



**STATE OF LOUISIANA
DIVISION OF ADMINISTRATIVE LAW**

LOUISIANA BOARD OF ETHICS

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DOCKET NO.

IN THE MATTER OF

GALEN SCHUM

AGENCY TRACKING NO. 2013-1789

CHARGES

The Louisiana Board of Ethics voted on February 19, 2015 to and does hereby file the following charge:

1.

The Office of Behavioral Health of the Louisiana Department of Health and Hospitals (sometimes referred to hereinafter as "DHH-OBH") was created by HB 837 during the 2009 Regular Legislative Session, which directed the consolidation of the Office of Addictive Disorders and Mental Health into the Office of Behavioral Health effective July 1, 2010.

2.

Kathy Kliebert is the sister-in-law of Galen Schum by virtue of the marriage between her biological sister and Galen Schum, who were married at all pertinent times herein.

3.

At all times pertinent herein, including between November 17, 2011 through April 1, 2013, Kathy Kliebert served as the Deputy Secretary of the Louisiana Department of Health and Hospitals until her appointment as the Secretary of the Louisiana Department of Health and Hospitals on April 1, 2013, which position she has continuously maintained through present date.

4.

On November 17, 2011, Magellan Health Services, Inc. signed a contract with the Office of Behavioral Health to administer behavioral health managed care services for children and adults. The contract was approved on January 23, 2012 and commenced on March 1, 2012 and was in existence at all time pertinent herein.

5.

Galen Schum submitted a job application to Magellan Health Services, Inc. on February 13, 2012 for a "QI/Reporting Manager" position.

6.

On February 27, 2012, Galen Schum was hired by Magellan Health Services, Inc. as a "QI/Reporting Manager."

7.

Galen Schum resigned from Magellan Health Services, Inc. on January 31, 2014.

8.

Galen Schum earned \$61,818.52 in 2012, \$78,388.68 in 2013, and \$6,078.94 in 2014 for a total of \$146,286.14 from Magellan Health Services, Inc. during his employment with Magellan Health Services, Inc.

9.

La. R.S. 42:1114 provides with respect to the filing of financial disclosure statements:

A. Other than a legislator, each public servant and each member of his immediate family who derives anything of economic value, directly, through any transaction involving the agency of such public servant or who derives any thing of economic value of which he may be reasonably expected to know through a person which (1) is regulated by the agency of such public servant, or (2) has bid on or entered into or

is in any way financially interested in any contract, subcontract, or any transaction under the supervision or jurisdiction of the agency of such public servant shall disclose the following:

- (1) The amount of income or value of any thing of economic value derived;
- (2) The nature of the business activity;
- (3) Name and address, and relationship to the public servant, if applicable; and
- (4) The name and business address of the legal entity, if applicable.

E. The disclosure statement required in this Section shall be filed each year with appropriate ethics body by May first and shall include such information for the previous calendar year. Such statement is a matter of public record.

La. R.S. 42:1102 provides with respect to certain definitions:

(13) defines "immediate family" as the term relates to a public servant to mean his children, the spouses of his children, his brothers and their spouses, his sisters and their spouses, his parents, his spouse, and the parents of his spouse.

10.

Based on the foregoing facts, Galen Schum violated **La. R.S. 42:1114** of the Code of Governmental Ethics by failing to file a financial disclosure statements on or before May 1, 2013 disclosing income received during 2012 from Magellan Health Services, Inc., and on or before May 1, 2014 disclosing income received during 2013 from Magellan Health Services, Inc., at a time when Magellan Health Services, Inc., had a contract with the Louisiana Department of Health and Hospitals - Office of Behavioral Health and while his sister-in-law, Kathy Kliebert, served as the Deputy Secretary and Secretary of the Department of Health and Hospitals.

11.

In accordance with **La. R.S. 42:1141C (3)(b)(iv)**, the Board designates Tracy M. Barker and Mike D. Dupree as the Board's trial attorneys in this matter.

WHEREFORE, the Louisiana Board of Ethics requests that the Ethics Adjudicatory Board (a) conduct a hearing on the foregoing charges; (b) determine that Galen Schum has violated La. R.S. 42:1114 with respect to the foregoing counts; and (c) assess an appropriate penalty in accordance with the recommendation of the Louisiana Board of Ethics to be submitted at the hearing.

