

**PENDER COUNTY
BOARD OF HEALTH & BOARD OF COUNTY COMMISSIONERS
BUDGET MEETING
March 21, 2011**

The Pender County Board of Health held a joint meeting with the Board of County Commissioners on Monday March 21, 2011 at 7:00 p.m. in the Commissioners meeting room at 805 S. Walker St., Burgaw, NC 28425

Board Members Attending: Mrs. Terri King, Chairman Mr. Bobby Watkins
Dr. Heather O'Brien, Vice Chairman Mr. Jimmy Holland
Mrs. Corrine Bellamy Mrs. Kimberly Collins
Commissioner George Brown Dr. Robert Zambrowski
Dr. Sean Gray

Board Members Absent: Dr. Perry Motsinger

Commissioners Attending: George Brown, Chairman Jimmy Tate, Vice Chairman
F.D. Rivenbark David Williams
Chester Ward

Health Department Staff Attending: Mr. Wayne Raynor, Interim Health Director

Others in Attendance: Mr. Trey Thurman, Pender County Attorney
Mr. Rick Benton, County Manager
Mr. David McCole, County Finance Officer

Minutes taken by: Ms. Diana Morris, Administrative Assistant II

The Commissioner's Chairman called the commissioners out of recess and the Board of Health Chairman Mrs. Terri King called the Board of Health meeting to order at 7:05 p.m. Both boards and the health department staff introduced themselves. Mr. George Brown opened the floor to Mr. Wayne Raynor, Interim Health Director for the Health Department's FY 2011/2012 budget presentation.

Mr. Wayne Raynor began by saying that he put together a very realistic budget. The operating budget contains 18 programs including administration with a proposed budget of \$3,861,973; compared to \$4,726,667 for FY 10/11 for a decrease of \$864,694. or 18.3%. This is including very realistic revenue projections, which he discussed with David McCole, Finance Officer who agrees. The amount of county funding requested in the budget for the upcoming fiscal year is slightly more than last year although the total budget request is substantially less than last year for a number of reasons, such as state budget cuts, reductions in Medicaid reimbursement fees, etc. The fiscal year 2011-2012 budget request for county funding is \$1,625,095 compared to the current fiscal year 2010-2011 amount of \$1,606,798, an increase of \$52,823 or about 3.3%.

The Health Department has noted a decline in revenue and the number of patients being served in some programs. This is due in part to Medicaid revenue reductions and to some extent general economic conditions. The department has renewed efforts to complete the performance appraisal process on all employees and a comprehensive review of the duties of all department employees. Plans are also being considered to examine performance benchmarks for all staff. A major renovation in the health department clinics was just completed to improve the health department operations.

The Pender County Department of Public Health is striving to provide high quality cost efficient health care to the citizens it serves. This effort will continue indefinitely and could impact the staffing level of the department as well as the programs that the department currently provides.

The health department has combined some programs: Adult Health and Adult Primary Care; Child Health and Pediatric Primary Care. Mr. Raynor created a new budget line or program for the laboratory this year due to the fact that it was very difficult to track expenditures when it was divided among the programs. This line is not additional money; it is simply broken out from the other programs to better manage the expenditures. Mr. Raynor has already realized about \$25,000 savings by going with a contract lab director. That lab director has negotiated with one vendor a savings of over \$32,000 for a 65% discount. Two programs have been cut from the health department budget: Migrant Health and Healthy Carolinians.

The county appropriations from 2009-2011 have remained very stable. The FY 2011/2012 budget will be around a \$52,000 increase over last fiscal year. That is deceiving, explained Mr. Raynor, because it is 42% of the overall budget; however it is a greater percent of a much smaller budget. If the revenues had been inflated it would have remained around 32-34%.

The revenue trend from 2005 through 2010 is an increase of 13%. In late 2008 to 2009 the recession kicked in and the state began to cut back and it's not getting any better. This year they are planning to cut Aid-to-County money 60%. This health department gets about \$159,000, so this would be a \$95,400 cut. This budget contains the full \$159,000. The Health Director's Association and the Public Health Association is lobbying for that not to happen and it looks pretty good.

