Board of Directors
Regular Meeting Minutes
November 20, 2025, at 6:00 PM

Partners Board of Directors met by a virtual Zoom/conference call for its regular monthly meeting.

Board Member Attendance

Commissioner Designee Justin Amos	P	Commissioner Melissa Hiatt	A
DSS Director Trish Baker	P	CFAC Chair – Janet McDaniel	P
Commissioner Barbara Beatty	P	David O'Connor - *Vice Chair*	P
Commissioner Tony Berry	A	Commissioner Designee Vanessa Palmer	A
Commissioner Jeffrey Brittain	P	Commissioner Terry Renegar	A
Commissioner Bert Connolly	P	Patty Schaeffer	P
Devon Cornett (non-voting)	P	Commissioner David Williams - *Treasurer*	P
Steve Eaton – *Chair*	P	Commissioner Gray Wilson	P
Commissioner Scott Efird	P	Commissioner Designee Paula Yost	P
Mark Fuhrmann	P	Commissioner Frank Zachary	P
Commissioner Designee Hunter Haynes	P		

Partners Staff Present

Rachel Porter, Deputy CEO
Andrew Walsh, Chief Legal Officer & General Council
Paula Malin, Clerk to the Board

Guests

Yvonne French
Sarah Potter

I. CALL TO ORDER

A quorum was confirmed Chair, Steve Eaton, called the meeting to order at 6:01 p.m. He stated for the record that Partners Board of Directors meetings with certain exceptions are open to the public. It is at the pleasure and convenience of the board that meetings are conducted using Zoom. Instructions to join the meeting are posted on the public website. He welcomed Partners staff, CFAC members and guests in attendance.

It was noted that Libby McCraw, CEO, was absent from the meeting due to her attendance at the Medicaid Directors Meeting in Washington. Rachel Porter, Deputy CEO, was present to provide relevant updates.

Thanks were given to Devon Cornett for her service to the Board, as this was her last meeting as the representative for the Provider Council, as her term ends December 31, and the Board does not meet in the month of December.

II. AGENDA REVISIONS

Mr. Eaton asked if any members of the board had changes to the agenda. There were no changes. Mr. Eaton invited a motion to adopt the agenda as presented. Scott Efird made the motion and David O'Connor seconded. There was no discussion, and the motion carried.

III. CITIZEN RECOGNITION

There were no citizens registered for public comment.

IV. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

The October 16, 2025, draft meeting minutes were included in the meeting agenda packet for review in advance of the meeting. Mr. Eaton invited a motion to approve the minutes as presented. David Williams made the motion and Frank Zachary seconded. There was no discussion, and the motion carried.

V. REPORTS

1. Finance Committee Report – David O'Connor, stated that following the presentation of all action items on the Finance Committee Report, there will be one motion from the Finance Committee for approval. All action items have been reviewed and approved by the Finance Committee and are now presented for the board's approval.
2. Approval of Previous Meeting Minutes – The October 16, 2025, Finance Committee meeting minutes were included in the board meeting agenda packet for review in advance of the meeting.
3. Approval of September 2025 Financial Statements and Budget Revision #2 – The financial statements and revision #2 were included in the board meeting agenda packet for review in advance of the meeting.
   Note: No formal finance presentation tonight due to CFO absence; board encouraged to email questions to David O'Connor or Susan Lackey.

From the Finance Committee comes a motion that Partners Board of Directors approve the October 16, 2025, Finance Committee meeting minutes and the September 2025 Financial Statements as presented. Coming from a Committee, no second is required. All voted and the financial statements were approved unanimously.

4. Consumer and Family Advisory Committee Report – Janet McDaniel provided the following report:
   HRC (Human Rights Committee) Update: Keshia Sandidge, Consumer Rights Officer Supervisor, presented an overview of the HRC's functions and ongoing recruitment efforts for new members. Ms. Sandidge committed to providing quarterly updates to CFAC, including breakdowns of reports and critical incident reviews.
   Partners Child Services Continuum: Ann Jackson, Clinical Systems Development Specialist (LC), provided a comprehensive overview of the continuum of child services offered by Partners, ranging from evaluation to the most intensive alternative and out-of-home placements. Key highlights included:
   Availability of trauma-focused therapy and biofeedback services.