[SIGNATURE AND CERTIFICATE OF SERVICE ON FOLLOWING PAGE]



M. Blake Monroe
Chair, Louisiana Board of Ethics
P.O. Box 4368
Baton Rouge, LA 70821
Telephone: (225) 219-5600
Facsimile: (225) 381-7271

CERTIFICATE:

I hereby certify that a copy of this document has been forwarded to the Respondents by registered/certified mail in accordance with La. R.S. 42:1141E(1)(a), on this 20th day of February, 2015.

Mr. Galen Schum
2329 Country Club Drive
LaPlace, Louisiana 70068



Tracy M. Barker
Trial Attorney

Louisiana
Commission on
Addictive
Disorders

MINUTES

January 2011

1/18/2011

January 18, 2011

COMMISSION MEMBERS PRESENT:	Freddie Landry Kathleen Leary	Tom Lief George McHugh
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COMMISSION MEMBERS PARTICIPATING VIA CONFERENCE CALL:	Damon Marsala	Shelley Mockler
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COMMISSION MEMBERS ABSENT:	Lana Bel Kathy Hayward	Lloyd Hernandez Jon Lance Nickelson Tony Wick
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OAD / HQ STAFF ATTENDING:	Kathy Kliebert Dr. Rochelle Head-Dunham	Daryl Koerth Galen Schum Charlene Gradney
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GUESTS IN ATTENDANCE:	Marolon Mangham	Lisa Schuster
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I. Serenity Prayer & Roll Call

Freddie Landry called the meeting to order. Tom Lief led the Commission members and guests in the Serenity Prayer. Daryl Koerth conducted roll call.

II. Approval of December Minutes

The members of the Commission reviewed the December 2010 meeting minutes of the Louisiana Commission on Addictive Disorders. Ms. Landry called for a motion to approve the minutes. Tom Lief made a motion to approve the minutes. Kathleen Leary seconded the motion. All were in favor, and the motion to approve the December 2010 meeting minutes passed.

III. High Priority Departmental Initiatives

Privatization. Galen Schum, Director of Regional Operations for the Office of Behavioral Health, gave the Commission a brief update on the status of the Office's ongoing privatization efforts. Last year, the Office made the decision to privatize six inpatient treatment facilities. Following a long and cautious Request for Proposals (RFP) process, four of the final contracts have been approved, and the other two are expected to receive final approval in the coming week.

Coordinated System of Care. Charlene Gradney, OBH Director of Special Initiatives, gave the Commission an update on the Office's efforts to develop a Coordinated System of Care, in partnership with other departments. According to Ms. Gradney, OBH and Medicaid are working together to facilitate the process of amending the state plan and develop waivers to support the new service delivery structure. Applications for "wrap-around agencies" to participate in the pilot stages of the new coordinated system are due on March 1, and the system pilot is expected to be launched in October.

January 18, 2011

Kathy Kliebert, OBH Assistant Secretary, added that the biggest barrier OBH currently faces with regard to this process is the inability to issue Requests for Proposals (RFPs) until the necessary state plan amendments have been published and released.

George McHugh asked if clinic names around the state would change from “addictive disorders” and “mental health” to “behavioral health.” Ms. Kliebert responded that the names of the clinics will change to “behavioral health clinics” where it makes sense to do so. She offered that more details concerning the changes associated with the new system of care should be available during the next month’s Commission meeting. Dr. Rochelle Head-Dunham, OBH Medical Director, stated that consolidation and integration plans are proceeding according to what best serves the needs of consumers, communities, and the agency. She also reminded the Commission that these changes must be a patient and cautious process to prove successful.

IV. Change in OBH Leadership

Kathy Kliebert announced to the Commission that she has been selected as the Department’s new Deputy Secretary, and will therefore be leaving her position at the Office of Behavioral Health. She discussed the selection process for seeking new leadership for the Office with the Commission, and stated that Peter Calamari, III, currently serving as the OBH Deputy Assistant Secretary for the System of Care, will temporarily take on the responsibilities of her position of leadership. Although she will be leaving OBH to serve at the Department level, she stated she would still like to receive invitations to the Commission’s monthly meetings, and will attend when her new schedule permits.