Mr. Raynor then quoted 10A N.C.A.C. 46 .0201 requiring that every local health either provide or ensure the provision of thirteen mandated services.

David Williams questioned the meaning of mandated and essential services. Mr. Raynor explained that the state says that the mandated services are the bare minimum the health department can offer. To "ensure provision" of the service the health department can provide the services (onsite), contract the service (have been doing with the providers), or certify the availability of the service. For example if there were 5 dentists in this county that see a good share of patients that are under or un-insured, there would be adequate access. However, Pender County is way underserved for dentists per thousand residents. Access in this community for some services is an issue, such as dental and pediatrics.

The absolute minimum services that must be provided are Environmental Health, Communicable Disease Control, and Vital Records. There is very little state funding for these programs, for example, Environmental Health receives only \$6,750 a year and the remainder is covered by the county. The statute says to ensure to the extent you can and the availability of funding (NCGS 130A-1.1). Child Health, Maternal Health, Family Planning, Dental Public Health, Home Health, Adult Health, Public Health Lab Support, are all to be provided or ensured. Commissioner Tate asked if the health department is required to provide Child Health and Primary Care. Mr. Raynor explained that the statutes requirements are to provide or ensure to the extent funds are available and some examples of consequences of not providing them would be vaccine preventable disease spread or poor birth outcome. If a pregnant mother doesn't have a healthy pregnancy and healthy birth, a sick child can cost literally millions of dollars. Public health is all about prevention and by looking after those under- and un-insured to ensure we keep people healthy and out of the emergency room, which is the most expensive care in America. Commissioner Tate states that he would like to see the health department focus on health education for this budget. Mr. Raynor agrees and stated that every 10 cents spent on an immunization saves a dollar. Keeping people healthy, educated, and kids well immunized is pretty much what public health does. Commissioner Brown questioned the statute regarding "provide and ensure" and asked if there were people were in this county providing that same type of health care, to that type of public, if that's "ensuring". Mr. Raynor explained that "ensuring" means adequate access. Mr. Brown asked if providers are providing with no limitations then they are "providing" it, and Mr. Raynor agreed.

Mr. Thurman pointed out that the statutes say that the "State shall provide" this; the "state shall ensure". It doesn't say that the "county" shall ensure it out of their own funds. Commissioner Rivenbark pointed out that this is where the "unfunded mandates" rolling downhill starts. Commissioner Tate asked if the state is requiring the county to provide a service yet they are not funding it and Commissioner Rivenbark confirmed and stated that that is what the "unfunded mandate" is. Mr. Raynor pointed out on the estimated revenues schedule that the state pays \$94,057 for Family Planning and the county pays none; the state pays \$30,000 for Child Health and the county pays none; and various other programs follow suit.

Commissioner Brown commented that according to the attorney, the statute says that the "state" has to provide the service. Mr. Thurman stated that the health department is part of the state, which is why the employees fall under the office of state personnel and why the health director has to be vetted through the state health department. The state is delegating authority and the county is simply implementing it at the local level. The statute says that the "state" shall ensure, not the "county" shall ensure the services. Commissioner Brown asked what happens if the county won't provide it; whether the state steps in and provides it; and what the consequence to the county is. Mr. Thurman stated that the state will step in, but he doesn't know the consequence to the county. Commissioner Brown then asked if anyone has ever challenged the state on this. Mr. Raynor stated that he is aware of none and there are 100 free standing local health departments in NC, and some are districts. Commissioner Brown asked if the state would force the county to provide the services. Commissioner Rivenbark stated that this is why the state created county government.

Mr. Raynor continued that the Mandated only programs are: General Health, Environmental health, Communicable Disease, Rabies Control, Immunization, Laboratory. The Essential Services are General Health, Family Planning, Child Health, Dental, Adult Health, Laboratory. He stated that the requested programs using county appropriations total \$1,625,095; the Mandated programs using county appropriations total \$1,228,347; the Essential programs using county appropriations total \$1,044,123.

