

Board of Commissioners of Chatham County

**Joint Resolution Approving the Dissolution of
Orange Person Chatham Mental Health, Developmental Disabilities and Substance
Abuse Authority and
Establishment of an Area Authority for the
New Catchment Area**

June 18, 2012

WHEREAS, House Bill 916, 2011 N.C. Session Laws 264, was enacted by the General Assembly of North Carolina effective June 23, 2011, and requires that the 1915(b)/(c) Medicaid Waiver Program be completed statewide by July 1, 2013, and that each LME by such date shall have a minimum population of at least 500,000 within its catchment area, and further requires that all local management entities ("LMEs" or "LME") meet certain additional deadlines to participate in the waiver by either merging with other LMEs or entering into interlocal agreements with other LMEs; and

WHEREAS, the provisions of N.C. Gen. Stat. § 122C-115.3 govern the dissolution of an area authority, and said statute requires that a county demonstrate prior to the dissolution of an area authority that continuity of services will be maintained; and

WHEREAS, Orange Person Chatham Mental Health, Developmental Disabilities and Substance Abuse Authority d/b/a OPC Area Program ("OPC"), is currently established as a multi-county area mental health, developmental disabilities, and substance abuse authority and LME serving the counties of Orange, Person and Chatham ("OPC Catchment Area"); and

WHEREAS, PBH is currently established as a multi-county area mental health, developmental disabilities, and substance abuse authority, LME and Managed Care Organization ("MCO"); and

WHEREAS, Five County Mental Health Authority ("Five County") is currently established as a multi-county area mental health, developmental disabilities, and substance abuse authority and LME serving the counties of Franklin, Granville, Halifax, Vance and Warren; and

WHEREAS, OPC entered into a Management, Merger and Dissolution Agreement dated April 1, 2012, by which PBH was given the duty to perform the obligations under OPC's Contract #206-010, executed October 1, 2011, between OPC and the North Carolina Department of Health and Human Services for the period from January 1, 2012 through June 30, 2012, which further called for the three counties which currently comprise the OPC Catchment Area to jointly establish with PBH and Five County an area authority for Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties ("New Catchment Area"), and at that time to dissolve OPC, in accordance with the terms and conditions of the said Management, Merger and Dissolution Agreement by and between PBH and OPC dated April 1, 2012, and with the approval of the Secretary of the N.C. Department of Health and Human Services; and

WHEREAS, consistent with the legislative mandate, PBH, an MCO and area authority acting pursuant to Chapter 122C of the North Carolina General Statutes, has been approved by the

State of North Carolina to operate as an LME/MCO under North Carolina's 1915(b)/(c) Medicaid Waiver Program to serve the New Catchment Area as a single prepaid inpatient health plan for mental health, intellectual/developmental disabilities and substance abuse services, effective July 1, 2012; and

WHEREAS, the Boards of County Commissioners of Orange, Person and Chatham Counties have previously approved OPC's entering into the Management, Merger and Dissolution Agreement with PBH, and approved by joint resolution the establishment of PBH as an area authority for the New Catchment Area, as of July 1, 2012; and

WHEREAS, OPC, PBH and Five County have jointly and separately recommended to their respective constituent counties a consolidation of those three distinct area programs into one single Area Authority, LME and MCO accountable to the counties of the New Catchment Area; and

WHEREAS, the Board of Commissioners of Orange County finds that the dissolution of OPC and the consolidation of its operations with those of PBH and Five County to serve the New Catchment Area under the 1915(b)/(c) Medicaid Waiver Program is in the public interest and would better meet the needs of persons with mental illness, developmental disabilities and substance abuse issues residing in the region in light of the provisions of 2011 N.C. Session Laws 264; and

WHEREAS, upon the dissolution of OPC, the Boards of County Commissioners of Orange, Person and Chatham Counties shall appoint the members of the Community Oversight Board for PBH in their respective counties to ensure that PBH properly maintains and provides mental health, developmental disabilities and substance abuse service programs in those counties; and

WHEREAS, if at any time PBH fails to provide any mental health, developmental disabilities and substance abuse services deemed necessary by said Counties, then the Counties may provide those services as an in-kind appropriation for purposes of N.C. Gen. Stat. § 122C-115; and

WHEREAS, a notice of the meeting of the Board of Commissioners has been duly published, and all other legal requirements have been satisfied in order for the Board to approve this resolution.

