

**Magellan Health Services of Arizona Inc.
Maricopa County, Arizona Medicaid Program
Regional Behavioral Health Authority
*Governance Board Charter***

Governance Board Charter

Role of the Board

The Governance Board ("Governance Board") acts as the central decision-making mechanism for Magellan Health Services of Arizona, Inc. ("Magellan") in its role as the Maricopa County Medicaid Regional Behavioral Health Authority ("RBHA"), as defined in this Governance Board Charter ("Charter"). The Governance Board will be the avenue through which concerns about the Maricopa County RBHA program ("Program") will be systematically addressed, performance reviewed, and changes made, as necessary. Magellan, as the risk-bearing entity under the RBHA contract awarded by the State ("Magellan Contract"), will have ultimate accountability for decision making related to the fiscal operations of the RBHA. However, the Governance Board will have responsibility for shaping the vision, strategy, planning, decision making, and oversight of the Program.

Governance Board Authority

Pursuant to a resolution of Magellan's Board of Directors ("Board", or "Magellan Board"), the Governance Board shall have decision-making authority in the following areas relating to the operation of the Program:

- Overall program vision and direction
- Clinical policy
- Overall recovery/wellness policy
- Provider reimbursement guidelines
- Network composition
- Community reinvestment funds policy and approach
- Review of quality improvement (QI), complaint and grievance reports, and best practices
- Training policy
- Provider network organization ("PNO") policy
- Clinical budget priorities
- Strategic planning
- Establishment and monitoring ad hoc advisory Committees and workgroups

Composition and Operations of Governance Board

The Governance Board will consist of twelve voting members; six members will come from Magellan, and six will be community stakeholders of the Program. Community members will serve a term of two (2) years, commencing with the date of their appointment as a Board Member. Staggered terms will assure better continuity of expertise and knowledge on the Board.

Magellan may compensate governance Board members for their service with a stipend of \$100 for each Board meeting to include development sessions, annual retreats and other approved designated meetings where Magellan requests board member presence.

The Governance Board will meet at least monthly during the first six months of the Magellan Contract; thereafter the frequency will be determined based on Program needs. Decisions of the Governance Board will be made by simple majority vote of members present, with certain actions requiring a supermajority (75%) vote, provided that in each instance at least a quorum of voting members is present. A quorum shall consist of at least seven (7) members. Repeated failure to attend board meetings can be cause for dismissal of a member, as provided in this Charter. Minutes of each meeting shall be maintained, and all decisions and recommendations of the Governance Board shall be recorded; copies shall be made available to the Chief Executive Officer of the RBHA within one week after the meeting.

Meetings of the Governing Board will be open to the public. However, the Governing Board may choose to meet in a private executive session in order to discuss sensitive matters.

Selection of Governance Board Members

The initial appointment of all Governance Board members shall be by the Magellan Board based on the goals and procedures set forth in this Charter, with input from stakeholders in the Program. The initial term of each Governance Board member shall be as designated by Magellan. Thereafter, Governance Board members shall be appointed for a term of two years by the affirmative vote of seventy-five percent (75%) of the other incumbent members.

Selection of the community stakeholders for the Governance Board shall be based upon the following requirements with an emphasis on company Cultural Diversity goals and requirements by Magellan of Arizona:

- 1 service recipient — adult services
- 1 family member or guardian of child/adolescent service recipient
- 1 additional service recipient/family member at large

- 1 CEO/executive director from an adult provider or provider network organization (PNO)
- 1 CEO/executive director from a children’s provider or PNO
- 1 community member at large.

Magellan representatives will include the following positions from the RBHA:

- Chief Executive Officer
- Deputy Chief Executive Officer
- Chief of Adult Services
- Chief of Children Services
- Chief Operations Officer
- Chief Medical Officer

Governance Board Co-Chairs

At the direction of Magellan, the Senior Vice President of Magellan Health Services, Inc., Public Sector Solutions will select two members as Governance Board Co-chairs with consideration of the Governance Board’s recommendation for an annual appointment. The Co-chairs, in cooperation with Governance Board members and the Governance Board staff, will draft the Governance Board’s meeting agendas, preside over each meeting and work with the Governance Board Administrator position.