Commissioner Tate asked what would happen to the state funds if the county decided not to provide the service through the health department. Mr. Raynor and Mr. Thurman agreed that the funds would not be coming to the health department, but had no clear answer as to where the funds would go. Commissioner Tate spoke about how important the Child Health and Primary Care are to have available in the county.

Mr. Raynor continued with the presentation stating that the county share of the mandated only programs would be \$1,228,347 while the total budget for those same programs is \$1,571,681. The county share for all of the programs is only around \$400,000 more than offering only the mandated ones.

Commissioner Tate asked who decides what programs are funded with county money. Mr. Raynor explained that the mandated services would be funded at a minimum. Mr. Thurman stated that the county is required to have a health department by statute, but it does not say what we have to do with that health department. The health departments and its services have developed over time, but it is not necessarily set up by statute. Mr. Thurman made the comment that this is similar to the sheriff's department in that the county is only required to have a deputy and a jailer. Mr. Thurman explained that with environmental health, you must have this program for septic so people can build. Without some of these programs the county will shut down.

Mr. Raynor turned the conversation to the Animal Shelter project. He and animal control have developed an intermediate and long range plan. The shelter is currently in compliance with the NCDA Animal Welfare requirements. The shelter has already emptied the outside runs. The proposal is to disassemble and donate the outside runs. The fencing was inferior, some of the animals could actually chew through it. The site needs to be cleared and prepared for a new concrete pad and install a septic expansion. They are looking at 2 options for the intermediate range: 1) a pre-engineered metal building with 30 inside runs for approximately \$147,775. 2) A shelter that is not enclosed with 30 kennels. The county could do all the work except the concrete and septic. The cost would be approximately \$50,000. Both proposals would be acceptable with the state.

The long range plan is for a new facility in a new location with sewer connections. The shelter currently sits on an abandoned land fill and there is limited land use for the septic to be expanded. The intermediate plan could hold for about 5 years. After that the long range plan would likely be necessary to remain in compliance.

Mr. Raynor informed the boards that the health department just completed a major organizational assessment primarily looking at the clinical operations. The state nursing consultants have been

working for months and the staff has been very upbeat and positive. Everyone came in last Monday and Tuesday and overhauled the building, and were open for business Wednesday morning. Patients are now getting through completely in 60 minutes or less. The staff jumped on board and have been very positive. Open Access scheduling has been implemented, like a private doctor's office.

Mr. Raynor commented that on the report submitted by Cheryl Lesneski last year where she noted 11 programs having expenditures exceeding revenue. He has identified the billing issues, and the \$200,000 of unbilled Medicare is coming in now; they have created a centralized billing office; reorganized the clinic flow; looking at workforce development; assessing employee's skills; addressing declining revenues in certain areas. He has a Senior Management Team meeting every 2 weeks, and has had some general staff meetings as well. This entire operational assessment is going to contribute to higher morale in the department. It gives staff more control of their time.

The Health Educator, Patricia Thornton, attended this meeting and she is currently conducting a Community Health Assessment. They are looking at some senior's wellness programs; walking trails; exercise classes; and the Eat Smart Move More program from the state.

The Maternity Care Coordination (MCC) and Child Service Coordination (CSC) programs have been combined to become the Pregnancy Medical Home Program which will receive \$180,602. from the state. The Medicaid Cost Settlement should be about \$265,000. for the coming year based on previous trends. That money is not budgeted, because there is no guarantee it will be there, however it has been there for the last 6 or 8 years.