V. ADRA and LASACT Monthly Reports

ADRA. Lisa Schuster, Executive Director of the Addictive Disorders Regulatory Authority, delivered a brief report to the Commission. She reminded the Commission that the Extraordinary Session of the Louisiana Legislature is about to start. She also stated that at this time, the operations and initiatives of ADRA are *status quo*.

LASACT. Marolon Mangham, Executive Director of the Louisiana Association of Substance Abuse Counselors and Trainers (LASACT), Inc., also gave the Commission a brief report. According to Ms. Mangham, planning for LASACT’s Annual Conference is underway. She stated that discussion has arisen about the possibility for a new certification: the Peer Recovery Support Technician. Dr. Dunham added that this would be especially critical for adolescent services, where a large peer support gap exists. Galen Schum helped clarify the difference between peer support and recovery coaching, and began a short discussion on peer support and credentialing issues.

VI. Next Commission Meeting

The next meeting of the Louisiana Commission on Addictive Disorders was discussed, and the date, time, and location were set. The next meeting will take place in Baton Rouge, at OBH Headquarters, from 1:00 p.m. to 3:00 p.m., on Tuesday, February 15, 2011.

VII. Adjournment

Freddie Landry called for a motion to adjourn the meeting. Tom Lief made the motion to adjourn, and Kathleen Leary seconded the motion. The meeting adjourned at 2:43 p.m.

October 2011 Minutes

Tuesday, October 11, 2011

12:59 PM

COMMISSION MEMBERS PRESENT:

- Freddie Landry
- Tom Lief
- Damon Marsala
- George McHugh
- Lloyd Hernandez

COMMISSION MEMBERS PARTICIPATING VIA CONFERENCE CALL:

- Lance Nickelson
- Shelley Mockler

COMMISSION MEMBERS ABSENT:

- Lana Bel
- Kathleen Leary

OBH / HQ STAFF ATTENDING:

- Dr. Rochelle Head-Dunham, OBH Medical Director (Conference Call)
- Galen Schum, Director of OBH Field Services
- Daryl Koerth

GUESTS IN ATTENDANCE:

- Marolon Mangham

I. SERENITY PRAYER & ROLL CALL

Freddie Landry called the meeting to order. Tom Lief led the Commission members and guests in the Serenity Prayer. Daryl Koerth conducted roll call.

II. APPROVAL OF SEPTEMBER MINUTES

The members of the Commission reviewed the September 2011 meeting minutes of the Louisiana Commission on Addictive Disorders. Ms. Landry called for a motion to approve the minutes. Lloyd Hernandez made a motion to approve the minutes. Tom Lief seconded the motion. All were in favor, and the motion to approve the September 2011 meeting minutes passed.

III. NEW BUSINESS

ADRA/LASACT Monthly Report. Marolon Mangham gave the Commission a brief update on the LASACT 2012 Conference. According to Ms. Mangham, the conference's planning committee is already looking for a date to hold next year's conference. She stated that the theme for next year's conference will be "practical application." She also stated that IC&RC has another meeting in two weeks; they will be voting on the standards for the Peer Recovery Support Specialist (PRSS), and she will be in attendance. Dr.

Rochelle Head-Dunham, OBH Medical Director, stated that the Addiction Technology Transfer Centers will be sponsoring several lectures soon, and asked Ms. Mangham if the IC&RC has a list of names of experts on PRSS. Ms. Mangham stated she could gather some names for Dr. Dunham, and asked Dr. Dunham to send her an email detailing the specific nature of her request.

Update on Louisiana Behavioral Health Partnership. Galen Schum, OBH Director of Field Services, gave the Commission a brief update on the Louisiana Behavioral Health Partnership. Mr. Schum stated that the selection of the Statewide Management Organization (SMO) has been completed, that Magellan Health Services was the vendor selected to be the Louisiana SMO, and that the Office of Behavioral Health was currently involved in the contract negotiation process with Magellan. He also gave the Commission basic information about the service delivery structure under the SMO, and stated that the implementation date for this new structure is planned for March 1, 2012.