Explanation of services from crisis treatment and outreach to Mobile Crisis and Behavioral Health Urgent Care.
A focus on ongoing quality improvement initiatives.
Future Development: A new facility in Cabarrus County focusing on the child crisis continuum (a PRTF crisis center for youth) is scheduled to open in June 2026.
Standing Reports:
Quality Improvement Committee (QIC): Reported by Mike Hoffman. Focus areas include eliminating restraints at residential facilities and streamlining reporting. The "Survey Gateway Rewards" program has shown positive results, with a 67% user rate of the PYX app reporting feeling more connected to health plans and an 11% reduction in ER visits, as well as a decrease in self-reported depression/loneliness.
Network Development Cross Functional Committee: Reported by Ginny Hall. A gap in residential respite services across some counties was identified.
PHM Board Report & County Engagement: Chair McDaniel reported concerns that county commissioners on the board, who form the majority, are not providing regular reports or engaging adequately. CFAC members expressed a desire for more active participation and information sharing from county representatives. CFAC members have a continued request to open a Board Membership spot for a CFAC representative representing TBI.
Transitions to Community Living (TCL) Impact: The federal funding cuts have resulted in a pause on new TCL housing applications. It was strongly emphasized that housing is a crucial social determinant of health, and these cuts threaten progress for individuals leaving institutional care.
Executive Committee: A new member was voted in to fill the Cabarrus TBI (Traumatic Brain Injury) slot.
CFAC Statute Items & Gaps in Services:
Veterans with Mental Illness: A significant gap was noted in services for veterans with less than honorable discharges who face difficulties accessing Medicaid. Partners recently lost its veterans support specialist; the next step is to hire a replacement for this critical role.
TCL Eligibility Gaps: Specific examples highlighted individuals who do not qualify for TCL funding because they reside with parents and are not technically "homeless" or living in an adult care home. The "Back at Home" program at Partners was suggested as a potential alternative, and Partners will work to connect the individuals in question with available options.
Continuous Quality Improvement & Future Actions:
Member Advisory Survey: Partners has developed a comprehensive survey for member advisory committees to gather data through the website. This data will be used to make improvements to the website and services.
Future Presentation Request: The committee requested a future presentation providing an overview of population targets and chronic condition management strategies.

The next regular CFAC meeting will be held on Monday, January 12, 2026, at 6:00 PM via Zoom. Questions and concerns were invited and there were none.

5. Provider Council Report – Devon Cornett provided the following report:

   The Provider Council met on October 24, 2025.

   Workforce Development Subcommittee:

Discussion of implications of the rate cuts and the potential flexibilities and opportunities to help offset the rate cuts such as:

- Consideration into requesting an increased training plan to offset experience needed
- Value-based contracting opportunities
- Flexible scheduling and offering incentives to administrative staff for meeting benchmarks.

TCM (Targeted Care Management) Collaborative:

- Reviewed TCM and value-based monitoring and questions related to where Partners stand on this matter.
- Discussion surrounding helping to offset rate cuts by utilizing ideas such as collaborative care and integrated care models, and value-based contracting.

Provider concerns that were noted:

- Concerns in the meeting were about the rate decreases and the implementation of the recoupments from 10/1/2025-10/31/2025.

Partners Staff Joined the Provider Council Meeting:

- Further discussion on the potential rate cuts and reviewed priority information from the Partners Bulletins

The next Provider Council Meeting is scheduled on November 20, 2025, 9:30 a.m.

6. Executive Leadership Report – Rachel Porter provided the following report:
   Ms. Porter again mentioned that Libby McCraw is attending the Medicaid Directors Meeting in Washington, D.C. which is an important opportunity to promote the public health system, and there is a strong presence in D.C. with other peers.
   - State budget: The General Assembly has not passed a final budget; an enacted mini-budget underfunded Medicaid by approximately $319 million leading to provider rate reductions (general range cited 3% cuts, with some providers experiencing 8-10%).
   - Litigation, multiple lawsuits filed challenging rate cuts; court action has already resulted in at least one injunction affecting ABA/autism services. Partners reinstat3ed pre-Oct 1 rates for those services by court order. More litigation pending; legal landscape is evolving.
   - Revenue impact: reduced provider rates will lower capitation payments and reduce Partners' Medicaid revenue.
   - State single-stream (state) funding likely a reduction in single-stream funds by roughly $9 million; Partners expects to receive - $46 million in state funding for the year (final clarity pending).
   - Historical note: Partners has experienced approximately $70 million in state funding reduction over 8 years; organization is preparing to stretch available funds as available.
   - Child & Family Specialty Plan (CFSP) / BlueCross: CFSP operations scheduled to begin December 1, for 30,000 foster care/adoption assistance children. Families may opt to remain with Tailored or Standard plans. Partners distributed a flyer to support families/DSS for opting decisions. Some counties are already opting out specific high-need children (Davidson County) opted 25 children to remain with Partners.
   - Transition readiness: Partners is conducting warm handoff calls for high-risk children and will receive children back if families opt into Partners.
   - Operational pause: LME/MCO pausing certain recruitment activities until December while litigation and rate issues settle.