Mr. Raynor stated that he was very conservative in the revenue estimates for the upcoming fiscal year. He believes that the health department will see a much brighter revenue picture with all of the changes even before the new budget year. He stressed the importance of remembering that although the general fund appropriation increased slightly over the last year, the county budgeted \$1,606,798 for the current fiscal year, but factoring in the projected budget deficit of \$237,051 the county will actually end up funding \$1,843,849. The health department reduced the projected Medicaid and 3rd party fees in the amount of \$894,460 for FY 11/12. Mr. David McCole, County Finance Officer, explained that this budget will reduce the county's exposure to a deficit in FY 11/12. He stated that realistically the county will be funding about \$1,850,000 this current FY to the health department, so Mr. Raynor's budget will be cutting about \$250,000 from this FY. He says that the county's exposure to a deficit next year will be reduced due to the implementations that Mr. Raynor has put into place.

Mr. Raynor informed the board that the contracted physicians will be replaced by mid-level providers in Adult Primary Care and Pediatric Primary Care. A substantial amount of money should be saved. Commissioner Brown commented that he has always had an issue with this and never understood why the health department went down this road. Dr. O'Brien commented that there is a difference between a Board Certified Physician and a Physician's Assistant and there are no pediatrician's on this side of the county. Commissioner Brown asked how many people see a nurse or a PA when they go to a doctor's office and never see a doctor.

Mr. Raynor then informed the boards that the onsite dental program has been cut back to 3 days. Dr. Vasamsetti and his staff will work on Mondays in the onsite dental program, and a contract dentist and staff will work Tuesday and Wednesday. These programs cannot be run by a mid-level, a dentist must run it. Commissioner Brown asked if the health department is required to have a dental program and Mr. Raynor replied that they are not required to have it. Ms. Kim Collins stated that the dental program in the schools has been a great service.

Commissioner Tate asked where the funding for health education is obtained for the health department. He commented that the reports from last year concluded that the county needs more preventive care and health education. Mr. Raynor explained that the state gives \$34,089 and the county appropriates \$16,622 to the health promotion program. Mr. Raynor agreed that health promotion is very important. Healthy lifestyles, diet, and exercise are all very important. Commissioner Tate asked if the Community Health Assessment is driving the health department's budget this year; is there a plan for a future Community Health Assessment. Linda Walker explained that the state requires the counties to do a Community Health Assessment every 4 years and one is currently in progress now by the health department. She goes on to explain how the process is done and how the results drive the budget in terms of what programs need to be implemented and funded. Commissioner Tate expressed how important it is for the programs to be set based on the community's needs. Commissioner Brown commented that since the reports last year were so critical of the programs, then every 4 years is not enough for the Community Health Assessment. Patricia Thornton commented that the CHA is done every 4 years and every year the State of the County's Health (SOTCH) is done as an update. The CHA is a massive project to do every year so the state requires it every 4 years; it is started the year before. This past year over 2000 surveys were sent out to determine the health needs of the county. Commissioner Tate commented that he believes that the information from the Community Health Assessment would help the Board know what programs to fund if they had the results. Linda Walker, Nurse Supervisor, explained that the last CHA determined that the leading problems were diabetes, hypertension, and obesity. Healthy Carolinians started programs for those problems and have been providing education for those over the last 4 years. The current assessment will let us know if those programs had an impact. Mr. Raynor explained that the health department has a nurse dedicated to Diabetes Prevention, teaching proper diet, exercise and how to prevent it. Commissioner Tate asked the Board of Health if they have made any plans for a needs assessment to determine what programs will be offered or reduced. Terri King, explained that the Community Health Assessment will reveal those needs.

Mr. Raynor informed the board that he looked very hard at this budget and carefully reviewed each program to see what the best practices are and what the market is, in counties of like size and population as well as budget. He determined that Animal Control is over staffed. The program has 7 employees but 5 would be adequate. By restructuring and reassigning some duties, this should provide enough staff. That will supply roughly an \$84,930 value. There are also 4 positions that will remain unfunded; not abolished or eliminated, simply left unfunded. If revenue picks up and demand dictates then the health department will request that those positions be filled.

Commissioner Tate asked if the health department has a partnership with DSS to sign up for Medicaid. Mr. Raynor agreed that it would be very positive to have them place an eligibility

expert in the health department. Commissioner Tate recommends to bridge the relationship with DSS to help the children to get placed on Medicaid. Linda Walker said that the health department did sign up the children for Medicaid at the health department in years past. Mr. Raynor said that he will talk to Dr. Reta Shiver.

