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# Board of Directors Meeting Minutes

## April 28, 2018

**Directors Present:** Bryan Thompson, Chair, Carmen Hooker Odom, Vice-Chair, Jean Andersen, Dr. Richard Blanks, Bob Byrd, Dr. Christopher Colenda, Beverly Corpening, Terry Cox, Scott Craver, Keith Duncan, George Dunlap, Thomas Lane, Layton Long, Tchernavia Montgomery, William Pilkington, Gordon Powell, Dr. Jennifer Richards, and Marcelle Smith

**Directors Absent:** Dan Brummitt, Judy Klusman, and Tom Reid

**Staff Present:** Trey Suttan, Amy Kendall, Chuck Hollowell, Rob Bryan, Steve Ermish, Dr. Terri Harpold, Emily Smith, and Callan Skinner

**Guests:** Brian Wheelan and Janet Breeding

### 1. Welcome and Call to Order

Bryan Thompson, Chair, called the meeting to order at 9:10 a.m.

- i. Steven Warnock, Club Nova, and other members of the public addressed the Board of Directors.

### 2. Approval of Meeting Minutes

Mr. Thompson presented the open and closed minutes for the March 23-24, 2018 Board of Directors Meeting for approval.

**A motion was made and seconded to approve the open and closed minutes for the March 23-24, 2018 Board of Directors Meeting as presented.**

**All in favor. Motion approved.**

### 3. Strategy Session

- i. Trey Suttan, CEO, introduced Brian Wheelan, Executive Vice President with Beacon Health Options. In his introductory remarks, Mr. Suttan provided an overview of today's meeting and discussed the importance of Cardinal developing a strategic plan to help ensure continuity and fidelity of care for the members and families that it serves.
- ii. Mr. Suttan then provided a general overview of the strategic planning process. In his remarks, Mr. Suttan noted that, in developing a strategic plan, it is important to have an understanding of current internal and external environments, including both legislative and regulatory, and to establish common goals and outcomes.

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- iii. Next, Rob Bryan, Chief Development Officer, provided a legislative and regulatory update. In his remarks, Mr. Bryan noted that the NC House, Senate and DHHS all favor the greater cost predictability that is offered by the managed care model, and that DHHS and the legislature are focusing more on integrated care as a way of addressing the whole health needs of Medicaid enrollees.
  - iv. Under the current proposed plan, Mr. Bryan noted that Medicaid will be integrated and managed at the plan level, and that there will be an opportunity for LME/MCOs to evolve, in a competitive environment, to continue serving their enrollees.
  - v. After Mr. Bryan's remarks, Amy Kendall, Chief Administrative Officer, provided a general overview of Cardinal's communities and providers. In doing so, she noted that, in providing members with access to care, Cardinal operates with the belief that every person has the right to respect, dignity, personal choice, and a healthcare plan designed to meet his or her unique needs.
  - vi. In her overview, Ms. Kendall provided a snapshot of several key statistics for FY 2017. Among other things, she explained that Cardinal earned \$838 million in total revenue and processed 2.6 million claims during FY 2017. Of its total revenue, she noted that Cardinal spent \$727,844,000 on its members and processed \$2 million per day in payments to its providers.
  - vii. Next, Ms. Kendall provided an overview of Cardinal's community-based model of care, noting that 60% of Cardinal's workforce is member and community facing, which, as she pointed out, would not likely be replicated by a for-profit commercial MCO. As she explained, face-to-face care coordination is a key component of Cardinal's community-based model of managed care.
  - viii. Of particular benefit, Ms. Kendall noted that Cardinal's local presence allows it to understand where there are issues and gaps and to respond to community needs. On this particular point, she noted that Cardinal's Community Operations team conducted 2, 205 events and trainings last year in an effort to build relationships and programs to improve Cardinal's communities.
  - ix. Lastly, Ms. Kendall provided a brief overview of Cardinal's provider network. In doing so, she explained that Cardinal's current provider model is based on training and engagement, not retention. This approach allows Cardinal to actively engage in discussions with its provider network to detect trending of issues and promote quality of care.

**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 healthcare information.**

**All in favor. Motion approved.**

**The meeting returned to open session.**

**4. New Business**

- i. For the first item of new business, Mr. Thompson addressed Mr. Suttén's employment agreement and his request for the Board to extend the reimbursement of his reasonable commuting expenses for an additional ninety (90) days.
- ii. Mr. Thompson explained that, at the Executive Committee Meeting held on April 25, 2018, the Committee adopted a motion to recommend to the full Board that it amend Mr. Suttén's employment agreement to extend the reimbursement of his reasonable commuting expenses for an additional ninety (90) days.
- iii. After discussion, the Board concurred with the recommendation of the Executive Committee and agreed to amend Mr. Suttén's employment agreement to extend the reimbursement of his reasonable commuting expenses for an additional ninety (90) days.

**A motion was made and seconded, upon the recommendation of the Executive Committee, to amend Mr. Suttén's employment agreement to extend the reimbursement of his reasonable commuting expenses for an additional ninety (90) days.**

**All in favor. Motion approved.**

- iv. Next, Mr. Thompson discussed the possible establishment of a committee to address litigation matters regarding former Cardinal executives. In discussing this possibility, it was suggested that a member of the Executive Committee be appointed to serve on the litigation committee.
- v. After discussion, the Board agreed to move forward with establishing a committee to address litigation matters regarding former Cardinal executives. In deciding to move forward, the Board asked staff to prepare a resolution establishing this committee for the June Board meeting, with the Board Chair having the authority thereafter to appoint members to this committee.

**A motion was made and seconded to adjourn the meeting.**

**All in favor. Motion approved.**

**Meeting adjourned at 3:13 p.m.**



Callan Skinner, Clerk



Date