Ms. Landry stated that she has been attending the Mental Health Planning Council's meetings, and that during the next meeting the Council will present new bylaws that address the change from a mental health focus to a behavioral health focus. She encouraged the other Commission members to attend meetings whenever possible.

Commission Annual Report. George McHugh reminded the Commission of the impending report that the Commission must generate for the Legislature, Secretary of DHH, and Governor's Office by March 1, 2012. He stated that the Commission should start by identifying types of information available from OBH, such as a monthly utilization report on services statewide. He also raised a concern regarding not knowing much about most of the private providers of services in Louisiana. Tom Lief seconded this concern, and asked Dr. Dunham if there may be a list of treatment providers in Louisiana. Dr. Dunham stated that she would have her administrative assistant forward a list to the Commission members. Freddie Landry suggested that the Commission members attend the coming Public Forums as venues for gathering valuable information for the report, as well as an opportunity to speak directly with the Regional Managers and other key OBH staff.

Dr. Dunham reminded the Commission of recent changes brought about by the integration of mental health and addiction services. First, she stated, the Substance Abuse and Mental Health Services Administration (SAMHSA), which funds the SAPT and CMHS Block Grants, has begun including mental health in National Recovery Month. To follow this trend, OBH recently hosted an art show called "The Art of Recovery," featuring artwork from individuals in recovery. Another change SAMHSA implemented this year was the merger of the SAPT and CMHS Block Grant applications - traditionally separate processes - into a single application. She stated that although the applications have been combined into one, the funding mandates (how services are funded, etc.) will remain the same for now. Finally, she stated that the Public Forums, which are mandated by the SAPT Block Grant, may well include mental health to match the aforementioned trends.

Mr. McHugh stated that the Commission also needs to be aware of statute, citing several responsibilities of the Commission that are outlined in legislation. He said he will make a copy of the statute available to anyone who requests it.

Ms. Landry made a statement about the scattered nature of prevention funding and infrastructure statewide, and asked Mr. Schum if there was any update regarding the prevention grant the office had applied for. Mr. Schum stated he could ask Dr. Leslie Freeman, Director of Prevention Services, to present some information about the status of the grant and prevention infrastructure for the next

meeting. Tom Lief stated it would also be nice to know if the drug courts hold open meetings that Commission members could attend.

IV. NEXT COMMISSION MEETING

The next meeting of the Louisiana Commission on Addictive Disorders was discussed, and the date, time, and location were set. The next meeting will take place in Baton Rouge, at OBH Headquarters, from 1:00 p.m. to 3:00 p.m., on Tuesday, November 15, 2011.

V. ADJOURNMENT

Freddie Landry called for a motion to adjourn the meeting. Lloyd Hernandez made the motion to adjourn, and Tom Lief seconded the motion. The meeting adjourned at 2:47 p.m.



Magellan of Louisiana – Louisiana Behavioral Health Partnership

Governance Board Minutes of June 20, 2012

PRESENT:

Community Members of Governance Board:

Joan Guillory-Williams – Board Co-Chair,
The Extra Mile Region IV, Adult Service Recipient
H. T. “Ted” Cox,
Juvenile Court/Shreveport, Community Member at Large
Judy Disotell,
NAMI, Parent of Child/Youth Receiving Services
Kimberlyne Roundtree,
Primary Care Solutions, Inc., Adult and Child/Youth Service Provider
Lisa Schilling,
South Central Louisiana Human Services Authority, LGE
Rick Wheat,
Louisiana United Methodist Children and Family Services,
Child/Youth Provider

Magellan Members of Governance Board:

Dr. Craig Coenson, Board Chair,
Chief Executive Officer, Magellan of Louisiana
Neal Cohen,
Chief Operating Officer, Magellan of Louisiana
Dr. Sreelatha Pulakhandam,
Acting Chief Medical Officer, Magellan of Louisiana
Kathleen Coenson,
VP of System Transformation, Magellan of Louisiana
Dr. Seth Kunen,
Quality Management Administrator, Magellan of Louisiana

Staff to Governance Board

Lisa Faust,
Communications Director, Magellan of Louisiana
Jill Dyason,
Governance Board Lead, System Development Manager, Magellan of Louisiana
Deborah Hernandez,
Executive Assistant II, Magellan of Louisiana

ABSENT:

Network Development Administrator, Magellan of Louisiana

IN SESSION:

This meeting was called to order at 11:00 am

Board minutes submitted for May 23, 2012

Lisa Schilling moved that minutes be approved as presented.

