

**Minutes-DRAFT**  
**NorthernBridges**  
**Board of Directors Meeting**  
**February 1 & 2, 2010**  
**Flat Creek Inn, Hayward**

**Board Members Present:** Dave Willingham, Jeff Kieffer, Mike Hamm, Bob Kopisch, Terri Stone, Mark Novotny, Ken Mosentine, Dee Kittleson, Tom Innes, Mike Linton, Jack Sweeney, Don Quinton, Larry Main

Other: Don Percy of the Bardish Group, NorthernBridges Staff, Dennis Liphart of Pathways to Independence & Joe Wacek of Catholic Charities/DSI

**1. Call to Order**

Dave Willingham called meeting to order at 9:06 a.m.

**2. Roll Call**

All members present with the exception of David Markert, Dale Schleeter and Sue Zieke who were excused.

**3. Approval of Minutes from December 7, 2009**

Tom Innes moved to approve the January 4, 2010 meeting minutes. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

**4. Review & Approval of Agenda**

Hearing no additions or changes the chair approved the agenda.

**5. Public Comments**

None.

**6. Executive Committee Report**

Executive Committee met on 1.18.10 and minutes from that meeting were posted on basecamp on 1.27.10. All members of the committee were present along with Don Percy and Mike Linton by telephone. The committee approved the minutes of the 12.22.09 Executive Committee meeting. Don Percy previewed policy monitoring documents to be reviewed by the Member Relations Policy Monitoring Committee at this afternoon's MRPMC meeting and also an updated version of protocol for board and committee agendas for closed sessions. The committee reviewed a Procedural Guideline for open meetings and confidentiality issues and the revisions were a result of suggestions at the January meeting. There will be further discussion and clarification at today's meeting. They also reviewed a draft of the proposed vetting and selection process for At-Large Directorship applicants. Applications for the At Large board members have been sent out and have received some back. The board will appoint an ad hoc committee at today's meeting. The committee reviewed the Clifton Gunderson audit engagement letter for audit services which included a telephone conversation with Rene Messing. Items on today's agenda are to further review the engagement letter and professional services agreement. The committee discussed today's agenda and added a couple of items, and previewed for the board's consideration and approval a proposed schedule of 2010 board meeting dates. Next Executive Committee meeting is 2.17.10. The Chair also had teleconferences with John McMahon & Don Percy and participated in a conference call with Bob Kopisch, Chair of the FMPMC, and Clifton Gunderson regarding the engagement letter and professional services agreement. Chair also had email exchanges with John McMahon & Don Percy. Bob Kopisch commented that the FMPMC will give an update of this afternoon's 4:00 meeting at tomorrow's board meeting.

**7. Financial Statement Report**

Brian reviewed the December, 2009 financial statements. The member months were not updated on the original P&L so Brian distributed an updated P&L with the correct PMPM's on it. NorthernBridges has approximately \$2M in receivables that we won't see until spring/summer. Still paying some providers for May, June & July claims. Finance department did send out a note that January 1<sup>st</sup> was the deadline for 90 days for claims but did not reject any that came in. We are working on imposing the 90 day claim limit soon. We do have an amnesty program for those providers who have not signed their contract but are billing us that if they have their signed contracts to us by 2.28.10 that we will pay them for all claims going back to May. State has

advanced us \$2.7M of our risk sharing. Still not able to get a line of credit as it is a collateral issue with the bank, but we will continue to work on that.

## 8. CEO Report

- **Recruiting/Personnel**

The Board reviewed the new staffing update form with changes based on their input from last month's meeting and asked for feedback. There are currently 1,748 members being served by 128 employees. Required case load for SSCM's is 40:1 and RNCM's is 80:1. We are recruiting by advertising and with existing resumes/applications. With the resignation of the Self Directed Supports Coordinator, we are looking at developing SDS specialization at the hubs. Does not make sense for 1 SDS staff to support all care managers. Feedback from the board on the new staff update form was that it is much easier to track than the previous form.

- **Member Demographics**

NB Enrollment Coordinator is working on changes to the form requested at last month's meeting and this will include graphics. We are now tracking those members that came to us that were previously in IRIS. Mike Hamm would like to see how many people we are actually enrolling on a monthly basis from the waiting list – process at the ADRC seems to be lengthy. Mike would like to be able to understand more of how the ADRC's work. Bob Kopisch & Ken Mosentine will check with their ADRC's to see if they are having any issues. Other MCO's averaged from a 1.5% to 2% increase in their membership per year. It's also been their experience that the wait list members have been enrolled before the 36 month period. How do we predict our growth beyond the 36 months?

Mark Novotny arrived at the meeting at 9:40 a.m..

