

**Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
June 6 & 7, 2011
Flat Creek Inn, Hayward**

Board Members Present: Dave Willingham, Ken Mosentine, Bob Kopisch, Tom Innes, Susan Reinardy, Dale Schleeter, Mike Linton, Mike Hamm, David Markert, Jack Sweeney, Steve Sather, Joe Wolf, Beth Meyers

Others in Attendance: NorthernBridges new staff Rebecca Laren and Jennifer Armstrong, Janell Sacharski, and Dennis Liphart of Center for Independent Living.

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:03 a.m.

2. Roll Call

All members present with the exception of Terri Stone, Howard Johnson, Dee Kittleson and Larry Main who were absent and excused.

3. Public Comment

None.

4. Approval of Minutes from May 2 & 3, 2011

Tom Innes moved to approve the May 2 & 3, 2011 Board meeting minutes. Mike Linton seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda approved.

6. Board will consider a motion to convene in closed session pursuant to Wis. Stat. 19.85(1)(c) for the purpose of “considering specific personnel matters,” to wit: consideration of report of Consumer Director Vetting Committee.

Dave Markert moved to convene in closed session. Tom Innes seconded. Motion was carried by voice vote without negative vote.

7. Motion to return to open session and act on any closed session items

Mike Linton moved to return to open session. Beth Meyers seconded. Motion was carried by voice vote without negative vote.

8. Designation & Seating of Consumer Appointees to Board of Directors

Dave Markert moved to accept the findings and recommendations of the Consumer Director Vetting Committee to re-appoint Terri Stone for a 4 year term as Consumer Director and Jane Corty to serve out the remainder of the 1 year Consumer Director term previously vacated. Tom Innes seconded. Motion was carried by voice vote without negative vote.

The Consumer Director Vetting Committee and the Board thanked Board Consultant Don Percy and Executive Administrative Assistant Colleen Dressen for their hard work in preparation for the Consumer Director Vetting Committee meetings and interviews.

9. Executive Committee Report

The Executive Committee met on 5.3.11 prior to the May Board meeting and this meeting consisted of a closed session to review the CEO Compensation and Employment Agreement. They also met on 5.23.11 and Consultant Don Percy and Board member Mike Hamm attended the meeting. They approved the minutes from the 4.21.11 and 5.3.11 EC meetings, discussed the resolution on today's agenda better clarifying the name change issue previously discussed at the last board meeting but which was set aside to clarify issues from Legal Counsel Andy Phillips. FMPMC Chair Bob Kopisch reported on the MD&A for the 2010 audit and these documents are part of today's meeting. Bob stated that the Management response was good and the MD&A had some grammatical changes and also the terminology in how we referred to our participants was changed. The FMPMC received a copy of the MD&A earlier. The EC was joined by Board Consultant Don Percy who updated them on the upcoming Consumer Director Vetting Committee meeting and interviews being held that afternoon. They discussed the EC Assessment Report and there were some additional assessments that were not included in the initial report and this has been put together into one document. The responses from the EC on the Assessment Report will be a discussion at the June midmonth EC meeting. The committee reviewed four CEO Policy Compliance Monitoring Reports and asked CEO McMahon to add additional supportive documents to II.B.16. 1 and this will be reviewed at the June midmonth EC meeting. They deferred review of the May board meeting due to time constraints and reviewed the June Annual meeting agenda. The committee conducted a closed session to discuss the CEO Compensation Track I & Track II and there will be a closed session of the board today to discuss the findings of the EC on the CEO Compensation Agreement.

10. 2nd Reading – Draft Bylaws Amendment for Section 2.03 - Terms

The board conducted a 2nd reading of the Draft Bylaws Amendment for Section 2.03 – Terms, which addresses what happens when a county board appointee is not appointed in time upon expiration of their term. Bob Kopisch moved to accept the Bylaws Amendment for Section 2.03 – Terms. Beth Meyers seconded. Motion was carried by voice vote without negative vote.

11. Findings of the Executive Committee & Approval of CEO Policy Compliance Monitoring Reports

The Board reviewed the EC's findings of the following 3 CEO Policy Compliance Monitoring Reports.

- **II. B. 3 Treatment of Employees**
Dale Schleeter moved to accept II.B.3 Treatment of Employees. Mike Linton seconded. Motion was carried by voice vote without negative vote.
- **II.B.16.2 Human Resources**
Tom Innes moved to accept II.B.16.2 Human Resources. Steve Sather seconded. Motion was carried by voice vote without negative vote.
- **II.B.5 Compensation & Benefits**
Ken Mosentine moved to accept II.B.5 Compensation & Benefits. Beth Meyers seconded. Motion was carried by voice vote without negative vote.

