, and current employees who opt to switch to the new plan. By opting out of the VRS plan, DPCS would have more flexibility in the future to either pool with other localities or obtain a different insured product through another carrier. If DPCS participates with VRS, that decision is irrevocable and limits future options. Ms. Lewis reported that DPCS management reviewed the options and recommends that the Board adopt a Resolution to opt out of VRS VLDP coverage and authorize the Executive Director to execute any agreements to have VACoRP oversee the programs provided by Standard Insurance Company for short-term and long-term disability.

Robert Warren made motion for adoption of the following Resolution for Irrevocable Election Not to Participate in the Virginia Local Disability Program and that the Executive Director be authorized to execute any agreements to have VACoRP oversee the programs provided by Standard Insurance Company for the Short-Term and Long-Term Disability:

WHEREAS, by enacting Chapter 11.1 of Title 51.1 of the *Code of Virginia*, the Virginia General Assembly has established the Virginia Local Disability Program (VLDP) for the payment of short-term and long-term disability benefits for certain participants in the hybrid retirement program described in Virginia Code §51.1-169; and

WHEREAS, for purposes of VLDP administration, an employer with VLDP-eligible employees may make an irrevocable election on or before November 1, 2013, requesting that its eligible employees not participate in VLDP as of the VLDP effective date of January 1, 2014, because it has or will establish, and continue to maintain, comparable employer-paid disability coverage for such employees that meets or exceeds the coverage set out in Chapter 11.1 of Title 51.1 of the *Code of Virginia*, with the exception of long-term care coverage, by January 1, 2014; and

WHEREAS, it is the intent of Danville-Pittsylvania Community Services 55484 to make this irrevocable election to request that its eligible employees not participate in VLDP;

NOW, THEREFORE, IT IS HEREBY RESOLVED that Danville-Pittsylvania Community Services irrevocably elects not to participate in VLDP because it has or will establish, and continue to maintain, comparable employer-paid disability coverage for such employees; and it is further

RESOLVED that, as an integral part of making this irrevocable election, Danville-Pittsylvania Community Services certifies that it has or will establish, and continue to maintain, comparable employer-paid disability coverage for such employees.

Polly Humphrey seconded, and the motion passed unanimously.

DISCUSSION ITEMS

Magellan Behavioral Healthcare (Behavioral Health Services)

Bill Cook reported that the Virginia Department of Medical Assistance Services (DMAS), which provides Medicaid benefits, has selected *Magellan Behavioral Health* to serve as the Behavioral Health Services Administrator. Beginning December 1, 2013, *Magellan* will administer behavioral health services for members enrolled in Virginia's Medicaid and FAMIS Programs, and will be responsible for management of all behavioral health services for individuals enrolled in these programs as well as the behavioral health services not covered through DMAS' managed care programs. For DPCS, this means that starting December 1, *Magellan* will determine eligibility and authorize payment for behavioral health services and will also process claims and make payments for services provided. At this juncture, DMAS will continue to do Medicaid audits of service provision, including review of health records documentation, that demonstrate quality and appropriateness of service delivery. The next two years will be an adjustment period to a new administrator of Medicaid, with a larger change thereafter. For the first two years, DMAS will continue to fund the Medicaid Behavioral Health Program at actual cost of benefits paid plus program administration. In the third year and thereafter, *Magellan* will be paid a flat amount for all costs of the Program, including benefits paid, with *Magellan* being at risk if the total cost exceeds the amount paid by DMAS. Conversely, if the total program cost is less than the amount paid by DMAS, then *Magellan* will realize a profit. This will incent *Magellan* to hold down program costs, which may result in policies that lower the fees paid for services provided and reduce the level of service delivery.

Virginia Association of Community Services Boards (VACSB) Public Policy Conference Highlights

Jim Bebeau reported on the VACSB Public Policy Conference held October 2-4, 2013, in Roanoke and expressed appreciation for the participation of Board Members William Brown, Julie Brown, Polly Humphrey, and Mary Lee White who attended along with staff. The annual Public Policy Conference brings together Virginia Community Services Board members and staff, Legislators, Administration staff, and Behavioral Health Care stakeholders to prepare for the upcoming General Assembly Session. The Conference highlights included *Presentations by Representatives of Gubernatorial Candidates McAuliffe and Cuccinelli*; *Public Policy Panel* with several General Assembly Members and State leaders; *General Session Panel on Medicaid Changes—Dual Integration Project and Health Marketplace Exchange*; and *Workshops*, including *Virginia Department of Justice Implementation Progress* and the *Magellan Behavioral Health Services Administrator Implementation*.

Mr. Bebeau addressed the *VACSB Policy and Budget Priorities for 2014-2016*, as distributed at this Board Meeting. The VACSB's funding principles include building capacity in response to Virginia's health care and Medicaid Reform environment; responding to provisions and requirements of the Department of Justice Settlement Agreement; involving multiple stakeholders in service design; establishing an adequate baseline level of care continuum in each community; and using available resources effectively and efficiently. VACSB's priorities have goals of:

- Developing an adequate crisis response for all youth and adults in Virginia;
- Filling gaps in the community continuum of person-centered supports and care that will help avoid hospitalization, incarceration, or other more restrictive modalities;
- Serving existing need and developing capacity for effective service delivery through health care expansion of Medicaid and insurance coverage;
- Promoting coordinated care for behavioral, developmental, and medical needs.

VACSB highlights for additional community needs include:

- Additional 800 Intellectual Disability Waiver Slots in both years in addition to the required Waiver Slots within the Department of Justice Settlement Agreement;
- Funding to serve Non-Waiver eligible individuals in the community;

- Funding to implement strategies within each region of Virginia to prevent and reduce risk factors that lead to youth violence, alcohol/drug use, mental health problems, and other at-risk behaviors, and increase protective factors, including mental wellness and healthy coping strategies.