- **Business Operations**

Metastar has completed their review of the last 3 counties that rolled out and we will present a summary of those reviews at the March board meeting. We are applying for a \$50,000, 1 year grant for integrated employment. We are partnering with the Division of Vocational Rehabilitation to share program information regarding employment opportunities for members. In the Quality Management area we are working at improving our reporting of critical incidents, identifying and addressing those members where there are risk issues. Provider complaints about Vestica have decreased, but we have heard a few recently.

Jack Sweeney left the meeting at 2:38 p.m..

- **2010 DHS-NB Contract Performance Expectations**

This handout is excerpted from our Family Care Contract. NB has submitted its detailed plan for review of all member care plans. We have started to review all of the ISP's and developed the "Kohl" sheet (named after Jason Kohl, IT Manager) which will track all reviewed ISP's. In general, we consume about 69% of our authorizations (i.e., there is a claim submitted for that authorization only 69% of the time). Consumption of Transportation and Durable Medical Equipment is about 20%. All Care Managers will go through each ISP during February and look at quantity and how much has been consumed of what was authorized. Our goal is to get to 85%–90% of authorizations consumed. We want to close all service authorizations not being consumed. NB also plans to remove all services authorized that are not in the family care plan benefits package. The NB Personal Care Screening Tool has been approved by the state and the Care Managers have been trained and will be reviewing with their members. Care Managers are also being asked to incorporate the standard residential rate setting methodology into these ISP's. Effective April 1, 2010, the standard residential rate methodology for room & board will be in place. We will be able to look at PMPM costs, acuity score (level of services the member needs), and can calculate what their costs are and look at the outliers. We will then present to the Care Management teams to review their plans. Care Management training plan has been submitted to the state and Care Management Directors have conducted the training at all hubs. NB Business Plan strategies have been re-submitted. Our goal is to reduce residential costs by 2%. NB has conducted 8 Provider Informational sessions regarding residential rates. Providers will get their new rate on March 1, 2010. New rates will start effective April 1<sup>st</sup> if there is an increase and June 1<sup>st</sup> if there is a decrease. One of the big things

that came up was how we use the long term functional screen. They don't understand what it is and want to have input on how it is completed. Providers feel it doesn't necessarily accurately describe the member. NB asked the providers to contact the care managers any time they have a concern about the functional screen. These are done initially by the ADRC's and NB reviews every 6 months and updates annually. NB is bundling the services which has not been done in the past and pays the provider based on the acuity and that rate will include whatever scope of services that member needs. NB will fairly and appropriately determine the cost of serving the member, and the provider will determine how to serve the member and if they want to provide that service. Care Management teams will need to monitor the quality & quantity of what is being provided to the member by the provider. It's also up to the member to decide who they want involved in planning the ISP – this can include the provider if the member requests that. Effective April 1, 2010 we will be implementing a standardized policy on how respite is provided & paid. We will discuss with any providers the issue where the residential rate is lower and how we can work with them.

- **2010 Annual Certification Review**

The document indicates the results for NB's 2010 Certification Review. Program Integrity Plan is how we'll comply with 3<sup>rd</sup> party liability claims and we also need to have a plan in place for assuring provider integrity in terms of fraud. We are not asking for any waivers to be able to pay above the MA fee for service rate. NB is now participating in monthly meetings with the state. Provider Network has been certified with a couple of areas for potential concerns. There is a new member handbook being created for next year. We anticipate a meeting with the Office of the Commissioner of Insurance in the near future.

- **Care Under Management Metrics**

Care Management will be reviewing all of the ISP's in February.

**9. NB Board Committee Basic Reference Document 1.0: Member Relations Policy Monitoring Committee**

Don Percy mentioned that a new section was added to this basic reference document – otherwise similar to the QMPMC & FMPMC which the board has already reviewed. Please note that the bolded language at the top of page 2 pertains to all policy monitoring committees: ***The CEO shall not allow or cause the MCO to fail to meet essential contractual requirements in the contract with the Department of Health.*** CEO interpretations that have to do with Member Relations are included in this reference document. At the second meeting of all policy monitoring committee meetings we will be looking at monitoring the CEO's performance relative to his interpretation of the policies.

**10. NB Board Committee Basic Reference Document 2.0: NB-DHS Contract Provisions on Members Rights**

The document includes all contract provisions relating to member rights.

