

**RUTHERFORD-POLK-MCDOWELL  
District Board of Health Meeting Minutes  
Rutherford County Health Department  
Tuesday, June 11, 2013**

**Board of Health Members Present:**

<b>Rutherford County Representatives</b>	<b>McDowell County Representatives</b>	<b>Polk County Representatives</b>
<b>Don Corry Gregg Lovelace Sandra McGriff Dr. Hobart Rogers</b>	<b>Dr. Ben Hall Joe Kaylor Susan McNeeley Jim Segars Carol Tribble Judy Wilson</b>	<b>Ted Owens Rick Covil Mike Davidson Cathy Brooks Iain Fitch, Chair</b>

**Board of Health Members Absent:**

<b>Dr. Thomas Jaski David Odom</b>		
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**Health Department Staff/Guests Present:**

**Guest or Other:**

**Sharon Parker, Board Attorney  
Rachel Ross, MPH Student UNC Chapel Hill**

**HD Staff:**

**James H Hines, Jr., Health Director  
Phillip Melton, Finance Director  
Susan Robinson, Environmental Health  
Kelly Crawford, Human Resources**

<b>AGENDA ITEM</b>	<b>BOARD ACTION</b>	<b>REFERENCE DOCUMENTS</b>
<b>CALL TO ORDER: Dr. Iain Fitch, Chair called the meeting to order at 6:46 p.m.</b>	No Board action required	N/A
<b>PUBLIC COMMENT PERIOD:</b> There was no public present to make comment	No Board action required	N/A
<b>INTRODUCTION OF MENTORING STUDENT:</b> Mr. Hines will be serving as a preceptor for the UNC Chapel Hill School of Public Health for a MPH student, Rachel Ross. She will be working in Rutherford County on teen pregnancy issues during June and July.	No Board action required	N/A
<b>APPROVAL OF DISTRICT BOH MINUTES FOR:</b> May 12, 2013	<b>Dr. Hobart Rogers made a motion to approve the BOH minutes for May 14, 2013 as presented, seconded by Dr. Mike Davidson. The motion was unanimously approved.</b>	Documents on file
<b>NOT ON THE AGENDA:</b> <b>Approval of member of Joint Oversight Board for Collins Dental Clinic:</b>  Dr. Mike Davidson informed the BOH that Karen Powell's term as a member at large on the Joint Oversight Board had expired. He asked that she be reappointed for a three-year term starting July 1, 2013.	<b>Dr. Mike Davidson made the motion to reappoint Karen Powell to the Joint Oversight Board for a three-year term beginning July 1, 2013. Ted Owens seconded the motion. The motion was unanimously approved.</b>	
<b>ACTION ITEMS</b>		
<b>Bad Debt Wright Off:</b>  <b>Phillip Melton summarized the Bad Debt Write Off information. The total for the Health Department was \$21,077.05. The total for the Collins Dental Center was \$773.62.</b>	<b>A motion was made by Dr. Hobart Rogers to accept the Bad Debt Write Off as proposed. The motion was seconded by Carol Tribble. The motion was unanimously approved.</b>	Documents on file

**BUDGET 2013-2014:**

**Mr. Hines gave a presentation on 2013-2014 budget issues and the potential impact on the RPM District.**

**He stated that the NC General Assembly had not passed the state budget as of 6/11/13 but their goal was by the end of June. The R-P-M District BOH budget will be impacted but we do not know by how much at this time.**

**Mr. Hines shared his concern with the clinical revenue being down, environmental health operating at a major deficit and over future Medicaid cost settlement reductions.**

**Mr. Hines told the Board 5.6 positions were being eliminated reducing salaries alone by approximately \$250/\$260K. He indicated 5 positions eliminated were already vacant but anticipated the .6 FTE will probably come from Environmental Health. He said reducing environmental positions will likely lead to more wait time for customers. Possible additional reductions being considered are:**

- Furloughs
- Longevity Pay
- 401(k) match/contribution
- Eliminating non-mandated services (i.e., Maternity Care or other employee benefits)

**Depending on the final budget numbers, the District may need to consider change some policies such as providing dental insurance to retirees.**