12. Approval of Amendment to Board Resolution #2011-1 Official Name of NorthernBridges

CEO McMahon reviewed the original and new resolutions. The questions came about when we were working with our new bank and they were confused as to what name in which to set up the account. This resolution confirms that NWLTC and NorthernBridges are one and the same entity. CEO McMahon will ask legal counsel Andy Phillips to provide us with a legal opinion regarding the official name.

Dave Markert moved to approve the Amendment to Board Resolution #2011-1 Official Name of NorthernBridges. Joe Wolf seconded. Motion was carried by voice vote without negative vote.

13. CEO Report

- **1st Quarter Financial Statement**

CFO Jason Kohl reviewed the 1st Quarter Financial Statement (January through March, 2011) and gave a report on the four months ending April 30, 2011. Jason has updated the reports to be consistent with what is given to DHS.

Income Statement:

Revenue: (Reduction)/Increase:

- 48 enrollments and 31 disenrollment's in April
- 66 enrollments and 32 disenrollment's in May
- 27 enrollments and 1 disenrollment to date – June
- Received partial months payment of 56 members - \$87k
- Cost Share Revenue – 280 members in the amount of \$84k
- Non-NH Level of Care Capitation – 51 members - \$36k
- 67 fewer members than budgeted – (\$202k)
- 2011 Retro Acuity Adjustment accrued - \$1.37M
- April 2011 Profit (Loss) - \$20,327
- 2011 Profit (Loss) - \$615k

Operating Expenses:

- 2010 IBNR - \$938k
- 2011 IBNR - \$6.78M
- April service costs estimated at \$5.23M
- 2009 service expenses paid through April of \$34.6k
- 2010 service expenses paid through April of \$5.94M
- 2011 service expenses paid through April of \$14.21M
- Fewer CM FTEs than budgeted in April

- **2010 Financial Overview & Audit**

The 2010 Audit and Financial Overview were distributed to the Board.

- **OCI Update**

CEO McMahon, COO Mueller and CFO Kohl had a conversation with Office of the Commissioner of Insurance last week and asked them if they had any concerns regarding our financial situation and also about our six month permit to operate and they are meeting with DHS. Their intent is to issue us a six month permit for the remainder of 2011. They have no concerns and saw no reason to not issue us the permit. We will have monthly conversations with OCI to stay in touch.

- **Division of Long Term Care Leadership Meeting**

CEO McMahon met with Pris Boroniec, the new Administrator and Beth Wroblewski , new Deputy Administrator a few weeks ago in Madison. John met with them to develop an initial relationship and give them the history and financial experience of NorthernBridges, our risk sharing agreement, deficits, solvency requirement and also provided them with data in terms of the member service costs we've had since the beginning up to now. They also talked about the increase in residential placements. John wanted to share our background and challenges, and our efforts to become financially solvent. They discussed the effects of IRIS on NB in terms of lack of enrollments and disenrollments. John stated it was a positive meeting. He was not trying to make it an issue of a lack of funding, but that we've been challenged due to our high capitation rate and our high percentage (19%) of outliers. Outliers are any members whose monthly costs exceed \$4,500. The average for an MCO is approximately 16%. The APS Healthcare findings show that when the acuity goes up, the capitation rate doesn't support the cost of those outliers and that the time it takes to actually achieve financial solvency is more like 5 years vs. 3 years. The group talked about Self

Directed Supports and about increasing the number of Self Directed Supports. John will continue to maintain this relationship moving forward.

14. Approximately 2:00 pm. Board will consider a motion to convene in closed session pursuant to Wis. Stat. Sec. 19.85(1)(c) for the purpose of “considering specific personnel matters,” to wit: Executive Committee Assessment Report on CEO Policy Compliance, Employment Agreement and Compensation

Tom Innes Moved to convene into closed session. Dave Markert Seconded. Motion was carried by voice vote without negative vote.

15. Motion to return to open session and act on any closed session items

Beth Meyers moved to return to open session. Dale Schleeter seconded.

Ken Mosentine moved to modify the CEO Employment Agreement for the next year to increase the base salary to \$150,000, to remove the interim assessment language and to forward to Legal Counsel Andy Phillips for updating with an effective date of June 1, 2011. Joe Wolf seconded. Motion was carried by voice vote without negative vote.