NOW, THEREFORE, be it jointly resolved as follows:

1. **PURPOSE.** In recognition of the fact that pursuant to the Management, Merger and Dissolution Agreement dated April 1, 2012, PBH has been performing OPC's obligations under Contract #206-010 with the North Carolina Department of Health and Human Services since April 1, 2012, and as of July 1, 2012, PBH will operate as the LME/MCO in the counties of Orange, Person and Chatham, and OPC shall be considered to have dissolved pursuant to N.C. Gen. Stat. § 122C-115.3.

2. **PRINCIPAL OFFICE, LOCAL PRESENCE AND COMMUNITY OVERSIGHT BOARD.** The principal office of PBH, under whatever name it shall be known in the future, is located at 4855 Milestone Avenue, Kannapolis, NC 28081. The current local offices of OPC will remain at 100 Europa Drive, Suite 490, Chapel Hill, NC 27517 and will become the Local Office of PBH following the Effective Date of the dissolution and has been identified by PBH and shall continue to be identified as "OPC Community Operations Center, a division of PBH." The Board of Commissioners of

Orange, Person and Chatham Counties, shall appoint the members of the Community Oversight Board for PBH in the OPC Catchment Area to ensure that PBH continues to properly maintain and provide comprehensive mental health, developmental disabilities and substance abuse services programs in said counties in accordance with the Joint Resolution dealing with the governance of the reorganized PBH adopted or to be adopted by the County Commissioners of all counties represented by the New Catchment Area.

3. **COUNTY APPROPRIATIONS.** The County Commissioners of each of the counties in the OPC Catchment Area may from time to time make, in their sole discretion, in kind contributions to and adjustments to the N.C. Gen. Stat. § 122C-115 appropriation for mental health, developmental disabilities and substance abuse services programs taking into consideration the cost of the liabilities to PBH. Said County Commissioners may elect to provide mental health, developmental disabilities and substance abuse services programs, the costs of which shall be treated as in kind contributions to and adjustments to the N.C. Gen. Stat. § 122C-115 appropriation to the LME/MCO.

4. **REPRESENTATIONS OF PBH.** The Counties of the OPC Catchment Area explicitly state that PBH has represented to said Counties that it shall continue at all times to use its best efforts to deliver high quality mental health services to all residents of the OPC Catchment Area within existing finances on and after July 1, 2012. Other terms of the consolidation of Five County with PBH are set forth in the Management, Merger and Dissolution Agreement entered into by and between PBH and OPC, dated April 1, 2012, which terms are hereby incorporated by reference into this Joint Resolution and are acknowledged and accepted by the Board of Commissioners.

5. **AREA BOARD, GOVERNANCE AND FUNCTIONS.** The Counties of the New Catchment Area have adopted or will adopt prior to July 1, 2012, a Joint Resolution to establish Cardinal Innovations Healthcare Solutions as the new Area Authority as successor to PBH, Five County and OPC LMEs and to operate as a Managed Care Organization and Prepaid Inpatient Health Plan pursuant to the 1915(b)/(c) Medicaid Waiver and 42 C.F.R. § 438.2 as of that date. Said Joint Resolution shall, among other things, set forth the governance and structure of the new Area Board, and the functions, powers and duties of the new Area Authority and MCO.

6. **CATCHMENT AREA.** The New Catchment Area for PBH, or by whatever name it shall be known in the future, as of July 1, 2012 shall be comprised of the Counties of Alamance, Cabarrus, Caswell, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties.

7. **PLAN OF MERGER AND AGREEMENT.** The Area Board of OPC shall enter into a Plan of Merger and Agreement, by whatever name that agreement shall be known, with the Area Boards of OPC and PBH which shall set forth the terms and conditions of the consolidation.

8. **FURTHER ACTIONS.** The Board of Commissioners hereby authorizes the officers and Area Board of OPC to take any and all actions necessary or desirable to effectuate this action consistent with this Resolution.

9. **COUNTERPART RESOLUTIONS.** The Board of Commissioners understands that the same resolution, or one similar to this resolution in all material respects, approving the consolidation and dissolution of the LMEs as described herein has been or shall be adopted by the boards of county commissioners of the other counties affected by this resolution.

This ___ day of _____, 2012.

CHATHAM COUNTY

By: _____
Chair, Board of Commissioners

ATTEST:

Name: _____
Clerk to the Board