Presentation of Fiscal Year 2013 Annual Report to Our Local Governments

The DPCS Fiscal Year 2013 Annual Report, *“Right Time, Right Place, Right Now,”* was distributed to Board Members at this meeting. Jim Bebeau gave an overview of the Annual Report, which focuses on the many ways that DPCS is the preferred provider of top quality behavioral health, intellectual disability, and prevention services to the citizens of Danville and Pittsylvania County. The Annual Report will be presented by a DPCS Board Member at the Pittsylvania County Board of Supervisors meeting on November 4, 2013, and Danville City Council meeting on November 7, 2013. Mr. Bebeau invited any Board members interested in attending to join us for these local government presentations. Following the presentations, the Annual Report will be distributed to approximately 700 citizens in our community. Mr. Bebeau expressed appreciation to Amanda Oakes for her leadership in coordinating preparation of the Report.

Ashlawn View Group Home Project Update (Intellectual Disability Services)

Richard Gary presented an update on the Ashlawn View Group Home project to construct a four-bedroom house for use as a group home for individuals with intellectual disability. Installation of the appliances, flooring surfaces (ceramic tile), and wiring has been completed, and all interior painting has been finished. The most recent official Site Inspection by the U.S. Department of Housing and Urban Development (HUD) was conducted September 25, 2013, including a thorough walk-through to detect any minor discrepancies before completion. The final walk-through inspection by HUD is tentatively scheduled for October 16. Completion of construction on the Ashlawn View Group Home is anticipated by October 25, 2013. Current photos of the project site were presented.

INFORMATION ITEMS – The following Information Items were addressed:

Division Fiscal Year 2013 Annual Reports – Finance Division, Human Resources Division, and Compliance and Information Systems Division

Jim Bebeau noted the Fiscal Year 2013 Annual Reports for DPCS’ Administrative Services Divisions—Finance, Human Resources, and Compliance and Information Systems. The Fiscal Year 2013 Annual Reports for DPCS’ Program Services Divisions—Behavioral Health, Intellectual Disability, and Prevention—will be distributed in the December 5, 2013, Board Meeting packet. These narrative reports are distributed to Board Members each year and provide an overview of the Divisions’ programs for the fiscal year, including highlights and accomplishments as well as goals for the next fiscal year.

CLOSED MEETING

Motion was made by Angela Fowler that the Danville-Pittsylvania Community Services Board Meeting be recessed and that the Board of Directors immediately reconvene in Closed Meeting as permitted by the Authority of §2.2-3711(A)(1) Code of Virginia, 1950, as Amended, for assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body,

Subject: Annual Performance Evaluation of the Executive Director

Purpose: Executive Committee Report Regarding the Annual Performance Evaluation of the Executive Director

The motion was seconded by Jessie Barksdale and carried by the following Roll Call vote:

Vote: 8-0

Yes: (8) Jessie Barksdale, Angela Fowler, Polly Humphrey, Shelby Irving, Gerald Milliman, Robert Warren, Mary Lee White, Frank Wickers

No: (0) None

Presiding Officer: (1) William Brown (Presiding Officer votes only upon a Tie Vote in Roll Call)

Absent: (5) Julie Brown, Anne Geyer, Gracie Mays, Ronald Merricks, Marie Young

The Board of Directors entered Closed Meeting at 6:20 pm.

RETURN TO OPEN MEETING/CERTIFICATION OF CLOSED MEETING

Angela Fowler made motion that the Danville-Pittsylvania Community Services Board of Directors immediately reconvene into Open Meeting and adopt the following Resolution for Certification of Closed Meeting:

WHEREAS, the Danville-Pittsylvania Community Services Board of Directors convened in a Closed Meeting on October 10, 2013, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712 Code of Virginia, 1950, as Amended, requires a certification by the Danville-Pittsylvania Community Services Board of Directors that such Closed Meeting was conducted in conformity with the Virginia Freedom of Information Act;

NOW, THEREFORE, BE IT RESOLVED that the Danville-Pittsylvania Community Services Board of Directors hereby certifies by a recorded vote that, to the best of each Board Member's knowledge, (1) only public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act and (2) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered in the Closed Meeting.

The motion was seconded by Frank Wickers and carried by the following Roll Call vote:

Vote: 8-0

Yes: (8) Jessie Barksdale, Angela Fowler, Polly Humphrey, Shelby Irving, Gerald Milliman, Robert Warren, Mary Lee White, Frank Wickers

No: (0) None

Presiding Officer: (1) William Brown (Presiding Officer votes only upon a Tie Vote in Roll Call)

Absent: (5) Julie Brown, Anne Geyer, Gracie Mays, Ronald Merricks, Marie Young

The Board of Directors reconvened into Open Meeting at 6:30 pm.

EMPLOYMENT AGREEMENT BETWEEN THE BOARD OF DIRECTORS AND THE EXECUTIVE DIRECTOR

Jessie Barksdale, member of the Board's Executive Committee, made motion to renew the Employment Agreement between the Board of Directors and Executive Director Jim Bebeau, with a five percent salary increase, effective January 1, 2014. Robert Warren seconded, and the motion passed unanimously.

NEXT REGULAR BOARD MEETING DATE

William Brown presented a reminder that the next Regular Board Meeting will be held Thursday, December 5, 2013, 5:30 pm.

ADJOURNMENT

William Brown declared the Board Meeting adjourned at 6:31 pm.

Approved:



Ronald E. Merricks, Chairperson

12.5-13

Date