Meeting was recessed at 3:36 p.m. to allow for the Quality Management Policy Monitoring Committee meeting.

June 7, 2011 CONTINUATION OF THE BOARD MEETING

Chair Dave Willingham called the 2nd day of the meeting to order at 9:28 a.m.

All members present with the exception of Howard Johnson and Larry Main who were absent and excused.

CEO Report (Continued)

• **Budget Repair Bill & Budget Bill Update**

The Legislative Fiscal Bureau Report was posted on the Board of Directors page in Sharepoint. The Joint Finance Committee adopted the governor’s budget proposal to cap enrollment and that would be by ADRC region. Nursing Home relocations will continue to be allowed and not be counted against the cap. Enrollment will be only through attrition. The Joint Finance Committee allocated \$12.6M to fund 400 crisis slots for Family Care services to people on the wait list who are in urgent need of services. We were at 1,999 members as of 6.3.11. There was discussion on some of the scenarios of how the cap on enrollment will affect NorthernBridges.

• **2011 Performance Expectations**

CEO McMahon will have 2011 Performance Expectations information for the Board at the next Board meeting, but wanted to have a more informal conversation with the Board and asked them for any specific questions they may have about NB’s performance.

Mike Hamm inquired that with so many different hubs, how are we ensuring that we work consistently when dealing with members. John stated that we just recently re-designed the Service Authorization and Notice of Action processes with a new Operational Guideline on how to do an Authorization for Service and instructions for meeting the timelines for Notice of Actions. These include re-defined forms, definition of terms and a flowchart. We have also just trained all of the Care Managers on outcomes and have established competencies for how outcomes are done. All Care Managers will be tested and must receive a score of 80% or better. Additional training will be provided as needed. We have workgroups around enrollment, disenrollment and loss of eligibility to gain better consistency. The last few weeks we have been reviewing our physical organizational structure with regard to hubs and headquarters and asking ourselves if this is the best structure to support our business. It is challenging to get consistency with being as physically spread out as we are. We have conducted three Care Management Resource Center Boot Camps to date

and are bringing staff back throughout the Boot Camp cycle for questions and answers. The hub teams are given per-member per-month member services costs. Care Management Supervisors are doing pre & post reviews of member service plans.

Dale Schleeter commented that his daughter had just transitioned from one hub to another and it was pretty much seamless, and while she hasn't been with the new hub for very long, he sees no difference with her care and does see a lot of consistency.

Jack Sweeney asked with the broad spectrum of culture, are we able to determine what the culture is and specifically, do all employees take personal responsibility for their decisions – do they tie into that culture – are we results oriented or goal oriented? CEO McMahon stated there seems to be a high amount of alignments with staff's perception of themselves and other NB staff with the NB Mission Vision and Values. One of the things we look at in our Pay for Performance System is how does one get from the evaluation of "meeting expectations" to "exceeding expectations", and how do we quantify that? John would like to commit ourselves to being member centered and involve the Board in reviewing the Mission Vision and Values. This is imperative to our organization.

At this point in the meeting, Consumer Directors Terri Stone and Jane Corty joined the meeting and were seated. New Consumer Director Jane Corty introduced herself to the Board and the Board responded in kind.

Ken Mosentine asked about the timeliness of authorizations and if John could put a finger on what he thought might be the problem – did people fall back to their old culture? John stated that less than 50% of the original county staff have remained with NB. He feels the old culture vs. new culture is not a dynamic. Family Care is extremely documentation heavy and a new way of doing things. He believes the vast majority of employees are highly committed to the work and want to do a good job. Heavy case loads have been an issue. Boot Camp has helped with the training issues. Part of employee retention is having an employee who feels competent about what they're doing – "knowledge workers" is a definition he has read – they use their brains for understanding information and applying it. The essence of the article John read regarding knowledge workers is that it takes at least 3 to 4 years for that classification of employee to become competent as technology and business constantly changes. It takes time to get good at what you're doing and many of our staff have been employed with NB for under two years.

Dave Willingham wondered where we would have been if we had not had the experience of some of the county staff hired at NB.

Joe Wolf said it would be nice to know, of the three NB target groups, how many of these are serviced out of the Park Falls hub. Secondly, he would like to find out if it might be appropriate to attend one of the Park Falls hub staff meetings. John said he would get Joe the most recent membership update and can coordinate for Joe to attend a Park Falls staff meeting.

