

Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
August 2 & 3, 2010
Flat Creek Inn, Hayward

Board Members Present: Dave Willingham, Jeff Kieffer, Mike Hamm, Terri Stone, Mark Novotny, Ken Mosentine, Dee Kittleson, David Markert, Tom Innes, Susan Reinardy, Howard Johnson, Larry Main, Mike Linton, Bob Kopisch, Don Quinton.

Other: Don Percy of The Bardish Group, Dennis Liphart of Pathways to Independence.

1. Call to Order

Dave Willingham called the meeting to order at 9:07 a.m..

2. Roll Call

All members present with the exception of Jack Sweeney, Dale Schleeter & Sue Zieke who were excused.

3. Public Comment

Dennis Liphart of Pathways to Independence stated that he has met with Ann Riggs, Social Service Care Manager out of the Ashland hub who is coordinating the Integrated Employment Grant. Dennis commented that Ann is fabulous and NB hired well.

4. Approval of Minutes from July 6, 2010

Larry Main moved to approve the July 6, 2010 board meeting minutes with the correction to the date. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Move #10 – Board Education Seminar 4.3 to the afternoon.

6. Executive Committee Report

The Executive Committee met on 7.20.10 at Hayward headquarters and the minutes from the meeting were posted on 7.29.10. The committee approved the minutes of the 6.22.10 EC meeting. Discussion on follow up to the July board meeting included comments that when we are able to have a 1 day board meeting it does get to be a rather long meeting. Also discussed the OADF's and the process that we went through at the last meeting in reviewing these and the recommendations for counsel on how to deal with those issues and this was well accepted and appropriate. Briefly discussed the Board Process Memorandums in which Don Percy has collated all of the vetting processes for County, At Large & Consumer Directors. These are guidelines to help future committees. Don will have a copy of this at today's meeting. There was one comment in the letter that goes out to candidates regarding "absence of conflict" that should say "absence of impermissible conflict". Discussed the idea that it would be helpful to have quarterly reminders of any board member's changes in committee or other appointments which might give rise to OADF's, and this reminder will be in your board packets quarterly. Also discussed the Draft CEO Executive Committee Monitoring Policies and looking at some possible changes at the next EC meeting in August and hope to have these ready for September board meeting. Changes to the Board Per Diem forms seem to be working well. Discussed today's agenda and added committee appointments of At Large Directors to the policy monitoring committees and posting of the EC meeting today following the FMPMC. CEO Employment Agreement process will be discussed in closed session today at the EC meeting. Next meeting will be on August 25th at HQ at 1:30. John McMahon & Dave Willingham attended the Washburn county board meeting. There were questions from a service provider with regards to their contract, financial questions

from the board and numerous questions regarding the wait list. Most of the board members don't realize that NB has no control over the wait lists and that the ADRC's are in charge.

Don Quinton arrived at 9:21.

7. Committee Appointments

Sue Reinardy & Howard Johnson were asked what their preference would be for serving on the policy monitoring committees and Dave will be appointing Sue to the FMPMC and Howard to the QMPMC.

8. 2010 Family Care Contract Amendment

John McMahon reviewed the contract amendment which includes a capitation rate change for nursing home level of care effective 8.1.10 from \$3,088 to \$3,221. Non-nursing home capitation rate did not change. Also in the amendment is the Plan of Correction which pertains to performance expectations. Kay Krause, the Project Manager who has been selected, started with NB today. Our contract with her is to the end of 2010. Kay is an independent contractor who previously worked as Deputy Director of Fond Du Lac County Family Care Program/Creative Care Options for 10 years and is very familiar with the waiver programs and family care. She visited the management staff at HQ 2 weeks ago. She will help us focus on consistent practices and processes of Care Management. Expectations in the amendment include training, streamlining care management processes & include system changes to reflect current contract language, which we have already been working on. Plan to have the Care Management Resource Center up & running by the 1st of October. The CMRC will provide training to new staff and ongoing training for current staff. CMRC will include a RNCM and SSCM, and new staff will shadow other teams and be assigned a mentor. Ongoing training will be specific to any training needs they may have. We will be finalizing our plans and submitting to the state.

9. Approval of RFI for 2010 Audit

Reviewed the RFI for the calendar year 2010 audit. Overview information has been updated. We'll be looking for responses by September 10th. Item # 5 requests a proposal for both 1 year and 3 year costs as recommended at a previous board meeting. Recommendation was made to replace, under Eligible Firms: "to be considered the audit firm must be a certified public accounting firm following Generally Accepted Audit Standards (GAAP) with "to be considered the audit firm must be a licensed State of Wisconsin public accounting firm". Result of responses to the RFI will be brought to the October board meeting.

Dave Markert moved to approve the RFI-Audit with the recommended editorial changes. Tom Innes seconded. Motion was carried by voice vote without negative vote.

