

Magellan Behavioral Health of Nebraska, Inc.

Governance Board Charter

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Role of the Board

The Governance Board ("Governance Board") acts as the central decision-making mechanism for Magellan Behavioral Health of Nebraska, Inc. ("Magellan") with respect to services performed by Magellan pursuant to the contract between Magellan and the State of Nebraska for the administration of the State of Nebraska's Medicaid Managed Care program for Mental Health and Substance Use Disorder Services with the Nebraska Department of Health and Human Services, Division of Medicaid and Long Term Care program (the "Program"). The Governance Board will be the avenue through which concerns about the program will be systematically addressed, performance reviewed, and changes made, as necessary. Magellan will have ultimate accountability for decision making within the scope of the State contract related to all operations of the Program. However, the Governance Board will have responsibility for shaping the vision, strategy, planning, and oversight of the Program.

The Governance Board will operate pursuant to this Governance Board Charter ("Charter").

Governance Board Authority

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
- Network composition
- Community reinvestment funds policy and approach
- Review of quality improvement (QI), complaint and grievance reports, and best practices
- Training policy
- Strategic planning
- Establishment and monitoring ad hoc advisory Committees and workgroups

Composition and Operations of Governance Board

The Governance Board will consist of fourteen voting members; seven members will be appointed by Magellan, and seven 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. The term of a community member can be extended by a supermajority (75%) vote of the Board. Members of the Board appointed by Magellan will serve until successors are appointed.

The Governance Board will meet at least monthly during the first months of the Magellan Program 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.

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 Magellan based on the goals and procedures set forth in this Charter, with input from stakeholders in the Program.

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 Behavioral Health of Nebraska, Inc.:

- 1 service recipient — adult services
- 1 family member or guardian of child/adolescent service recipient
- 1 Advocacy Organization representative
- 1 CEO/executive director from a community based adult services provider agency
- 1 CEO/executive director from a community-based children's services provider agency
- 1 CEO/executive director from an Inpatient provider agency
- 1 Healthcare/PCP representative

Magellan representatives will include the following positions:

- Chief Executive Officer
- Chief Operations Officer/Operations Director
- Quality Management Director
- Systems Transformation Director
- Provider Network Services Director
- Medical Director
- Recovery and Resiliency Director

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 may establish ad-hoc committees. Membership on these Subcommittees 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 Community Feedback forums that will take place.

Governance Board Limitations

The Governance Board will not act as a formal spokesperson for Magellan except as specifically authorized in writing by Magellan. 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; amend, modify, or terminate the Magellan Program 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 Program 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 community member to the Governance Board or extension of the term of a community member; 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 or where Magellan acts on matters without regard to Governing Board input or approval. Accordingly, any actions related to the Program may be taken by Magellan acting 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 Magellan. 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 to fill any vacancies resulting from the removal of a Board Member for cause.

Charter Amendments

Magellan may amend or revoke this Charter at any time.