

Board of Directors Meeting Minutes

June 18, 2021

- Directors Present:** Bryan Thompson, Chair, Carmen Hooker Odom, Chair-Elect, Jean Andersen, Dan Brummitt, Keith Duncan, Bob Byrd, Dr. Christopher Colenda, Scott Craver, Layton Long, Laura Happe, Denise Hill, Beverly Morrow, Gordon Powell, Michael Wise, Judy Klusman, Chris Day, Terry Cox, Devon Cornett, Marcelle Smith, Tri Tang, Mark Richardson, and Dr. James Rachal
- Directors Absent:** None
- Staff Present:** Trey Suttan, Chuck Hollowell, Rudy Dimmling, Mary Hamilton, Dietrick Williams, Ashley Conger, Amy Kazmierczak, Casey Hossa, Dr. John Johnson, Steve Martin, Samantha Kelen, Molly Dean, Chris Bishop, Jill Queen, Reese Edwards, and Julie Zawislak
- Guests:** Jamezetta Bedford, Yvonne French, Mary Miller, Jim Cooney and Chris Jones
- Location:** Due to the Governor's Executive Orders limiting in-person meetings as a result of COVID-19, this Board of Directors meeting was held via Webex. The Webex link was made available to the public via Cardinal's website in advance of the meeting.

1. Welcome and Call to Order

- i. Bryan Thompson, Chair, called the meeting to order at 4:01 p.m.
- ii. Chuck Hollowell, General Counsel, conducted roll call and reviewed the guidelines for the meeting given that it is being held remotely due to the Governor's Executive Orders limiting in-person meetings as a result of COVID-19.
- iii. Mr. Hollowell installed Mark Richardson and Dr. James Rachal as new Directors.
- iv. Mr. Hollowell opened the public hearing on the FY22 Budget. No comments. Hearing closed.

2. Consent Agenda

- i. Mr. Thompson presented the Consent Agenda for approval. Dan Brummitt asked to pull the Chair and Chair-Elect Election from the Consent Agenda for further discussion in closed session.

A motion was made and seconded to approve the Consent Agenda as presented, consisting of: (i) April 23, 2021 Board of Directors Open Meeting Minutes, (ii) April 23, 2021 Board of Directors Closed Meeting Minutes, (iii) June 1, 2021 Board of Directors Open Meeting Minutes, (iv) June 1, 2021 Board of Directors Closed Meeting Minutes, and (v) FY22 Organizational Salary Plan.

All in favor. Motion approved.

3. Executive Committee Report

- Mr. Thompson reported that the Executive Committee met briefly to review the agenda for the full board meeting, discuss the emerging complexities with the counties, and re-affirm its commitment to a compassionate transition for members and staff.

4. CEO Report

- Mr. Thompson opened the floor to Trey Suttan, CEO. Mr. Suttan began by announcing the recent External Quality Review (“EQR”) results. EQR is a CMS requirement for states that contract with a Managed Care Organization or Prepaid Inpatient Health Plan. The review determines if Cardinal complies with service delivery as mandated by their NC Medicaid Contract, provides feedback for potential areas of further improvement, and verifies the delivery and quality of contracted health care services. Cardinal achieved a met score for 99% of the standards reviewed in this year’s EQR and received one corrective action item to improve monitoring of our appeals processes. Mr. Suttan expressed his gratitude to the team for achieving the organization’s highest score yet.
- Next, Mr. Suttan turned to the consolidation timeline. On June 1, 2021, Cardinal Innovations & Vaya Health governing Boards voted unanimously to consolidate; CEOs and Board Chairs signed a Letter of Intent; and DHHS Secretary expressed support for consolidation. The two organizations expect to sign a Consolidation Agreement by July 31, 2021 and to complete the consolidation by April 1, 2022. Brian Ingraham, Vaya CEO, is meeting with counties to discuss the consolidation. DHHS delayed the Tailored Plan award; Vaya and Cardinal are not permitted to share information about their RFA responses or Tailored Plan preparation until after awards are made and the silent period ends. A Joint Steering Committee was established consisting of Vaya & Cardinal Board members and executive leadership. The committee will review and recommend the transition timeline and final Consolidation Agreement and establish recommendations for Vaya Health’s consolidated Board of Directors, subject to requirements of Chapter 122C.
- At this point, Mr. Suttan pivoted to FY21 Goal Results. Mr. Suttan asked Rudy Dimmling, Chief Strategy Officer, to update the Committee on the strategy goal progress. Mr. Dimmling reminded the Board that at the beginning of the year, the team set out to change the ecosystem to pave the way for the Tailored Plan, including five implementations to accomplish in a short window. The organization successfully launched three systems: Salesforce (relationship management), Microsoft 365 (finance/procurement), and Guiding Care (care management). Conduent (claims management) will launch in July and we expect HITRUST certification in Q1 FY22 (team completed the submission in May). While not explicitly articulated in the Strategy goal, the team also successfully launched EVV and Azure Data.
- Next, Dietrick Williams, Chief Operations Officer, presented the Operations goals. The heightened focus on child welfare and acknowledgment of systemic issues drove the development of a best-practice child welfare model designed to facilitate partnership, expand

services and improve outcomes. The model is fully implemented and is being well received by our DSS and DJJ partners. Cardinal identified and has begun to report on success measures. GuidingCare has been fully implemented and is streamlining processes for providers while creating a unified approach across departments for managing member care, enhancing the efficiency of day-to-day operations and providing the foundation for incorporating physical health and pharmacy benefits.