CEO Report

- **Performance Management System Report**

HR Manager Janelle Gruetzmacher reviewed the results of the survey of NB employees on the Performance Management System Process. Process was rolled out in April, 2010 with 21 completed and 30 in process. Janelle & HR Generalist Jan Eck surveyed 15 employees. Numerous employees did feel that the survey was long and time consuming. HR asked staff to focus on the quality of the process for purposes of the survey. Some staff felt the process was repetitive in nature in regards to the Core Practices (Mission, Vision & Values) and the Core Competencies sections of the review. The process has been taking more time than we anticipated and HR has been doing coaching with staff – both supervisor and employee. Most staff said the process is different than anywhere they've worked before. Janelle believes we need to keep the content, but re-structure the document itself. John McMahon added that one piece of feedback from the reviews is what NB can start, stop & continue doing as an organization, and HR is compiling that feedback.

- **Provider Survey Report**

Provider Network Manager Rita Mueller reviewed the Provider Survey Results. Our Customer Care Center is through Vestica and they conducted the survey via telephone. In summary, 77% of those surveyed felt they did

have a good understanding of Family Care. 100 non-residential & 100 residential providers were solicited, but there was a large difference in the response as 76% of non-residential responded, while only 30% of residential providers responded. The survey results also addressed the provider's greatest areas of concern, with authorizations, communication and billing being the top three. NB Provider Network staff will be taking this information from the survey results and addressing at the Provider Forums.

- **Financial Statement Report**

CFO Brian Ahlgren reviewed the 6.30.10 consolidated and region financial statements. Budget was recast and submitted back in June.

- **2010 Business Plan Update**

CFO Brian Ahlgren reviewed the Business Plan Resubmission dated 7.28.10. We have been operating for just 15 months. During 2010 our actual and projected expenses in excess of revenue during this ramp up period will average \$117,000 per month. However, we are continuing to take the necessary steps to bring this situation into balance during 2011. Discussion around how we should have a unified message that is honest and accurate when responding to stakeholder's questions around our financial situation. Chair Willingham suggested we discuss this further at tomorrow's portion of the board meeting.

10. Board Education Seminar 4.3: Introduction to Board's Policy Monitoring Role, Responsibilities & Process

Don Percy of the Bardish Group reviewed the document with the group. The paper demonstrates the board has been monitoring MCO performance through a variety of existing means in advance of commencing the formal policy monitoring process beginning next month (monthly financial reports and CEO reports and independent party audit reports from CPA firm, state MetaStar quality audits, etc.). Further, the board has actively monitored its own "means policies" (Board Processes and Board/CEO Relationships) and took the important step of creating and orienting four Policy Monitoring committees to assist in the formal monitoring process. Starting next month the board and PMC agendas will include subsets of the prescribed formal CEO Monitoring Reports. Each CEO Monitoring Report will follow a common format beginning with the board-approved CEO Interpretations. The tentative plan is to focus initially on as many of the Top 15 policy priorities the board identified last January. The reports will go to the corresponding committee initially for review and feedback. If the committee finds the report to be acceptable, it will report its findings to the full board at the continuation of the board meeting on the following morning. Alternatively, the committee can request refinements and an amended CEO Monitoring Report will be considered at a subsequent meeting and findings reported to the full board.

Don solicited and received supportive feedback from each director at the table on this proposed phase-in process.

11. Bylaws Amendment – Annual Meeting – First Reading

The Board discussed as a part of the annual review of bylaws to move the annual board meeting date to June vs. May. Final approval of the suggested amendment will be brought to the board at the September board meeting.

Bob Kopisch moved to approve the bylaws change at the second reading at the September Board meeting. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Meeting was recessed at 2:31 p.m. to allow for the FMPMC meeting.

AUGUST 3RD, 2010 CONTINUATION OF THE BOARD MEETING

Dave Willingham called the 2nd day of the meeting to order at 9:07 a.m..

All members present with the exception of Larry Main, Sue Zieke, Dale Schleeter & Mike Hamm who were excused.

CEO Report (Continued)

- **Staffing Update**

The board reviewed the 7.31.10 NB Staffing Update. NB currently employs 138 staff. Provider Network Developer Amy Kass has transitioned to Staff Accountant, so we are recruiting for a Provider Network Developer. CEO John McMahon informed the board that Nancy Brede has assumed the role of Senior Director of Care Management and Grace Burkinshaw will be transitioning to the Manager of the Care Management Resource Center. We are also doing some planning for the COO position when Russ Lutz is done at the end of the year.

- **Membership**

Current membership as of 7.21.10 is 1,871. Discussion revolved around members coming off of the wait list and how NB has no control over when this happens. Also reviewed an updated financial report on member service costs.