Jack Sweeney talked about how hiring is an art and a science and asked if NorthernBridges implements any type of tests. John replied that we do not, but he was just talking with the HR Manager Janelle Gruetzmacher about reviewing our current hiring process with regard to recruitment and hiring. How do we select the best staff as there are certain tests that can be given. What tools are available that would help us select the kind of individual we are looking for. We need to better train the individuals that do the interviewing and selection of new staff. We need to train our employees how to do a good interview and make a good decision.

Terri Stone inquired if we know how many employees have personal experience (from a family perspective) with individuals with disabilities. We do have a number of staff, but do not know the exact percentage. We

have an orientation that John facilitates with HR Manager Janelle Gruetzmacher for new employees. This is a four hour training around the Mission Vision and Values of NB. In the course of that day the employees are asked why they came to NB and why they wanted to work for us. We hear lots of stories about their own personal connections such as caring for family members with disabilities.

Mike Hamm asked for an update on our business information system Enterprise and the research we are doing on the Midas system. John informed the Board that we have made two field visits to review the system and have made a list of pros and cons. Our next step is to send staff to Southwest Family Care who uses the system to talk with staff who actually use it. Midas is 40% cheaper. We have just re-negotiated with Vestica to reduce our costs from \$26pmpm to \$15pmpm for the ES system. We are still vetting the process. John has talked with the CEO of Vestica and he has re-committed to supporting us better. There are no systems specifically made for family care. All of the MCOs have created their own in-house information system.

Jack Sweeney inquired about the day to day management of the hubs. John McMahon answered that each hub has at least one Care Management Supervisor and they are onsite every day. Their primary role is to assist the Care Managers, along with the Administrative Assistants and Care Specialists. There are also three Regional Managers who oversee two to three hubs each and they are responsible for the day to day management of their hubs. Dave Markert commented that he worked for an HMO in the cities and the organization was mature and not new like NB, but feels that this structure is doable and it can be developed.

Mike Hamm asked what the Executive Committee or John are doing to give some information back to the county regarding the enrollment cap. We need to give something to the counties to let them know we're still working with them. Dave Willingham stated this is a priority of the Strategic Leadership Workgroup and this will be part of the scenario planning for that.

Dave Willingham said there are a lot of initiatives coming from administration that don't necessarily address crisis situations and this is healthy to always be looking at how we do things and if there are ways we can do things better and be open to something new.

16. Election of At Large Executive Committee Members

Chair Willingham read the Executive Committee composition from the Bylaws which states that at least one member of the EC will be a Consumer Director representative. Dave recommended that the existing at large members, Terri Stone, Consumer Director and Bob Kopisch, Price County representative stay on the committee. The Executive Committee is a three year term. Chair Willingham opened the floor for comments.

Mike Linton moved to re-appoint Terri Stone and Bob Kopisch for a three year term to the Executive Committee. Jack Sweeney seconded. Motion was carried by voice vote without negative vote.

Chair Willingham reminded that Board that we need to review the rest of the committee charters for expiring terms and we will notify board members of opportunities for the committees to include filling the current vacancies. We will also look at possibly combining the QMPMC & MRPMC committees and will have further discussion on that.

17. SLWG Topic Priority Questionnaire

Strategic Leadership Workgroup Chair Sue Reinardy led the board through the questionnaire and asked them if there were any questions on the topics, and if there were any other items that came to mind that should be added to the list. Sue combined some topics to keep the questionnaire brief and there are "parking lot" issues that are items either being done by management or items that she feels should be addressed in the Board Education Series. Terri Stone & Bob Kopisch commented that they see many of the items as management responsibility. Sue stated that is one thing the group has been struggling with and it seems like we're treading

very close if not over what are management issues. Sue suggested to rate a -0- to these items. There may be items in the “parking lot” that you want to bring up and the workgroup does not want to get too far ahead of the full board. Dave Willingham stated the SLWG would take the first crack at it and eliminate the more obvious simple issues as it’s easier for a small group to do that kind of planning and bring back to the full board.

John stated that he was not real clear yet as to the role of the board with regards to strategic planning and the future of the organization. He feels there would be benefit to have a board discussion on what everyone feels is important to NB in the next year or two. John feels there should be a role for the board in helping to prepare NB for the future. Sue feels it was good to attempt to get the main topics listed in writing and try to make them understandable and then decide what’s important and work with management on dealing with them. Sue suggested a one hour brainstorming session and does not see the SLWG being a long term workgroup. Bob Kopisch commented that there are merits to having the full board involved in the discussions vs. a small group and we should allow time for discussing the issues that John brings forth. John wants the board to be informed and be supportive and on the same page in terms of where we’re headed. He sees both operational and strategic topics on the questionnaire. Having the weight of the board behind some decisions is very valuable and also as we review the Mission Vision and Values.

Terri Stone agreed it would be helpful to have a full board discussion on what each board member thinks is the next step for the future. Dee Kittleson commented that she’s feeling like we’re in survival mode and need to continue to give John good direction. John asked how we can anticipate change and this is a great opportunity to do more future planning. Dale Schleeter commented that two things are happening - the board’s future activities to help John and the organization in the future, and the SLWG – which was never intended to take over any part of that and was formed to keep up with and brainstorm possible reactions/scenarios to the budget repair bill. He feels we just need to know that we can activate the SLWG for a particular purpose and it’s a separate tool that we have but does not take the place of the long term planning. Mike Hamm disagreed and feels the group got sidetracked because of the budget bill. Dave Markert and Bob Kopisch believe the SLWG should start the discussion, bring back to the full board for further discussion and direction, and then back to the SLWG.

John wonders if we pilot something such as the issue of expansion which is on hold for 2 years and this gives us the opportunity to make a game plan. What if NB were to partner with other organizations and talk about how we are going to collectively support the wait list? Beth Meyers commented that anything we can do in the communities to help build relationships will always help. John thinks about the board doing some scenario planning about creating some liaisons around supporting the wait list people. Terri Stone feels that if NB could somehow provide more information for possible resources for the wait list members that would be huge. Dave Willingham suggested we could bring in some ADRC Benefits Specialists to see how they communicate with others in the community.

Sue Reinardy then asked the Board to complete the questionnaire and to feel free to add items not on the list and please turn in to her at the end of today’s meeting. The questionnaires will then be tabulated and the SLWG will look at them.

18. QMPMC Report

QMPMC Chair Dave Markert summarized yesterday’s meeting. All of the QMPMC documents are posted on the Board of Directors page in Sharepoint in the QMPMC Link. The committee reviewed 4 CEO Policy Compliance Monitoring Reports and completed the assessment worksheets. The findings will be brought to the full board for their approval at the July Board meeting. They reviewed the 2011 Member Satisfaction Survey Questions and plans are for the survey to be sent out in June or July and results will be tabulated at HQ and brought to the board at a future meeting. They also reviewed the 2011 1st Quarter Grievance and Appeal Log Summary. COO Rita Mueller introduced new Quality Manager Sarah Benson who has been a NB employee since 2009 and gave an update on the 2011 Quality Management Plan. There was an update on Care Management Review conducted

annually by MetaStar and a report of the Findings of Quality of MCO's. Next QMPMC meeting will be on September 6, 2011.

19. Public Comment

None.

20. Correspondence

Copy of a letter from a member's grateful mother was in the packet.

21. Meeting Review & Discussion

This month's monitors were Dave Markert and Ken Mosentine.

Ken thought we had a good discussion on productivity of NB staff. He felt the board performed professionally and followed procedures. The Annual report looks very good. Board members are willing to take an active part in discussions and he thought there were good ideas brought up during the SLWG conversation. All in all a good two days.

Dave Markert feels we do a good job of giving individual members a chance to participate. The tone and atmosphere of the meetings encourage that. Good process reviewing the CDVC process and procedures. Good innovation for board members to ask the CEO questions as part of the CEO Report and good to address the issues of NB strategic planning and respective roles of the CEO and the board and we should continue to spend time on this. It's a sign of strength on our board. Great talk on establishing liaison with other organizations to help people on the wait list.

Chair Willingham thanked the board for their support in the re-election of officers. Dave especially wanted to express his appreciation to our newest board members in asking questions and expressing their opinions. We have been rewarded in our vetting process in bringing us valuable members.

Next month monitors are Steve Sather and Dee Kittleson.

22. Determine July Board Meeting Date

We will plan for a one day meeting on Tuesday, July 5th. MRPMC is scheduled for July but looking at the minutes from the last meeting, there was no urgent business.

CEO McMahon expressed his gratitude for being able to serve NorthernBridges and thanked the board for their support. He appreciates the opportunity and looks forward to NB's future.

23. Adjourn

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

Recorder,

Colleen Dressen