Committees

The Governance Board will establish an ad-hoc Service Delivery Transition Committee for the first year of the contract to oversee the plans for the three phases of the PNO transition as required by the Magellan Contract. Once the PNO transition plans are complete, the Service Delivery Transition Subcommittee will dissolve. Membership on this Subcommittee will consist of 50 percent Magellan representatives and 50 percent membership stakeholder representatives.

The Governance Board will provide oversight and support to the Quality Improvement Committee to address any program or systemic needs as designated by this Charter.

The Governance Board may establish other committees within the scope of this Charter as necessary.

Responsibilities

In addition to participating in Governance Board meetings, members are expected to attend the “How Are We Doing?” Community Feedback forums that will take place quarterly.

Governance Board Limitations

The Governance Board will not act as a formal spokesperson for Magellan except as specifically authorized by the Magellan Board. In emergency or other time sensitive situations, the Board or an authorized officer of Magellan may authorize Governance Board Co-Chairs to speak for Magellan on issues within the scope of the Governance Board Charter. Governance Board members will take care to differentiate, in their public statements, their own individual opinions from the official positions taken by the Governance Board.

The Governance Board shall have no authority to: incur debt; acquire or transfer assets; make any financial commitments; hire or fire personnel; enter into contracts; sue or be sued in its own name; make any decisions that will adversely impact the financial operations of Magellan or the RBHA; amend, modify, or terminate the Magellan Contract; amend, restate or revoke this Charter; liquidate or dissolve the Governance Board; disburse any funds of Magellan allocated to the Governance Board; or accept any corrective action plan under the Magellan Contract. The authority of the Governance Board with regard to financial matters is limited to recommendations regarding the cost of care funds of the contract.

In addition, except as otherwise provided herein, the following actions shall require the vote or consent of seventy-five percent (75%) of the Governance Board Members:

- (1) the appointment of a new member to the Governance Board; or
- (2) the removal for cause of an existing member of the Governing Board.

It is intended that the Governance Board will be responsible for all matters within the scope of this Charter. Notwithstanding the foregoing, there may be circumstances in which the Governance Board fails to act on matters within such scope, or where such actions present potential risks or liabilities that Magellan deems unacceptable. Accordingly, any of the foregoing actions may be taken by Magellan acting through the Magellan Board or through its authorized officers, without regard to any affirmative or negative vote by the Governance Board on a matter, or the absence of any vote.

Conflicts of Interest

At such time as any matter comes before the Governing Board in such a way as to give rise to a conflict of interest or the potential for a perceived conflict of interest, the affected Governing Board member shall make known the potential conflict, and after answering any questions that might be asked of him or her, shall withdraw from the meeting for so long as the matter shall continue under discussion. Should the matter be brought to a vote, the affected member shall not vote thereon. In the event that such a member fails to withdraw voluntarily, the Governing Board Co-Chairs are empowered to and shall require that the affected member remove himself or herself from the room during both the discussion and vote on the matter.

Resignation

Any Governing Board member may resign at any time by giving written notice to the Chief Executive Officer of the RBHA. Written resignations shall take effect at the time therein specified or upon receipt if no time was specified. The standard replacement process as outlined in the Charter would be administered to fill the vacant seat.

Removal for Cause

Members may be removed for cause from membership on the Governing Board by vote of the other members, as provided above. For this purpose, "cause" shall include, without limitation, any of the following:

- (1) conflicts of interest with the Governing Board and/or Magellan;
- (2) three consecutive unexcused absences from meetings of the Governing Board;
- (3) conviction of a felony or any crime involving moral turpitude or fraud;
or
- (4) any other good cause as determined by the vote of the other members of the Governing Board.

The same replacement process would be utilized as outlined in "Resignations" above in this Charter.