- **Family Care Audit**

Information on the Family Care Audit has been posted on Sharepoint. The Wisconsin Family Care Alliance will be meeting with the Legislative Audit Bureau in the near future. The Legislative Audit Bureau will be spending time with DHS to get familiar with the family care program. The plan is to have the audit completed by the end of the year for planning purposes for the next biennial budget. There was wide support for the audit to look at quality of services, specific issues around provider payments, member satisfaction and financial viability of the program.

- **OADF Follow Up**

John has spoken with District Counsel Andy Phillips and Dave Willingham & Jeff Kieffer have received a draft letter that states what the board had directed acknowledging their membership on provider boards and the need to remove themselves from any discussions or negotiations around NB. Dave & Jeff have acknowledged receiving these letters and will return them soon.

- **Care Under Management**

John McMahon distributed the Business Plan Addendum-Care Under Management Summary which shows our initiatives for the remainder of this year and a summary of our projected savings for each initiative. The Plan Of Correction from the state directs us to review all of our waiver/transition care plans and we are currently working on this and plan to have 550 members completed over the next 6 weeks. Looking at utilization of services and have already reviewed over 100 in both Ashland and Superior. We will be doing this at each of the hubs. When completed, we'll track to see what the effect is of those reviews through utilization. We will then look at residential members who were former waivers and look at the assessment plan and safety and utilization and make adjustments from there. The CM staff knows that it is high priority to follow up with those members needing adjustments to their service plan. A Notice of Action must be issued every time we change a service plan and members have the right to appeal.

- **Miscellaneous**

John followed up on yesterday's conversation regarding the current financial challenges of NB and how to respond to county board members or providers who may inquire. The facts are that we have a projected \$1.4M operating deficit. Member service costs exceed revenue and \$1.4M is approximately 2% of revenue and averages \$117,000 per month. Former waiver member's services costs are higher than budgeted. Achieving financial stability is a long term process which will require improved care management practice through better member centered planning and cost effective supports & services. WI Dept. of Health Services and NB are working together to achieve both program and financial success. Sue Reinardy suggested one approach would be breaking down the reasons for the deficit into smaller portions and get more specific such as not getting the correct capitation rate from the state and produce a potential list of solutions. This reinforces credibility and shows that we understand the problems and are working on the

solutions. The practice is where we need to focus. John will share the re-draft at the 8.25.10 Executive Committee.

12. FMPMC & EC Reports

FMPMC Chair Bob Kopisch reported to the board that the committee reviewed the Investment Policy. This policy was completed as a requirement of certification and is an operational policy. Bob also directed attention to the Board Policy Book and the CEO Interpretations of Financial Management Monitoring Policies. The committee believes the focus should be on short term activities that are highly secure and stable. Sue Reinardy will re-work the policy to include the following recommendations:

- Page 1 – Policy – Financial Management Policy Monitoring Committee – aka Finance Committee.
- Page 1 – Procedure – Do not adopt b.
- Page 3 Schedule – Remove STRIPS, Mortgage Backed Securities, Bankers Acceptances, Repurchase Agreements & Money Market Mutual Funds. Leave in US Government Bills, Notes & Bonds with a maturity of up to 12 months, Certificates of Deposit with a maturity of up to 12 months and stay within what's insured.

The FMPMC will bring this first draft of the revised investment policy back to the board for review at the September Board meeting.

Executive Committee met to have a closed session for the purpose of ongoing discussions of the CEO Employment Agreement. The committee has not reached any conclusions at this time, and will be moving this discussion to the next Executive Committee meeting on 8.25.10. They should have a report to the board at the September Board meeting.

13. Public Comments

None.

14. Correspondence

The only correspondence was the 2010 Family Care Contract Addendum which was discussed earlier in the meeting.

15. Meeting Review & Discussion

Ken Mosentine & Dee Kittleson were this month's board meeting monitors.

Dee Kittleson commented that the meeting was very informative and everyone participated well. She especially liked the comment from Dennis Liphart regarding Ann Riggs – nice to hear a positive remark. Enjoyed the ADRC conversation and learned some things from it. Dee felt all board members seem to be voicing their opinions. She is looking forward to the results from the Project Manager.

Ken Mosentine thought the board had a great discussion on the Contract Amendment. The reports on the R4R/Performance Management System and the Provider Survey gave us some real insight. The financial report from Brian stirred a lot of discussion and he also liked the discussion on solutions to the financial issues. The Board stayed on task and agenda for the most part. Ken feels the Board works hard at trying to find solutions.

Mike Linton and Tom Innes volunteered to be monitors for the September Board meeting.

16. September Board Meeting Dates & Agenda Items

Tuesday & Wednesday, September 7th & 8th. QMPMC & FMPMC will also meet on Tuesday, September 7th.

17. Adjourn

Dave Markert moved to adjourn the meeting at 11:50 am.. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder,
Colleen Dressen