Neal Cohen seconded the motion. Joan Guillory-Williams asked that they accept a friendly amendment changing the word “revolt” to “revoke” on page 3. They both agreed to accept.

The Board unanimously approved the Minutes as amended.

Board Announcements

- Russell Miller, Network Development Administrator, Magellan of Louisiana has stepped down from this position. This position is now open and Magellan of Louisiana is currently looking for candidates. Mr. Miller was also a Magellan Member of the Governance Board which is now currently open as well.
- Ted Cox, Caddo Juvenile Court Administrator and Governance Board Member, gave a self introduction due to his absence at the May 23 Board Meeting.

MAGELLAN UPDATES

Magellan of LA Implementation Updates

- **100 Day Status Report** – Craig Coenson, M.D., Chief Executive Officer, Magellan of LA provided information on progress/accomplishments that Magellan of Louisiana has made during the initial 100 days of implementation.
 - Creating infrastructure by breaking down the silos (OJJ, DCFS, DOE, etc.) and collecting data that will enable us to drive system transformation.
 - Able to generate reports identifying members/providers that drive utilization, re-admission, and services so we are now able to use this information to begin shaping our decisions and outreach.
 - Through captured data we now generate utilization spreadsheets on the hospitals and providers readmit rates, length of stay (LOS), along with other areas of interest for review. We now can identify the top 15 high utilizers throughout the State.
 - We have answered over 33,000 telephone calls averaging 6 seconds on pick up per call and only 1% abandonment rate.
 - We have paid \$36M in claims with 350,000 claims with denial rate of 12%.
 - We have over 4000 providers using the electronic medical record (EMR).
 - Geo-access reports are reviewed weekly for network availability.
 - From our data we are reporting that the average length of stay (ALOS) in the MHERE's is trending downwards.
 - Magellan is currently managing 264,530 adults that are Medicaid eligible at risk members and 737,915 children/youths that are Medicaid eligible non at risk members.
 - Through June 14, we have received 353,179 claims from providers and have paid 306,578 of them. This leaves 3,400 which are still pending and 44,008 as denials. The denial rate is 12.4%, but it is important to note that not all denials are clinical. A good many denials are administrative due to coding errors, duplicate claims, etc.
 - Regarding the budget, a recent press release indicated that the Louisiana Behavioral Health Partnership was reduced by 3.7%. Magellan has meetings with DHH/OBH this week for further details on how this will affect Magellan.
 - Magellan has been able to expand the behavioral health network. Based on what Medicaid has reimbursed for before and through Magellan and the partnership we have brought in three "in lieu of" agreements into our network. They are mental health professionals, residential treatment hospitals and we are now working on crisis beds.
 - Some of the challenges in developing a network delivery system have been providers struggling or unprepared for new service arrays and rate structures, new licensing rules, and certain provider types not fully considered in preparation of new service arrays and rate structures.
 - As Magellan's network grows there will be more opportunities to work in a managed care environment in the State by having a business partner helping to make it successful both clinically and financially.
 - Magellan's goals to achieve quality outcomes are to gain contractual guarantees, stabilize all areas of operations, achieve successful implementation of clinical advisor, have successful communication with DHH/OJJ/DCFS/DOE, Providers/Medicaid/Members/and Key Stakeholders while improving efficiency and effectiveness of the behavioral health program and driving member-centricity and satisfaction.
 - Our focus remains on our quality of support to the Governance Board, community and Magellan members and providers and our numerous committees.
 - Magellan tracks performance guarantees required by our contract. The performance areas include claims administration, telephone responsiveness, clinical satisfaction and account management.
 - Managing utilization, Magellan collects data and tracks adult and child IP, acute facility admissions, discharge plans, readmissions, claim charges, etc.