**Mr. Hines shared one example where RPM subsidizes payments to providers for maternity costs. Private providers receive a higher Medicaid reimbursement than health departments. Mr. Hines reminded the Board that he negotiated a 4% reduction in provider maternity costs to help off-set billing costs.**

**The counties will increase their allocations to support the agreement reached by the County Managers and one of their Board members with our Department in order to reduce fund balance expenditures of the next three (3) years. The Counties aggregate increase is \$110,000 annually and RPM is increase/reduction annually is \$222,000. He believes this is a significant financial agreement. County Health Departments receive the 34% of the revenue from local government while we receive less than 10%.**

**The District Health Department budget has been reduced by \$4,000,000 in 3 years.**

**Documents on file**

Electronic medical records implementation will cost approximately \$80,000 for the software purchased through a private vendor, which we can not afford. We anticipate the state will provide electronic medical records at lower costs through the HIS billing system but we are waiting to learn more from the state.

We are renting some of the vacant offices in McDowell County. We may receive some increase in fees for Food and Lodging. The Health Department may have a possible role in Affordable Care Act in informing people of the insurance choices. McDowell Dental Clinic is still being pursued and Mr. Hines is looking for different revenue streams.

Mr. Hines will continue to monitor the budget issues closely and make recommendations later in the 2013-2014 fiscal year as needed.

Mr. Phillip Melton reviewed the 2013 – 2014 Budget with the board.

Health insurance will increase in January  
Dental insurance under 5% in two years

NC Local Government Retirement employer contributions will increase from 6.74% to 7.07%

The retiree health insurance remains at 5.3% of our gross payroll. Employee health insurance premiums will increase from \$432.66 to \$453.00 a 4.8% effective January 1, 2014.

Dental insurance premiums will increase from \$26.80 to \$28.09 a 4.7% increase effective July 1, 2013.

Employer paid life insurance premiums remain at \$2.00 per employee per month.

Potential areas of savings:

401(k) RPM matches 1% of what employee contribute and RPM pays an additional \$45 per employee per month for a total of \$79,069 annually.

Longevity \$79,069  
Dental \$32,360

Employees to share in the cost of health insurance

4 day work week (we would save \$800,000) if we would decrease.

Documents on file

<p>Susan McNelly asked if the staff had been surveyed regarding what changes or cuts the employees would prefer. She stated that state does not pay for dental or 401(K) and that would be her recommendation.</p> <p>Greg Lovelace asked when longevity started. Phillip Melton informed him that with our new plan we pay longevity after 5 years. Mr. Lovelace said that the state does not pay longevity until after 10 years.</p> <p>Phillip Melton explained that we pay our unemployment costs as we go. We are not paying monthly rates. 1% of the payroll fund will now be sent to cover unemployment. We still pay for the people on unemployment but there will be some front end payment.</p> <p>Rutherford County is working on updating the telephone system. May have some upfront costs but we would have a voice over IP system which will operate more efficiently than the centrix system we currently have.</p> <p>Polk County is looking at doing the same thing and we are getting a quote for McDowell County. There is a possibility of piggy backing with one of the other county agencies.</p> <p>Jim Segars about the McDowell County budget and regarding the telephone system expenses.</p> <p>Ted Owens asked about the Polk County budget regarding County Aid General – partially for clinical services and the direct source for the landfill – both services are combined.</p> <p>We are still making payments to Polk County for the improvements made on the health department per the MOU signed when the renovations were performed. We have a remaining balance of \$16,000.</p> <p>Mr. Hines indicated that at this time the Board of Health would plan to meet as scheduled on July 9, 2013 but that he may need to reschedule the meeting later in July if the District had not received budget information from Raleigh by July 9, 2013.</p>		
<p>No Closed Session Requested.</p>	<p>No closed session was requested at this meeting.</p>	<p>Minutes for closed sessions are maintained at the law office of Sharon L. Parker at 26 West Court Street, Marion, NC 28752</p>
<p>ADJOURNMENT:</p>	<p>Dr. Fitch recommended to adjourn the meeting at 7:46 p.m.</p>	<p>N/A</p>

**SIGNATURES:** \_\_\_\_\_

**Dr. Iain Fitch, Chair**

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**James H. Hines, Jr., District Health Director**