

PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA
FEBRUARY 23, 2006 MINUTES

The Pitt County Board of Commissioners met for an Emergency Meeting on Thursday, February 23, 2006, at 10:00 AM in the Commissioners' Auditorium, Pitt County Office Building, 1717 W. 5th Street, Greenville, North Carolina.

Commissioners present:

Jimmy Garris, Chairman
Glenn Bowen, Commissioner
Tom Coulson, Commissioner
David Hammond, Commissioner
Eugene James, Commissioner
Melvin McLawhorn, Commissioner
John Minges, Commissioner
Mark Owens, Jr., Commissioner

Commissioners Absent:

Beth Ward, Vice Chairman

Staff present:

Scott Elliott, Manager
Trish Staton, Deputy Clerk
JoAnne Burgdorff, Attorney
Melonie Bryan, Deputy County Manager/Financial Services
Michael Taylor, Chief Information Officer
Sandy Sparrow, Human Resources
Deby Dihoff, Director Mental Health
Phil Dickerson Deputy County Manager/Public Services
Janis Gallagher, Assistant County Attorney

Call to Order

Chairman Garris called the meeting to order and welcomed everyone.

Invocation and Pledge

Commissioner Hammond offered the invocation and Commissioner Bowen lead the Pledge of Allegiance.

Approval of Agenda

Motion to approve the agenda as presented.

Motion:

Motion to approve the agenda as presented.

Motion made by Commissioner David Hammond.

Motion seconded by Commissioner Eugene James.

Motion Passed Unanimously.

Items for Discussion

Information Provided with the Agenda

Pitt County Mental Health (LME) Medicaid cost finds for fiscal year 2003-2004.

**RESOLUTION
CONCERNING PITT COUNTY MENTAL HEALTH
LME COST FINDING DEADLINE**

Resolution by the Pitt Board of County Commissioners
February 23, 2006

WHEREAS: Pitt County has been notified by the State of serious concerns relating to the Cost Finding by the Pitt County Mental Health Department;

WHEREAS: Pitt County Government pledges to complete a thorough and complete cost finding document for the Division of Mental Health and the Department of Health and Human Services that accurately supports the number and cost of services provided by the Pitt County Mental Health Department. Pitt County recognizes the vital importance of accuracy in determining rates for services and the need of the State of North Carolina to meet timelines as required by the Federal Government.

WHEREAS: The Pitt County Mental Health Department has consistently performed at a high level in implementing all aspects of system reform, including accomplishment of full divestiture, acquisition of needed software, excellent performance in most recent Medicaid audit, downsizing of Cherry Hospital, and success in building an LME that is compliant in the State's performance contract expectations.

WHEREAS: Due to personnel turnover and the lack of current trained staff in the special unique nature of cost finding, Pitt County Mental Health is unable to meet the State's deadline for corrections to the 2003-2004 cost finding report.

WHEREAS: The Division of Medical Assistance could as a consequence of our failure to meet their deadline stop all Medicaid payments, and move to settle on a difference of \$3.2 million. The County has hired a consultant to address the underlying problems that have resulted in this monetary difference. The consequences, if enacted, would be devastating for our citizens.

THEREFORE, The Pitt County Board Commissioners resolves to request the following of the Office of the Controller, Division of Medical Assistance, the Department of Health and Human Services, and other appropriate officials;

1. An exemption from the cost finding 2003-2004 and agreement to continue Medicaid reimbursement. Pitt will independently fix the underlying problems with an immediate contract with a consultant in order that we reconcile the \$3.2 million

Or

2. An extension of 60 days to reformulate and correct the entire cost finding document to address the underlying problems that have resulted in this monetary difference.

Upon motion properly made and seconded, adopted by the Board at an emergency called meeting on February 23, 2006.

PITT COUNTY BOARD OF COMMISSIONERS

Chairman, Jimmy Garris

ATTEST:

Clerk

Staff Recommendation

Motion to adopt resolution as presented.