In closing the budget presentation, Mr. Raynor informed the board that in Environmental Health they are going to implement a true centralized permitting program with a personal services representative and everything would be online. When a customer calls in they can be told what the status of their application is.

Commissioner Brown told the boards that a gentleman appeared at the commissioners meeting earlier today and Commissioner Ward wants to address it. A gentleman calling himself Ray D spoke at the commissioners meeting regarding the same thing Commissioner Brown tried to talk to the Board of Health about in a previous meeting. This gentleman was complaining about a few things that were disturbing.

Commissioner Ward first asked Mr. McCole to explain the \$250,000 deficit for the health department, and he did. He then asked the status on the new health director and asked if he/she can come in and modify the budget presented by Mr. Raynor. Mr. Raynor and Terri King explained that he/she can certainly enter into conversations with the county manager and commissioners but it may not be likely that the position will be filled in time to do that.

Commissioner Ward then spoke about Ray D that appeared at the Commissioner's meeting earlier this day about something at the health department. He stated that he has been a commissioner for 3 months and every time he turns around it is something else with the health department. He doesn't understand the direction the health department is going in. It looks to him like it needs to go back to basics because it seems that there is always turmoil there. Two things that disturb him are that 1) the county manager and county attorney were moved out of a meeting and whenever there is a time that the board needs counsel and they need to work together. 2) A gentleman had no clue what was going on and he was confronted by an individual from the health department. These are two incidents where he sees there is no relationship between the boards where the commissioners were trying to help. Mr. Raynor responded that the personnel situation had been handled internally. The situation that Commissioner Ward is referring to is two adults that have been having physical contact. Mr. Raynor has met with his employee and their supervisor. The employee was reprimanded both verbally and in writing. The situation has been handled appropriately according to personnel policies and procedures and in his mind as well. It was not punitive, it was a reprimand. The employee issued a written apology to that gentleman as it was not intentional, and he also provided the individual that Commissioner Ward is referring to additional information as to how to resolve his other matter.

Commissioner Williams explained that there are two things going on here. He says that he is not looking to get in Mr. Raynor's business, but perception is everything. They do not know what is going on and as elected officials they are not looked at very well. He hates it when they hide behind "it's a personnel issue". He asks that in the future if he goes to health director that he knows that there is a reason behind it. Maybe he doesn't know the reason behind it, but there is a

reason for it. The public has had enough of the commissioners and of the board of health. He just wants the boards to be proactive in knowing what is going on. Commissioner Williams wants the boards to move on, learn from this, and be respectful to each other.

Mrs. King stated that she feels exactly the same way. It is within the power of the people sitting at that table and it is time to come together as two cohesive boards. The only thing to do is to keep it to where they ask questions of each other. Not go through the media, simply ask each other. She is open to anything. The evening that Commissioner Ward is talking about has been blown out of proportion so much. The board of health was going to sit down and read health director applications that night. The board touched on the situation on the other side of the county and she let the board know what was going on. Nothing legal was going to be discussed that night, nothing financial was going to be discussed that night.

Commissioner Williams is not interested in going back and looking at that, and he is willing to move on. He is always going to speak his mind. He is not interested in a pound of flesh or to rehash the old stuff. He is not happy with the way things are going and there is enough blame to go around.

Mrs. King commented on Mr. Thurman's comment on not telling the paper every single thing that goes on, Commissioner Williams has no problem with that. King says just put in a positive light and we are all trying to do what is best for the county. Mr. Williams says that things can't always be in a positive light but they can be respectful.

Commissioner Brown commented on the manager and attorney leaving the meeting. The board of health had reviewed applications before and there was no problem with them being in the meeting. Asking them to leave was disrespectful in his opinion. He also commented that the way Terri King did it was very disrespectful. If she did not want them in the meeting she should have told them before the meeting. He said that he wanted to tell everyone in the room that he is very disappointed in this board. He said that they all know that history is why the commissioners have the financial person working for Mr. McCole, so they can get some information that they can trust. Until the commissioners get the reputation restored to the health department, the commissioners were under the assumption that the manager and the attorney would be in all the meetings. Whenever the board of health got the idea that they no longer wanted them present, it would have been better to say so rather than to excuse them as soon as the board goes into closed session.

Board of Health Chairman Terri King stated that communicating that information to her would have been a good idea that the commissioners wanted those two gentlemen in all of the meetings. That should have been communicated in the beginning. That night she was thinking that there is nothing going to be discussed that will need their resources. She commented that they are not getting anywhere beating this dead horse. Commissioner Brown agreed and stated that until trust is restored to this organization, he wants the two of them in those meetings. If the board of health does not want them there, then fine. But the only way he will have trust restored is if those gentlemen are in those meetings. Mr. Bobby Watkins stated that Mrs. King was not disrespectful when she told them that they could leave. She was not disrespectful. He takes heed to that. The board had spent hours and hours of going through resumes without them in

there. They sit through meetings all day and all she was trying to do was give them time to go home with their families. She was not at all disrespectful at all. Dr. Zambrowski agreed completely. Commissioner Ward stated that he is not worried about it, but everybody looks at Pender County as a joke. And when everybody sees this in the newspaper everyone thinks that you are running a circus out there. Ms. King stated that she doesn't even know how it got into the newspaper. Commissioner Brown says that he will clear this up. He sent emails the next day to all the commissioners and let them know what happened. He let them know that they were dismissed from the meeting. He stated that he doesn't hide anything from the press.

Commissioner Ward stated to Mr. Raynor that people's lives should not be threatened when they are just doing casual business, and again there are always two sides to the story. Mr. Raynor asked the Commissioner what he meant by "life threatened" and Commissioner Ward stated that it could have been driven to that. Mr. Raynor told both boards that from time to time he receives anonymous calls about employees and most of the time he independently verifies that they are bogus. He does not like anonymous calls. He does not bother the commissioners, Mr. Benton, or the Board of Health with those calls. If he feels that someone has an imminent hazard he will take care of it. He gets so many calls that are not deserved. He looks into them himself and can independently verify that they are purposely trying to disparage the employees and he will stand up for them and protect them. He is vested here and has developed a passion for Pender County. This call that Commissioner Ward is referring to should be qualified. It has been dealt with according to policy. It is "he said/she said" and from what he understands these two gentlemen are going to court and it has nothing to do with the inspector or the health department. Commissioner Ward asked that if there is some way that Mr. Raynor could give this gentleman the information he requests because he has not received it. Mr. Raynor said that that is inaccurate information. He spoke to this gentleman at length and explained to him the same information Mr. Raynor gave to the board. Commissioner Ward said that the gentleman was under the impression that Mr. Raynor would call him back and he did not. Commissioner Brown asked Mr. Raynor to call this gentleman and see if he has gotten the information that he is asking for.

Mr. Raynor explained to the board of commissioners that he teaches board of health training and one of the things he covers is the relationship with the board of commissioners, board of health, the county manager, and the health director and how they need to bond. They need to educate themselves about the community, the health department services and the good things that go on in the health department. Of course there are problems, and they need to be resolved according to rules and regulations. He states that he personally as interim health director as well as the health director that will be coming behind him will cull the union that they all can develop. The board of commissioners needs to hold the health department responsible and investigate when it is warranted. But without that, it is very difficult for a health director to be positive and move forward and do what is in the best interest of the county. This department serves an enormous benefit to the citizens. That relationship is very important.

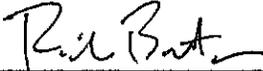
The joint meeting adjourned at 8:58 p.m. The Board of Health went into closed session at 9:05 p.m.

Respectfully Submitted,



Diana Morris, Administrative Assistant

Reviewed By:



Rick Benton, Clerk to the Board