**11. Revised Board Procedural Guideline PG.2 Confidentiality & Open Meetings.**

The document reflects edits flowing from Executive Committee discussions and opinions from District Counsel. These changes are in colored font. Some policies require having procedural guidelines. The goal is to produce a 2<sup>nd</sup> edition of Confidentiality and Open Meetings. District Counsel's Annotation on page 2 addresses concerns raised during the 1.18.10 Executive Committee discussion that this guideline should include the clarification that Section 19.85(1) does not create an access right to board-level hearings where none exist within the policies of the governing body. Page 4 addresses the question of whether or not an affected employee has the right to request an open hearing. All changes also now refer to all committees and the board. The procedural guideline also discusses Disclosure of Formal Actions taken in Closed Sessions, Limited Dissemination, Affected Party Restriction and No Teleconference Participation in Closed Sessions.

Larry Main moved to approve and adopt the 2<sup>nd</sup> edition of Procedural Guideline 2 Confidentiality & Open Meetings. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

**12. At-Large Directorship Applicant Packet**

Don Percy reviewed the documents that are included in the application for At-Large Director applicants which include a cover letter, application instructions, board background information, the public notice and 2009 NB Inaugural Report. We need to fill 2 at large seats on the board. Deadline was January 31, 2010 for applicants. Don commented that we attracted quality applicants for the At-Large seats.

### **13. Appointment of Ad Hoc Committee for Vetting and Selection Process for At-Large Directorship Applicants**

Dave Willingham commented on wanting to keep a balance between the Executive committee and other board members in this selection process. The Ad Hoc Committee will work on the vetting of the applicants in order to recommend to the board the ranking of the applicants, and the committee should also submit to the board a brief written report on how the process worked (how they scheduled meetings, set up interviews, etc.). Dave Willingham has appointed Dale Schleeter as the Chair and Bob Kopisch, Sue Zieke and Dee Kittleson to complete the 4 person board. The committee will make their recommendations to the full board after interviewing the applicants. Dave Willingham voiced his concern regarding the importance of the interview process – candidates can “look good on paper” but other things come out in an interview. Also reference checks are very valuable. Because interviews will be conducted in closed session, it may put a damper on the ability of board members to participate if they are not a committee member they will not be reimbursed for meeting time, etc.. Don Percy will do the reference checks to validate their credentials and will have a protocol for the interview process. The Ad Hoc Committee will meet the same day as the February Executive Committee on 2.17.10 to allow for the report to be ready for the March board meeting.

Meeting was recessed at 2:55 p.m..

Dave Willingham called the 2<sup>nd</sup> day of the meeting to order at 9:05 a.m..

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

### **14. Clifton Gunderson Governance and Engagement letters & Professional Services Agreement**

These items were initially discussed at yesterday’s FMPMC meeting. Chair Bob Kopisch referred to the engagement letter which originally quoted \$28,385 but now includes a Single Audit quote for the Phase III federal funding of an additional \$3,275 bringing the total to \$31,660. FMPMC is recommending we proceed with the audit as quoted. This first year will be the only year there will be this additional Single Audit.

Don Quinton moved to approve the revised engagement letter and authorize CEO John McMahon to sign the engagement letter. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Bob Kopisch discussed the governance letter and page 3 which requests the views of the board regarding information relevant to the audit and risks and fraud and asked for input from the board.

**View of the Board. We request you to discuss with us any information you feel is relevant to the audit. This may include:**

1. The appropriate person(s) in NorthernBridges’ governance structure with whom we should communicate.
  - a. The Financial Management Policy Monitoring Committee (FMPMC) and the Board of Directors
2. The allocation and responsibilities between the Board and management.
  - a. Management works with auditors to answer questions and daily inquiries. FMPMC will be the intermediary between Clifton Gunderson and the board with any issues that require Board input.
3. The Board’s objectives and strategies, and the related business risks that may result in material misstatements.
  - a. Provide Clifton Gunderson with our policies.
4. Any matters the Board believes warrant particular attention during the audit, and any areas where you request additional procedures to be undertaken.
  - a. Clifton Gunderson has identified 5 high risk areas which are: Capitation Revenue, Cost Share Calculations, IBNR, Risk & Solvency Reserves, & Risk Sharing Agreement. The Board did not identify any additional areas.
5. Any significant communications with regulators. (Are we having any problems in our relationship with the state).
  - a. Yes. Capitation. The board is unaware of any negative communication from regulators.
6. Actions taken in response to developments in financial reporting, laws, accounting standards, corporate governance practices, and other related matters.

- a. Provide Clifton Gunderson with our Bylaws & Board Policy Book. The Board has not been making any decisions about financial reporting, laws, etc.. NB operations is highly regulated by the State and the contract between the State and NB.
- 7. Any other matters the Board believes are relevant to the audit.
  - a. Line of Credit. The fact that we are a Policy Governance Board.