- Ashley Conger, Chief Communications Officer, offered comments on the Member Service goals. Member, Provider and Stakeholder satisfaction and perception are key performance indicators of how well Cardinal Innovations is meeting needs and expectations and creating a positive experience with our health plan. Discussion ensued about the strong improvements seen in individual counties. Ms. Conger went on to discuss the Member Journey Mapping project which engaged consumers in operational processes and design. Following learnings from members, Cardinal chose to place its initial focus on improvements in the Registry process. For both Member Service and Quality Assurance Goals, the team achieved beyond the maximum target.
- Next, Amy Kazmierczak, Chief People Officer, updated the committee on the Team goal. Cardinal focused efforts on an organization readiness strategy that enables the organization to successfully operate as a fully integrated care plan; added capabilities and refined the model to improve outcomes, better manage relationships, and enhance collaboration internally; and finalized a comprehensive long-term operating model that would carry the organization into Tailored Plan Operations. The organization implemented 75% of phase 2 org adjustments, achieving the Max on this goal.
- Finally, Mr. Williams outlined the progress on the Plan of Action goal. The Plan of Action goal was developed in response to performance measures that aligned to the areas of concern within our counties. The plan focused on provider network concerns, access to care, Care Coordination, and navigation of services for individuals not in Care Coordination. The team completed 26 of 29 improvement initiatives, achieving the Target on this goal.
- Mr. Suttan concluded by recognizing the team's hard work to achieve these strong outcomes for the organization.

5. Budget Discussion

- For this agenda item, Mr. Thompson opened the floor to Michael Wise, Chair, who turned to Mary Hamilton, Chief Financial Officer, to present the FY22 Budget. In her remarks, Ms. Hamilton began by reminding the Board that this budget did not contemplate the Vaya consolidation. Management is asking the board to approve this budget which is due on June 30, and commits to return to the Board with a budget amendment later this summer.

A motion was made, upon recommendation of the Finance & Risk Committee, to approve the FY22 Budget Ordinance, as presented.

All in favor. Motion approved.

For the next agenda items, Mr. Thompson noted that the Board will need to discuss, among other things, competitive healthcare information, personnel matters, real estate transactions and attorney-client privileged matters in closed session.

A motion was made and seconded to go into closed session pursuant to § 143-318.11 and § 122C-126.1 of the General Statutes to discuss competitive health care information, pursuant to § 143-318.11 and § 122C-158 of the General Statutes to discuss personnel matters, pursuant to § 143-318.11(a)(5) to discuss a real estate transaction, and pursuant to § 143-318.11(a)(3) of General Statutes to discuss attorney-client privileged matters.

All in favor. Motion approved.

6. CEO Closed Report

7. Break

8. Performance, Evaluation, and Compensation Committee Report

9. Finance & Risk Committee Report

10. Litigation Committee Report

The meeting returned to open session.

A motion was made, upon recommendation of Litigation Committee, to approve the Uniform Standards Resolution, as presented.

All in favor. Motion approved.

A motion was made and seconded to return to closed session to continue the Litigation Committee Report pursuant to § 143-318.11(a)(3) of General Statutes to discuss attorney-client privileged matters.

All in favor. Motion approved.

The meeting returned to open session.

A motion was made, upon recommendation of the Litigation Committee, to approve the Indemnification Resolution for Charles G. Suttin, III.

All in favor. Motion approved.

A motion was made, upon recommendation of the Litigation Committee, to approve the Indemnification Resolution for Wallace C. Hollowell, III.

All in favor. Motion approved.

A motion was made, upon recommendation of the Litigation Committee, to approve the Indemnification Resolution for Stephen Martin.

All in favor. Motion approved.

A motion was made, upon recommendation of the Performance, Evaluation, and Compensation Committee, to approve the FY21 CEO Incentive, as presented.

All in favor. Motion approved.

A motion was made, upon recommendation of the Performance, Evaluation, and Compensation Committee, to approve the FY22 Draft Goals, as presented.

All in favor. Motion approved.

A motion was made, upon recommendation of the Governance Committee, to elect Carmen Hooker Odom as Chair and Judy Klusman as Chair-Elect.

All in favor; Carmen Hooker Odom and Judy Klusman recused themselves from this vote. Motion approved.

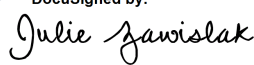
11. Board Member Comment

- i. Ms. Odom thanked Mr. Thompson for his leadership over the last three years, and Mr. Suttan welcomed Mses. Odom and Klusman to their new roles.

A motion was made and seconded to adjourn the meeting.

All in favor. Motion approved.

Meeting adjourned at 7:30 p.m.

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Julie Zawislak, Secretary

08-09-2021
Date