- **Transforming the System** – Kathleen Coenson, VP of System Transformation, Magellan of Louisiana provided the following update to the Board:
 - Magellan has implemented a coordinated system of care specifically directed to implementing CSoC regions. Magellan tracks each region by the number of members referred to CSoC and where the members are enrolled. We have found areas of enrollment that have several services that have been built to address the needs within their community and several unique areas (Jefferson Parish) that need attention. Forums will take place over the next two weeks to reiterate the implementation of the CSoC program.
 - Meetings (three to four a week) with DCFS and OJJ on the children's system priorities regarding transitioning and developing protocols around responsibilities are being held and attended. This has been a challenge, but moving forward is a priority.
 - CSoC is conducting a series of mini forums throughout Louisiana to update and educate on changes. Lisa Faust will send out the list of upcoming forums and flyer to the Board Members for their reference.
 - Outside of CSoC, system transformation is looking at a proposal to work with the State and other agencies for permanent supportive housing, recovery and resiliency advisory committee meetings and addressing race/equity issues to understand cultural differences in our education. Through the MY LIFE program, Magellan has a Youth Empowerment Director to make connections throughout communities and regions to empower the youth and their healthcare. We also are meeting with family groups to support and educate. Magellan is launching a whole health initiative among peer specialists and beginning to plan for the peer support Warmline.
- **Quality Assurance Plan** – Seth Kunen, Quality Management Administrator, Magellan of Louisiana provided the following update to the Board:
 - Quality Management is a significant part of the Magellan Behavioral Health contract and program.
 - Our Quality Management Program ensures that members receive quality evidence-based behavioral health care through the evaluation of access, tracking performance guarantees and the measuring of quantities outcomes.
 - In Magellan's charter we are charged to oversee the quality of care provided to the system in Louisiana and the processes we use. Magellan's specific goals are to improve access to care, promote early identification and intervention of behavioral health needs, review quality of provider network and promote client centered care.
 - The CMC Committee structure starts with the QIC committee (also called the QAIP committee) which is composed of 28 members and is responsive to the needs of the citizens of Louisiana. Members are composed of managers of departments and community representatives. QIC Committee minutes will be forwarded to the Governance Board to reference.
 - The QM organizational structure begins with Joann Albright, PhD who is the Senior VP of QM; Steve Winderbaum, VP of QM; Seth Kunen, PhD, BR QM Administrator and three (3) Administrators who are:
 - **Eric Brown** – Administrator for Quality of Care and Auditing
 - The Quality Improvement Team, managed by Eric Brown, has two (2) clinical reviewers in Shreveport and five (5) clinical reviewers in Baton Rouge. This team trains employees, reviews and updates clinical guidelines and conducts chart reviews (60% of time) as well as works on special projects (40% of time).
 - Conducts clinical treatment record reviews for Inpatient, Outpatient, WAA's, and FSO's.
 - Performance Improvement Projects include not only clinical, but administrative as well. The projects include access to care, access to CSoC, defining departmental deficiencies, evaluating member services phone answer rate, and the compilation and review of member satisfaction surveys.

- **Galen Schum** – Reporting Analyst
 - Has one team member working with him.
 - They concentrate on Enterprise Reporting from Integrated Project (IP) and in the future will focus on Clinical Advisor (CA) reporting as well.
 - Tracks performance indicators required by contract.
- **Mary Jones** – Administrator of Complaints, Grievances and Appeals
 - She has four team members.
 - Receives all retros and appeals to review and approve.

NEW BUSINESS

- Magellan has two (2) My Life events coming up, one (1) in Baton Rouge and one (1) in Shreveport. The Shreveport event will be held Tuesday, June 26 and the Baton Rouge event will be held Thursday, June 28. Marvin Alexander, Youth Support Coordinator for Magellan will be presenting the My Life program at a future Board meeting. Jill Dyason distributed event flyers to all of the Governance Board Members so that they could share in their local communities across the state.
- Craig Coenson asked for Governance Board representation at Community/Stakeholder Events. He suggested possibly one Board Member each month attend several events to help communicate with constituents and stakeholders within their regions. The Board asked for regional event notices to be shared so that they can update their calendars.

PUBLIC COMMENT

- None

NEXT MEETING

The next meeting of the Governance Board will be on Wednesday, July 18, 2012 from 11:00 am to 1:00 pm at SSA Consultants, 9331 Bluebonnet Blvd., Baton Rouge, LA.

The meeting was adjourned at 1:00 pm.