- Libby McCraw will conduct in-county visits across all counties in coming months; December 10 state CFO panel (Libby in Gaston County, Rachel to represent Partners in Raleigh).

Legal update (Drew Walsh)

- Multiple legal actions noted:
  - A Wake County suit secured a temporary restraining order (TRO) and preliminary injunction for certain services (reported effect: extended injunction unless court orders otherwise).
  - Other suits have been filed in administrative venues (Office of Administrative Hearings) with TROs granted; additional litigation on the horizon affecting services across Tailored and Standard plans.
  - ABA/autism services already restored to prior rates by court order.
  - Board counsel and executive tam monitoring litigation closely.

Mr. Eaton invited questions for Ms. Poling and no questions were posed.

VI . Approval of Policies & Procedures for Board Approval – Drew Walsh

The level of review SOC2 Policies and Procedures and Risk Assessment Mitigation Policy was included in the agenda packet and the policies and procedures were uploaded to ShareFile for the board's review on November 18, 2025. SOC2 accreditation lock-back period beginning December 1.

Materials were presented on a short notice (posted in redline around November 18). Minor non-substantive edits expected before December 1. Steve Eaton invited a motion to approve the Partners SOC2 Policies and Procedures and Risk Assessment Mitigation Policy as presented. Motion was made by Scott Efird and seconded by Jeff Brittain. Board approval carried.

V. DISCUSSION AGENDA

A. <u>County Commissioner Advisory Committee Updates</u>

1. Burke – In the absence of, Commissioner Jeff Brittain no report given.
2. Cabarrus – Commissioner Designee Paula Yost, the one-page document regarding the CFSP that was distributed by the State was difficult to understand and anticipate confusion from members. Ms. Yost communicated her concerns about PRTFs not accurately and actively doing their jobs. Foster children need new legislation and a legislative champion. Some children need to be in a safe environment to avoid suicides and to address their mental health needs.
3. Catawba – Commissioner Barbara Beatty had no updates to report.
4. Cleveland – In the absence of, Commissioner Tony Berry no report given.
5. Davidson – County DSS Director Trish Baker, Davidson County DSS: Partners support valued; Davidson opted 25 high-need children out of Healthy Blue to remain with Partners.
6. Davie – In the absence of, Commissioner Terry Renegar no report given.
7. Forsyth – Commissioner Gray Wilson, opioid settlements needs/gap analysis underway; FY27 community grant applications due end of November, winter overflow shelter lease executed with the city.
8. Gaston – Commissioner Designee Justin Amos had no updates to report.
9. Iredell – Commissioner Bert Connolly had no updates to report.
10. Lincoln – Commissioner Designee Vanessa Palmer had no updates to report.

11. Rutherford – In the absence of, Commissioner Designee Hunter Haynes, had no update to report.
12. Stanly – Commissioner Scott Efird, had no updates to report.
13. Surry – Commissioner Melissa Hiatt, had no updates to report.
14. Union – Commissioner David Williams had no updates to report.
15. Yadkin – Commissioner Frank Zachary had no updates to report. New County Manager Michael Silverman and they are happy to have him.

Multiple commissioners expressed concern about CFSP transition and the impacts of provider rate cuts on local services.

VI. SUPPLEMENTAL INFORMATION

The August Executive Dashboard was included in the meeting packet for informational purposes. David Williams invited any questions and there were none.

VII. ADJOURNMENT David Williams stated that all items on the meeting agenda had been addressed. He invited any additional items for discussion and there were none. He invited a motion to adjourn at 6:49p.m. Frank Zachary made the motion and David O'Connor seconded. There was no discussion, and the motion carried. The meeting adjourned with holiday well wishes.

The next regular meeting is scheduled on January 15, 2025, at 6:00 p.m. via Zoom.

Recorded by Paula Malin, Board Clerk.