

MID-OHIO PSYCHOLOGICAL SERVICES, INC.

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Executive Director

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Pursuant to the laws of the state of Ohio in which this corporation is organized, and its bylaws, a special Executive meeting of the Directors of Mid-Ohio Psychological Services, Inc. was held on July 21, 1999 at 3:00 p.m. A quorum of directors was present for the meeting.

The following directors were present: Larry Maley, Stephanie Miller, Rick Branscome and Doris Stone. Toni Peterseim and Steve Murry were not present, indicating prior to the meeting that they would be unable to attend. Also present at the meeting was Brad Hedges, Executive Director, and Alice Grant, Office Manager.

This special meeting was held to address the possible merger of Mid-Ohio Psychological Services and The Recovery Center. This meeting was held in Executive Session because of the possible impact of public knowledge on the negotiation process.

Larry Maley, Board Chairman, opened the meeting and asked Dr. Hedges to explain to the Board what the meeting was about and his views and understanding to date on the possible merger between MOPS and another agency.

Dr. Hedges then explained that he had held a conversation with Marc Grodner, Executive Director of The Recovery Center, and a remark had been made about perhaps merging the two agencies as a way to better serve the population of Fairfield County. Because of this remark they both began to think that such a merger might be a good idea. During several subsequent conversations between Mr. Grodner, Dr. Hedges and Dr. Stephanie Miller, it was decided that each agency would ask their Boards for permission to begin an investigation into the feasibility of such a merger.

Dr. Hedges presented the Board with a list of considerations (attached) that a merger might raise. A lengthy discussion followed on these concerns.

Mr. Maley gave the Board a list of Situation Assessments to consider when proposing a merger. They were:

1. Vision, Purpose, and Values of both agencies.
2. Future trends and the need for required responses.
3. Conceptual Base.
4. Analysis of current programming.
5. Projection for future programming.
6. Competencies for the future.

Mr. Maley then discussed four possible ways that two agencies might consider merging. They were:

1. A complete takeover of one agency.
2. Becoming a parent agency over the other agency.
3. Becoming a management company over the other agency.
4. A complete merger of both agencies. A joint venture.

Permission was given by the Board for Dr. Hedges to begin an investigation into a possible merger between MOPS and The Recovery Center. Mr. Maley gave two recommendations for this investigation.

1. He asked that Dr. Hedges bring a strategic plan for this merger to the next Board meeting.
2. If The Recovery Center's Board of Directors has decided, after the initial fact sharing has occurred, negotiations should be conducted by the Board of Directors, with the help of the Executive Directors of both agencies and not the Executive Directors alone.

The meeting was adjourned at approximately 4 pm.

The next scheduled Board meeting will be held on August 5, 1999 at 5:15 p.m.

Date: July 21, 1999

Proposed Merger Considerations

Why consider merger?

Improved care of clients

Integration of mental health treatment with substance abuse treatment

Expansion of programming (ie. SAMI)

“One Stop Shopping”

Capitalize on strengths of agencies

RC has strong management team

MOPS has strong clinical staff

Synergy of ODMH and ODADAS funding

RC has cash reserves

MOPS has excellent “niche market”

Both agencies carry common vision

Client centered

Desire to serve region

Share common client population

Identified Concerns:

Continuity of services for clients

Loss of independence

Issues relating to dual certification

Commitment to staff

What will it look like?

Impact on Stephanie and Brad (outside of role in MOPS)

SITUATION ASSESSMENT

Vision, Purpose, and Values

- Client Centered/Driven
- Quality Services
- Easily accessible in hospitable environment
- Flexible to system demands

Future Trends/Responses

- Need for one-stop shopping—one agency providing full continuum of services
- Needed services in surrounding counties
- Evolving markets—employee assistance programs, dual diagnosis
- Need for SAMI program
- Need for integrated jail based program
- Need for alternative to New Horizons/FMC (Mt. Carmel pressure)
- Needed services in Pickerington area

Conceptual Base

MOPS:

- Clinical staff competent in broad range of mental health issues
- Contract with FMHRS Board allowing for expansion of Medicaid services
- Leased building with extra space
- Limited additional capacity for service (unused clinical time)
- Excellent relationship with court/jail/probation
- Current Managed Care contracts
- High level clinicians
- ODMH certification

RC:

- Strong management team with understanding of multiple funding streams/systems
- Cash Reserves
- Good MIS system
- Leased building with extra space
- Expertise in AOD treatment
- ODADAS certification
- Political clout

Analysis of Current Programming

MOPS offers:

- Psychological Evaluation
- Forensic Services
- Medication/Somatic services
- Individual/Group
- Special population treatment for sexual offenders
 - Sexually Aggressive Youth Group
 - Adolescent Group
 - Adult Group
 - MR/DD Adult Group
 - MR/DD Adolescent Group (in development)
 - Individual/Family Counseling
- “Alternative Sentencing” treatment for courts
- Specialized Evaluation services for courts/CPS
- MR/DD Assessment

MOCC offers:

- Managed Care services (individual counseling/evaluation)
- Limited AEP services

RC offers:

Adult

- Education Group
- Aftercare Group
- Individual Counseling
- Early Recovery Group
- 1st Step Group
- Intensive Outpatient Program

Adolescent

- Education Group
- Parent Support Group
- Therapy Group
- Aftercare Group (in development)

Women’s Program

- Education Group
- Substance Abuse Group
- Co-Dependence Group
- Aftercare Group

Projection for Future Programming

SAMI Program
Integrated Jail Based Program
PACS equivalent
Expansion of services into surrounding counties

Needed Competencies (for MOPS to move forward alone)

Certification by ODADAS and ODMH
Negotiating power/political clout
Access to/knowledge of funding streams
Management and clinical staff that understand AOD services
Cash reserves
Additional clinical staff with AOD experience

Broad Suggested Structural Overview

Guiding Principles:

- Incremental transition
- Client driven
- Eventual full integration of agencies

Likely Scenario (obviously open to negotiation):

Combine Boards under RC corporation– 1st step

Integration of Administrative Staff– 2nd step

- Marc Grodner, Executive Director
- Brad Hedges, Chief Clinical Officer
- Don Stegman, Chief Financial Officer
- Stephanie Miller, Senior Psychologist
- Aaron Zirkle, Clinical Director of Drug and Alcohol Services
- Alice Grant, Office Manager

Initially keep current location of services with long range goal of integrating services under one roof

Integrate Policy and Procedures–focusing on regulatory driven policies 1st

Utilize RC MIS system and accounting system

Initially keep clinical services as they are with eventual integration of services

Add SAMI program

Add integrated Jail Based program

Add PACS equivalent program

Once stable, further expand service area outside of Fairfield county, develop new markets (ie. EAP)

Related Issues:

- RC to buy 624 E. Main Street
- MOCC to sell accounts receivable to RC and transfer clients to RC, close MOCC

Mission

The mission of Mid-Ohio Psychological Services, Inc. is to provide the highest quality, most cost effective mental health services available to the people of Fairfield County and surrounding area.

Vision

To provide a full continuum of mental health services to the residents of Southeast Ohio in a client centered, hospitable fashion, meeting both the client's and the "systems" needs.

Goals

1. Maintain current services
2. Develop jail based program
3. Develop dual diagnosis program
4. Expand services into surrounding counties