Meeting Notes

Deby Dihoff, Director of Pitt Mental Health Department stated the State required the annual filing of Medicaid Cost Settlement Report to support setting rates for Medicaid services. If your data

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(cost finding) has errors, the Division of Medical Assistance (DMA) may cut off Medicaid (Pitt Mental Health's largest funding source). Our data has errors identified by the State. Ms. Dihoff said since December, we have tried to fix those problems on several occasions but we are unable to completely fix it by DMA's deadline. We want the data to be accurate and complete, we are asking for more time for an exemption from their cost finding routine. This would keep our outlier rates from adversely affecting rates statewide. Ms. Dihoff said the problem happened because cost finding is completed annually and, then there is a lag of review time. She was notified in mid-December by the Controller's office. She worked with existing staff to address the errors and data was resubmitted. Ms. Dihoff said before the corrections were completed, there was a turnover in the finance director's position. She said she was able to hire an interim finance director and secured consultants to help with the billing problems.

Ms. Dihoff said they have located a consultant who can do the work, however, it will take 60 days beyond the DMA deadline. No one on staff has the skill set to perform this specialized work. Ms. Dihoff stated DMA can stop all Medicaid payments for our clients receiving mental health services. She said we could contract with the consultant, fix the problems and at some point they would restore payments. The Board could elect to continue services with a "loan" of local dollars". Our financial statements would be substantially in the negative for that 60 day fix period. She said it must be fixed, the controller's office is arguing we cannot properly document \$3.2 million in expenses and DMA could enforce collection of this amount if they can prove their case. We would like our records to accurately support costs to neutralize the threat of taking \$3.2 million. Mental Health has a fund balance at June 30, 2005 of \$2.3 million and this is included within the County's overall fund balance. (Note: actual reserved fund balance was \$22.4m.)

Commissioner Hammond asked if there were indications before December, Ms. Dihoff said "no". She said when she was notified she sent a copy to Mr. Elliott and Ms. Bryan. Commissioner James asked why the Board had not received a copy of the letter. Mr. Elliott said Mental Health staff had responded three times and they felt this was sufficient. Commissioner James said the County has a problem and it has to be solved, and we can do this by adopting the resolution. Commissioner Bowen asked why the auditors didn't spot this problem. Ms. Bryan said it was not Bryan Starns' function.

Commissioner Coulson asked if there was something in place so this does not happen again. Ms. Dihoff said by doing quarterly reviews. Commissioner Minges said when you received the cost finding letter in December and asked for an extension why was it turned down? Ms. Dihoff said Mental Health received a two week extension and it was her number one priority. Commissioner Minges stated this would have a tremendous effect on the County's fund balance and bond rating and noted that the buck stops with you. Ms. Dihoff stated she had identified help to act as interim finance director and consultants with cost finding experience. Commissioner Minges asked if she was hoping the consultant can do this in 60 days. Commissioner McLawhorn asked Ms. Dihoff if she had dealt with any similar crisis and what was the outcome. Ms. Dihoff said when she worked in Chapel Hill, she was five days late and Medicaid was turned off.

Commissioner McLawhorn asked, "What will this do to the citizens"? Ms. Dihoff stated if you turn off Medicaid, services will stop. Commissioner Owens said we have a fire and it needs to be put out, I want to know what the errors are and I don't want the funds withheld. The Board needs to adopt this resolution to intervene.

Motion:

Motion to adopt resolution from Board requesting an exemption from the cost finding for FY 2003-2004 and agreement to continue Medicaid reimbursement. Pitt will independently fix the underlying problems with an immediate contract with a consultant in order that we reconcile the \$3.2 million, and

Request a meeting with the Secretary of the Department of Health and Human Services.

Motion made by Commissioner Mark Owens, Jr.

Motion seconded by Commissioner Glenn Bowen.

Motion Passed Unanimously.

Chairman Garris asked if anyone from the Mental Health Advisory Board would like to speak. Chairman John Swope from the Advisory Board stated this is a very serious problem and the Board agrees with what has been discussed, the problem has to be fixed. Commissioner Hammond asked to be excused.

Commissioner Minges asked the County Attorney to take the Board into closed session – County Attorney sated the Board to go into Closed Session based upon G.S. 143-318.11(a) (6) - To consider the qualifications, competence, performance, character, fitness, conditions or appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee.

Board came out of Closed Session and announced no action was taken.

Motion was made by Commissioner James, seconded by Commissioner McLawhorn, and the meeting was adjourned at 11:40 am

Adjourn

Respectfully Submitted,

Patricia A. Staton
Deputy Clerk to the Board