**Views about the risks of fraud. We request you to discuss with us your views about the risks of fraud, including:**

1. Your understanding of the “tone at the top” conveyed by management.
  - a. Management is very positive especially with all of the issues we deal with, very professional, very involved & committed management team. Very open. If there was something wrong within the organization we would hear about it.
2. Whether the finance committee or the Board reviews NorthernBridges’ policies on fraud prevention and detection, and if so, the last time this was addressed.
  - a. Because of the newness of the NB organization and the FMPMC, policies have not yet been established.
3. Discuss how the finance committee or the Board provides oversight of NorthernBridges’ assessment of risks of fraud and the programs and controls the entity has established to mitigate those risks.
  - a. Because of the newness of the NB organization and the FMPMC, policies have not yet been established.
4. Discuss your perception of the risks of fraud at NorthernBridges, including any specific fraud risks the entity has identified or account balances, classes of transactions, or disclosures for which a risk of fraud may be likely to exist.
  - a. No specific fraud risks have been identified. Perception of the risks of fraud may be it occurs with access to cash, credit card usage and with the purchasing of goods and services. There is also a need for the separation of duties or procedures to mitigate in incidence of fraud.
5. Is management forthcoming with issues related to fraud during Board and finance committee meetings? Provide examples of fraud-related discussions management has had with the Board or the finance committee.
  - a. Have not had any fraud related issues. The board would be informed of any involuntary staff termination issues related to fraud.
6. Are you aware of actual or suspected fraud affecting NorthernBridges?
  - a. No.
7. Are you aware of any allegations of fraud (e.g., received in communications from employees, former employees, analysts, regulators, or others)?
  - a. No.

Bob will give Deb Welch of Clifton Gunderson this information on how we operate and then schedule a conference call for any questions they may have.

**15. Responsibility and expectations of the Financial Management Policy Monitoring Committee with regards to audit**

John McMahon distributed the 2009 Audit Timeline. Motion was made at the 2.1.10 FMPMC meeting to recommend to the Board that the FMPMC be the intermediary between Clifton Gunderson and the board with any special issues that arise. Management discussion and analysis is put together by the auditors with input from management.

Terri Stone moved to approve that the FMPMC be the intermediary between Clifton Gunderson auditors and the board for any special issues that arise. Jeff Kieffer seconded. Motion was carried by voice vote without negative vote.

**16. 2010 NB Board of Directors Meeting Dates**

Due to the 4<sup>th</sup> of July and Labor Day holidays falling on a Monday, the board made the decision that the July 2010 board meeting will be held on Tuesday & Wednesday, 7.6 & 7.7.10 and the September 2010 board meeting will be held on Tuesday and Wednesday, 9.7 & 9.8.10.

**17. March Meeting Agenda/Update**

March 1<sup>st</sup> & 2<sup>nd</sup>, 2010.

**18. Public Comments**

None.

**19. Correspondence**

John distributed a copy of a letter to the board that was sent to Senator Kathleen Vinehout and Representative Peter Barca, Co-Chairs of the Joint Legislative Audit Committee from the Wisconsin Legislature requesting that an independent, comprehensive audit of Family Care be conducted. John participates in the MCO's monthly meetings and is a member of the Public Policy committee and has been working on talking points with legislators. An issue being discussed is whether to do an audit on the medicaid program as a whole, or just on the family care program. This would take about 1 year to perform. No decision on Medicaid vs. Family Care yet. A lot of support for family care but the big question is if family care is viable. The MCO's would welcome an audit if it is done in the spirit of fairness.

**20. Meeting Review & Discussion**

Jack Sweeney & Mike Hamm were board monitors for the February board meeting.

Mike's Comments – today was a much better day than yesterday as there were numerous topics to discuss on Monday. He felt there was adequate time for those who wished to participate.

Jack's Comments – the new structure of the board and committee meetings are good and the overall format is good. New members are participating and sometimes we have to go back and go over items they may not be aware of – this is critical and we've fulfilled that obligation. We have adequate time for discussion and discussion was good today. We followed what we said we would do – yesterday was more business oriented and today was more discussion.

Additional comments from the Board:

Dee Kittleson– the change from 1 to 2 day meetings encourages more discussion.

Bob Kopisch - agreed with Dee that the 2 day schedule is beneficial.

Mike Linton & Ken Mosentine - agreed that the new format is a good format.

Mike Hamm - commented that when he attended the Provider Informational meeting and listened to the providers talk about what they thought NB is vs. what NB really is – it was eye opening and surprising that the providers who should know what we are and do, really do not.

Dave Willingham - commented that he thinks the listening sessions that we are planning will be helpful for getting the word out to providers and others, and also in person reports to our county boards.

Terri Stone & Tom Innes volunteered to be board monitors for the March, 2010 board meeting. Dave Willingham thanked the board for all of their hard work.

**21. Adjourn**

Bob Kopisch moved to adjourn the meeting at 11:20p.m.. Mike Hamm seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen