

**Minutes-DRAFT  
NorthernBridges  
Board of Directors Meeting  
April 5 & 6, 2010  
Flat Creek Inn, Hayward**

**Board Members Present:** Dave Willingham, Jeff Kieffer, Mike Hamm, Bob Kopisch, Terri Stone, Mark Novotny, Ken Mosentine, Dee Kittleson, Mike Linton, Jack Sweeney, Larry Main, Sue Zieke, Dale Schleeter, David Markert, Tom Innes, Susan Reinardy

Other: New NB staff Kelly Sunderland and Jodi Meissner, John Nousaine of North County Independent Living, Brian Ahlgren, Jeanne Joyce, Russ Lutz, Rita Mueller, Sarah Benson, Krista Love-Frels

**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 Howard Johnson and Don Quinton who were excused.

**3. Public Comment**

No public comment.

**Board Discussion and/or Actions**

**4. Approval of Minutes from March 1 & 2, 2010**

Dave Markert moved to approve the March 1 & 2, 2010 meeting minutes. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

**5. Approval of the Order of the Agenda**

Items #10, 11 & 12 were moved to first thing Tuesday morning. #13 & 14 moved to today after lunch. CEO reports will occur this morning.

**6. Executive Committee Report**

The Executive Committee met on 3.9.10 and minutes from that meeting were posted on Sharepoint on 3.16.10. All committee members were present along with John McMahon. The committee approve the minutes of the 2.17.10 EC meeting. Discussed follow up issues regarding discussion and clarification of Reward for Results program. During the CEO report this meeting John will review this with the board regarding target percentages for costs and how they are structured. Discussed the upcoming annual meeting and possible alternatives to accommodate some expected changes to the date of the annual meeting. The annual audit will be received shortly before the annual meeting and the appointment of county directors to the NB board. Reviewed the Bardish Group Work Plan from Don Percy and this will be reviewed by the board today. Previewed the Draft CEO Interpretations of Financial Management. FMPMC & COIPMC meet this afternoon and we will incorporate their reports into agenda items #10, 11 & 12 at the meeting tomorrow morning. The committee approved the April board meeting agenda. CEO McMahon reported receipt of the retainer agreement for district counsel. Discussed the new format for the member demographics report. Chair Willingham distributed the draft from Don Percy of Procedural Guideline 1-2<sup>nd</sup> Edition and the Outside Activities Disclosure Form for review and he participated in conference calls with John McMahon & Don Percy and email exchanges with legal counsel Andy Phillips.

**7. Set Terms for At-Large Directorships**

The board had a lottery for the At-Large Directorship terms. Sue will serve a 4 year term and Howard will serve a 3 year term.

Bob Kopisch noted that since the two new directors started four months ahead of the normal term cycle, it may be necessary to adjust the actual term length to less than four and less than three years respectively. It was agreed that the matter of the ending dates for the new directors would be discussed with the policy consultant and, if necessary, the District Counsel, and be discussed further during the Tuesday morning session of the board meeting.

In the discussion that continued on April 6, it was suggested that the minutes reflect the term lengths by stating that Sue Reinardy was appointed to a term ending on May 31, 2013 and Howard Johnson was appointed to a term ending May 31, 2012. That would accommodate the new directors' "early starts" and therefore, would not exceed, in Director Reinardy's case, the bylaws limitation of a four year term, and makes proportional adjustments in both the at-large directors' initial terms.

Hearing no objections, the determination that the initial term for Sue Reinardy will end on May 31, 2013 and the initial term for Howard Johnson will end on May 31, 2012 was approved by unanimous consent.

Jack Sweeney arrived at 9:27 a.m..

**8. Approval of Legal Services Retainer Agreement**

Jack Sweeney recommended that the retainer state that if the firm ever becomes a recipient of disciplinary action from the Bar Association that the attorney must notify NorthernBridges. Section III. A. of the retainer does refer to Rules of Professional Conduct.

Bob Kopisch moved to table the motion to approve the retainer until tomorrow after speaking to legal counsel Andy Phillips this afternoon. David Markert seconded. Motion was carried by voice vote without negative vote.

Tuesday, 4.6.10 at 12:25 p.m. – Bob Kopisch moved to take the retainer agreement off the table. Dave Markert seconded. Motion was carried by voice vote without negative vote.

CEO McMahon contacted Legal counsel Andy Phillips who agreed to add language to the retainer agreement regarding: disciplinary action, clarifying the Rules of Professional Conduct pertains to Supreme Court Rules, Chapter 20, Governing Attorney Conduct, and having the retainer agreement reviewed at the annual meeting starting in June 2011.

Dave Markert moved to approve the retainer agreement effective through May 31, 2011 and to include the 3 amendments that legal counsel has agreed to and for the retainer agreement to be reviewed at the annual meeting in 2011. Dale Schleeter seconded. Motion was carried by voice vote without negative vote.

**9. Annual Meeting & Report**

John McMahon stated that the annual report will not be ready by May as the audit won't be presented until next month's board meeting.

Ken Mosentine moved to move the 2010 annual meeting date from May to June and revise the bylaws going forward. David Markert seconded. Motion was carried by voice vote without negative vote.

## CEO Reports

- **Financial Statement Report**

Brian Ahlgren reviewed the 2.28.10 financial statements. Lowest PMPM we've had for member costs to date and this reflects the month of February having only 28 days. We are still working with DHS about our June non-payment of capitation and will not be contributing to the Restricted Reserve or Solvency Fund until July. We will have a cash flow issue by June 1<sup>st</sup> if we don't receive our June capitation payment. Brian also reviewed the Consolidated and Regional Hub P&L's. Brian will add year to date information on the Consolidated and Regional Hub P&L's.

- **Solvency Fund Deposit Report**

Brian distributed an update on the Solvency Fund. Office Of The Commissioner of Insurance now has control over these funds and they are held at a US Bank in Milwaukee, but we still decide which funds we invest in. We're required to deposit \$750,000 into the account and we've submitted a plan to the state to achieve the required balance. We'll begin making these deposits in August and possibly July depending on how the cash flow looks.

Mark Novotny arrived at 10:34.

- **Care Under Management Initiative**

Russ Lutz distributed an updated report reviewing March 2010 Authorizations vs. December 2009 Actual Service Costs. NB has been through all member care plans service line by service line and using the RAD & Personal Care Screening Tool to be sure we are being the most cost effective. We are looking at Long Term Functional Screens, acuity and costs to determine where we can be more cost effective.

- **Provider Network Report**

Rita Mueller, Sarah Benson & Krista Love-Frels of the Provider Network department attended the meeting . Sarah updated that new NB contracts went into effect 4.1.10. Other than some slight minor changes, the content of the contracts are the same as 2009. As a result of the re-issuance, we've had 2 providers who will not be renewing and are working with 3 other major providers on some requested contract changes.

Sarah & Krista discussed the Preferred Provider Program. We need to realize some cost savings in 2010 and are offering the Preferred Provider Program and this does not take away member choice. All providers received a letter from NB asking them to submit their best price. NB identified 9 Preferred Providers of which some can service our entire region and some just specific counties. Care Managers and the Member ultimately make the choice of provider. Our letter did request their best price while still being able to sustain their business and did not ask for providers to cut their prices. We received approximately 60 proposals. We'll be tracking integrity issues and critical incident reports to look for the best quality. We may expand the Preferred Provider Program in the future.

## **10. The Bardish Group Work Plan & Budget**

The board reviewed The Bardish Group Work Plan & Budget. Don Percy will continue to participate in the COIPMC but his work is done with the other committees. Don will continue his work with the Board Education Seminar series, policy governance, and annual review of the board processes. Don is always open to suggestions for Board Education Seminars.

## **11. Appointment of Consumer Director Vetting Committee**

There is one consumer director term which is expiring in June. Don Percy & Dave Willingham will be working on the process of advertising and recruiting. Dave has asked Jack Sweeney if he would chair the vetting committee and other members of the committee will be Dale Schleeter, Mark Novotny, Ken Mosentine and Mike Hamm.

Dave Markert moved to approve the committee as appointed. Mike Linton seconded. Motion was carried by voice vote without negative vote.

### **CEO Reports (Continued)**

- **Capitation/Budgeting Principles/Pilot Counties**

State benchmarks for service costs should be around 81.5% of cap revenue, care management 12%–14%, and administration at 5.75%. Financial comparison spreadsheet shows pilot counties PMPM 3<sup>rd</sup> Qtr. 2009 actual costs and NB 2009 actual and 2010 budget. This is the level of service costs that NB is expected to get to in 3 years. John discussed 2010 compensation and the misconception that if we reduce member services we have more dollars for administrative or other costs. DHS is re-evaluating core Family Care Program assumptions relative to MCO's becoming financially solvent in 3 years.

Meeting was recessed at 2:52 p.m. to allow for the FMPMC & COIPMC meetings.

## **APRIL 6, 2010 CONTINUATION OF THE BOARD MEETING**

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

All members present with the exception of Howard Johnson & Don Quinton who were excused.

### **12. Draft CEO Interpretations of Financial Management Monitoring Policies**

The board had a discussion on the Draft CEO Interpretations of Financial Management Monitoring Policies and provided input for suggested changes.

Dave Markert moved to approve the draft document as edited with review of the final draft at the May board meeting. Larry Main seconded. Motion was carried by voice vote without negative vote.

FMPMC is waiting for the audit results and the committee will meet again before the May board meeting to review the audit and the Management Discussion & Analysis (MD&A) report. MD&A report is addressed to the board about things the board should be alerted to as part of their due diligence.

### **13. Draft #4 Procedural Guideline PG.1 2<sup>nd</sup> Edition –Conflict of Interest for Covered Persons**

The board has seen a couple of drafts of this and the COIPMC changes are reflected in this current version. Changes are the Family Member definition under C. Terminology. PG.1 is now ready for full board consideration.

Mike Hamm moved to approve Procedural Guideline 1 (2<sup>nd</sup> Edition)-Conflict of Interest for Covered Persons and the Outside Activities Disclosure Form. Tom Innes seconded. Motion was carried by voice vote without negative vote.

After moving to approve the PG.1 the question was brought up regarding Wisconsin's new "domestic partners" law and if whether and where this category of relationship should be included in the PG.1 document. Don Percy will check with District Counsel on the scope of that law and also on a related question raised by directors on whether the presence of non-relative residents within a director's household should be reported on the Disclosure Form. Don will also check with legal counsel regarding F.2. to verify that we should remove "or termination of employee's employment" phrase since employees other than the CEO are not included under PG.1, and correct the phrase "removal of a director from the board or a committee".

### **14. Outside Activities Disclosure Form**

The board reviewed the Outside Activities Disclosure Form. Motion to approve was made with motion to approve PG.1 (above).

## **CEO Reports (Continued)**

- **Enterprise System Report**

Jason Kohl explained the update to our Enterprise system. Care Management module piece was built specifically for NB and Family Care. As we learn about how work flows we are constantly looking to tweak the system. We are trying to make things more efficient and support the process of how Care Managers do their work every day. Through MetaStar third-party quality reviews and NorthernBridges own Quality Management program we're able to improve work flow so Care Managers can spend more time with their members and less on time on ES. There is a major release usually once a year with changes in the Enterprise System. Mike Hamm inquired about the member and member's family having access to ES which Vestica initially stated could be done. Question now is the cost effectiveness of creating that kind of access and also will the member use it. Could this be addressed in a Member Satisfaction Survey? John McMahon will follow up with Vestica. There have been some price changes in our contract with Vestica – the PMPM costs we pay for the third party services was \$26 pmpm and will now be reduced to \$16.90 pmpm. Another piece that is part of the TPA rate is customer service support and we've been discussing reducing that cost. We've been able to do this partly because Vestica and WPS were selected by the state as preferred providers and that's helped reduce our costs. Vestica does have a provider portal where providers can submit claims electronically and they'll be reaching out to providers to utilize this. We are planning an informal survey with providers to see how they feel things are going. Claim payments have become a non-issue for NB since the providers have started submitting clean claims and Vestica has worked with them on rejected claims.

- **Staffing Update**

The board reviewed the most recent staffing update as of 3.31.10. 1,791 members served by 129 employees. The new Care Management Resource Center will include a Care Management Supervisor, RNCM, SSCM & IT staff and will focus on the practice of care management. This group will be assigned to train new Care Managers and provide on-going practice development support to Care Managers.

- **Membership**

Charts show member count by hub, age bracket, target group, gender and enrollment and disenrollment from start up through current.

- **Integrated Employment Grant**

We've received the grant and need to identify members who want to work, train staff on what integrated employment is, identify the resources and develop plans for ½ of those and a coordinating committee to oversee the grant. We are looking to hire a specific person to coordinate and manage the grant objectives – a specialist for integrated employment. Department for Vocation and Rehabilitation will be partnering with us on this.

- **2010 Performance Expectations – 1<sup>st</sup> Quarter**

Deferred to May Board meeting.

## **15. May Annual Meeting Agenda (now June Annual Meeting Agenda)**

- Audit Report
- Receiving of newly appointed County Representatives to the Board of Directors
- Appointment of newly appointed consumer representative(s) to the Board of Directors
- Designation of Legal Counsel to the Board of Directors
- Annual Report
- Committee Appointments
- Election of Officers
- Adoption of Updated Edition of Board Policy Book
- Adoption of Updated Bylaws

**16. May Board Meeting Agenda**

Request from board to have follow up on ES member portal and member handbook.

**17. Public Comments**

None.

**18. Correspondence**

None.

**19. Meeting Review & Discussion**

Mike Linton monitored in Don Quinton's absence. Mike felt the meeting was satisfactory and professional and as times goes on the board is more comfortable with one another and speaking their opinions. Mark Novotny thought it went real well and commented that some board members contribute more than others.

Monitors for May Board meeting are Tom Innes and Sue Reinardy.

**20. Adjourn**

Mike Linton moved to adjourn the meeting at 12:40 a.m.. Larry Main seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen