

Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
February 7 & 8, 2011
Flat Creek Inn, Hayward

Board Members Present: Dave Willingham, Terri Stone, Ken Mosentine, Dee Kittleson, Bob Kopisch, Jack Sweeney, Tom Innes, Susan Reinardy, Howard Johnson, Dale Schleeter, Mike Linton, Larry Main, Mike Hamm

Others in Attendance: NB Staff, Dennis Liphart of Pathways to Independence, Board Consultant Don Percy, New NorthernBridges Staff.

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 David Markert and Sue Zieke who were excused. Don Quinton was also absent.

Jack Sweeney arrived at 9:08 a.m.

3. Public Comment

None.

4. Approval of Minutes from January 3 & 4, 2011

Howard Johnson moved to approve the January 3 & 4, 2011 Board meeting minutes. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda approved. Item #12 - Mission, Vision & Values discussion will be held during the afternoon portion of today's meeting and the FMPMC meets at 12:00 noon today, followed by the Strategic Leadership Workgroup's first meeting at 3:00 today.

6. Executive Committee Report

The Executive Committee met on 1.24.11 and minutes from that meeting were posted on Sharepoint on 2.1.11. The committee approved the minutes from the 12.20.11 EC meeting and reviewed the January board meeting which included discussion on the new Strategic Leadership Workgroup (SLWG) that is being formed. John McMahon is putting together a schedule for the remaining Compliance Monitoring Reports for this year. Also a discussion that we are going to consolidate some of the 52 policies into a smaller number - hopefully in the 30's range. Some CMR's have overlap with committees, especially QMPMC & MRPMC. Talked about the Mission Vision & Values discussion and noted that it would be helpful and appropriate to have this today instead of Tuesday in the case of any board members not able to make the 2nd day of the meeting on Tuesday. Discussed canceling the EC noon meeting today due to insufficient business to discuss, so the FMPMC will be at noon today. Board Consultant Don Percy joined by phone and discussed the process to be used by SLWG. SLWG was appointed by Chair Willingham and Sue Reinardy will Chair the workgroup with members Dale Schleeter, Terri Stone, Jack Sweeney and Howard Johnson. Don Percy reviewed the documents surrounding the process of developing the SLWG. Chair Willingham commented that he is looking forward to the SLWG meetings. Also had a conversation regarding the Consumer Director recruitment process and the vetting committee is ready to go. We have 7 candidates that have responded with complete application packets and references. We should be having the vetting process completed and ready to introduce the 2 new Consumer Directors to the board at the April meeting. As part of that conversation we discussed the upcoming Consumer Director term that expires at

the end of May and are still working on a process to screen and vet candidates for this other appointment. Terri Stone has asked to recuse herself from being a member of the vetting committee due to her term being the one that expires at the end of May. The committee noted the addition of the EC charter to the bylaws and there will be a first reading of that at today's meeting. The EC assessment process which has been postponed will still be on the EC agenda and we will get the process going for the assessment to be completed before the annual meeting. Also have the full board assessment to be conducted and that will most likely be a 2nd quarter project. Discussed Family Care Expansion and this will be one of the items the SLWG will be looking at. Discussed opportunity for the board to make contact with some of our new legislators and hope to do this in spring. Set a meeting date for the February EC meeting for 2.25.11. Chair Willingham & CEO McMahon have continued the visits to the hubs and have 1 hub left to visit.

7. Strategic Leadership Workgroup Formation & Appointments

Chair Willingham asked the board to confirm the appointments of Sue Reinardy, Dale Schleeter, Terri Stone, Jack Sweeney & Howard Johnson to the SLWG.

Mike Linton moved to confirm the appointments of Sue Reinardy, Dale Schleeter, Terri Stone, Jack Sweeney & Howard Johnson to the SLWG. Tom Innes seconded. Motion was carried by voice vote without negative vote.

8. Vilas County Commission on Aging Letter Regarding Family Care Expansion

CEO McMahon discussed the letter received from Vilas County Commission On Aging. Five counties have created a managed care exploration committee inviting the MCO's to meet with them. John received an email that they would like the MCO's to come on 3.7.11, which will not work for NB as our March Board meeting is on that date. John followed up with DHS for their assistance to acquire some client & cost information of these counties and was told this would not occur any earlier than mid-February. John stated that there is no compelling reason to expand in these areas until the governor's budget comes out with regard to continued expansion. It's a small population and a huge geographic area. It is timely for the board to do some strategic thinking about being competitive, and how we want to expand our business. John would like to look at opportunities in this area in terms of growth. These counties have been told that they need to determine which MCO's they would like to have serve their area, and that the state will not support a new MCO in that area. Mike Hamm commented that the Board will need to have a legal opinion regarding the role of the counties who created the long term care district and any future expansion of the district. CEO McMahon replied that he has talked with Council Andy Phillips and his opinion is that the 11 counties that created this district would have to approve any expansion. Chair Willingham commented that we need to remember there may be potential members and waiting lists in that area and that we need to think about the fact that there are people needing to be served and possibly the state would make it more viable for an MCO to expand. At the same time we cannot jeopardize our abilities to serve our current members. The SLWG will be looking at this. John will let the exploration committee know that 3.7.11 will not work for us due to our March Board meeting but that we would be willing to meet with them on a date that will work.

9. Findings of the Member Relations Policy Monitoring Committee & Approval of CEO Policy Compliance Monitoring Reports:

Ken Mosentine chaired the January MRPMC meeting in Mike Hamm's absence. The committee reviewed the 4 Compliance Monitoring Reports and completed the assessment worksheets for each.

• **B.9.1 Provide Members With Choice**

Chair Willingham asked the board if anyone had reason to question the sufficiency of the report and there were no comments. Tom Innes moved to approve B.9.1 Provide Members With Choice. Dale Schleeter seconded. Motion was carried by voice vote without negative vote.

- **B.9.2 Individual Member Care Plans**

Chair Willingham asked the board if anyone had reason to question the sufficiency of the report and there were no comments. Ken Mosentine moved to approve B.9.2 Individual Member Care Plans. Larry Main Seconded. Motion was carried by voice vote without negative vote.

- **B.9.3 Achieve Member Outcomes at the Best Possible Cost**

Chair Willingham asked the board if anyone had reason to question the sufficiency of the report and there were no comments. Ken Mosentine moved to approve B.9.3 Achieve Member Outcomes at the Best Possible Cost. Larry Main seconded. Motion was carried by voice vote without negative vote.

- **B.9.4 Effectively Coordinate Care**

Chair Willingham asked the board if anyone had reason to question the sufficiency of the report and there were no comments. Ken Mosentine moved to approve B.9.4 Effectively Coordinate Care. Mike Linton Seconded. Motion was carried by voice vote without negative vote.

10. Draft Bylaws Amendment for Bylaws Section 5.01: Board Executive Committee – First Consideration

Chair Willingham pointed out the proposed amendments to the current bylaws wording. Mike Hamm inquired if there was any discussion on term limits. Chair Willingham stated that there had not been but that it is appropriate to discuss. Mike Hamm recommended there be a 2 year limit on the 3-year terms as it would get fresh blood in the EC. Sue Reinardy commented that one of the things the SLWG will be discussing is how we can keep the board active and fresh and bring new blood in periodically. Bob Kopisch thinks this is a broader question than just the EC and should be applied to the other committees also.

Bob Kopisch moved to accept the document as the First Reading of the Bylaws Amendment for Section 5.01: Board Executive Committee. Mike Hamm seconded. Motion was carried by voice vote without negative vote.

11. Consumer Directorship Application & Vetting Process Update

Jack Sweeney is Chair of the Vetting Committee with members Mike Hamm, Dale Schleeter and Ken Mosentine. Chair Willingham stated that the original Consumer Director Vetting Committee included Mark Novotny who resigned from the Board, and was replaced on the Committee by Terri Stone. As Ms. Stone has recused herself from the Committee, the Chair will need to appoint another Director to the Committee. Dave Willingham updated that we have received reference information from all of the 7 applicants. Don Percy is trying to schedule phone interviews with each of their references and should have the calls completed this week. After the reference interviews are completed there will likely be a teleconference for the vetting committee to do an initial assessment of the candidates to determine if there are any to be eliminated due to qualifications or other reasons and then the interviews will be scheduled. Tentative timeline for scheduling the interviews is for the afternoon of the 2nd day of the March Board meeting on 3.8.11. Should the process result in anywhere from 5 to 7 candidates to be interviewed we may have to do the rest on Wednesday and complete the process. This would save time trying to get dates for everyone on the vetting committee to get together.

12. CEO Reports

- **Informational Report: 2011 Operational Plan**

CEO McMahon shared with the Board NB's blueprint for 2011. John engaged approximately 22 different supervisors and management staff with questions regarding where they thought NB's challenges are. One of the most common responses is that we are not as good at executing our plans as we should be. Some plans worked out well and some did not. We need to be realistic about what we can achieve in any given period of time. NB held 2 full day meetings with supervisors and managers to talk about what was critical and essential to our survival and where our priorities should be set. This Operational Plan focuses on Care Management, Provider Network, Quality, the NB Values and our IT infrastructure. There is a lead person and timeline for each OP activity. We have developed outcomes and outputs for measuring each activity. COO Rita Mueller is on point for managing the Operational Plan and will do a

monthly report that will be shared internally and with DHS. We also have individual department goals in addition to the Operational Plan. CEO McMahon went through and summarized each activity of the Operational Plan with the Board.

- **Financial Statement Report**

CFO Jason Kohl reviewed the 12.31.10 financial statements.

Income Statement:

Revenue: (Reduction/Increase):

- 37 enrollments and 36 disenrollments in December
- Received partial months payment for 60 members-(\$96k)
- Cost share revenue of \$64k
- Received non-NH Level of Care Capitation for 54 members - \$35k
- 76 fewer members than budgeted – (\$189k)

Operating Expenses:

- December IBNR - \$5.379M
- 2009 Service expenses paid in December of \$5k
- Total 2009 service expenses paid in 2010 - \$8.454M

2010 Adjustments in December:

- 2010 Acuity Adjustment for 3rd Q - \$604,392
- 2010 Acuity Adjustment for 4th Q - \$497,290

13. Mission, Vision, Values Discussion

Board Consultant Don Percy commented that within the policy governance model there is a board mission and vision. John McMahon & Don talked and agreed they would get the Mission, Vision and Values in front of the board during meetings. We need to rediscover at the board level the mission, vision & values. Chair Willingham commented that he understood the purpose of today's discussion was to follow up on a discussion that occurred at an earlier Board meeting wherein Terri Stone very aptly and appropriately noted that we sometimes sound like we discuss dollars and cents too often and need to be drawn back to the MVV. Dave Willingham stated he would like to see John explain to the board how the values are providing the culture to the organization. Consultant Percy stated that when you get to a point in a meeting or discussion and cannot make a decision, the MVV can be the breaker – it brings you back to your core and you ask yourself how it relates to the issue.

CEO McMahon asked the board what they wanted to know. Chair Willingham asked John if he saw a need to change anything in the current NB MVV, and if so, why? McMahon stated there was only one thing and that would be the Mission – just a single word in the statement. We don't provide people's best life possible – we support it and help provide services. NB has the MVV in our recruitment and application process and also a half-day orientation on the Mission Vision and Values - "Day 3 Orientation" for all employees. During this Day 3 Orientation, staff identify what their personal values are and discuss where values come from and why they're important. We've found there's a strong alignment with their personal values and the NB values. John sees no compelling reason to change the mission or values. All staff also complete a value commitment plan where they identify 3 different behaviors wherein they will live the NB values.

Don Percy commented on the difference between Mission; a concise statement of the organization's precise purpose, and Vision: the outcome statement or future that we want to invent. Don stated that he is delighted John has incorporated the MVV into the organization on such levels within the first year. Dave Willingham observed that sometimes we think that an organization either has or does not have MVV and he does not think that's the case. Every organization has MVV and some actually thought about what it should be when creating it while others have it as a function. A vision fosters a sense of pride among the board and the people who work in the organization - a sense of self esteem and loyalty. Don would like the board to create a Vision to give their

best thoughts. It is the mirror on which our performance should be judged. The board is in the structure of the organization, not apart from it. John McMahon stated NB talks about values as being a practice. NB has started doing quarterly anonymous surveys to see where employees feel engaged or not, and what influence MVV discussion has on staff's sense of engagement. Dave Willingham then asked the board what they were thinking we were going to do in this MVV discussion and what they had planned for their participation.

Tom Innes – commented that the newer members were not involved with initial MVV discussions and until Terri Stone brought it up never really knew the meaning. He believes that NB is headed in the right direction and members are first and foremost.

Larry Main – he's not sure of where the values fit in not being involved in the initial discussion. The vision & mission are specific enough that he can understand and own them.

Bob Kopisch – stated that the newer members never really missed anything as they were presented to the board but the board has never really spent any time on it, and believes that the timeliness is right as we can address them better now than we could have early on. Bob remembers asking Terri if she thought we were deviating from the MVV and he thinks that we're on track and that the committees focus on some of these. His expectation was that we'd have a discussion on whether or not we are on track with our MVV.

Terri Stone – when she brought up the MVV at an earlier Board meeting, she was trying to put herself in the place of a consumer out in the audience who had just walked through the door. She is a deeply imbedded stakeholder with her daughter's disability and also being a board member. She does believe we are on track and has never met a group of people who have totally committed to their vision and mission as this NB board does. The board does ultimately speak one voice which is for our members. She thinks now the time is right to take a step back and take a look and as we move forward and possibly revise the MVV a little, but feels the current MVV captures where we are headed.

Mike Hamm – he is curious about the idea of the board having a different version of the MVV. He felt today's discussion would be about what we are really trying to accomplish, a re-focus to remember we were brought together with a goal to take people off wait lists and provide services to them.

Howard Johnson – we have a diverse group of people here that don't know one another and we probably all have the same values but may interpret them differently. As we have discussions, as long as things are going well, things are pretty cool, but as we start discussing the economic realities and the needs we're trying to meet we're not comfortable with each other enough to discuss some of these issues. We can have these discussions once we're comfortable with the diversity and different backgrounds of the board.

Ken Mosentine – given the task of the MVV and the responsibilities and realities of doing business, it's sometimes hard to address.

Mike Linton – agreed with Mike Hamm and doesn't really see anything wrong with the MVV, but does agree with John's comment on changing "provide" to "support" within the Mission statement.

Jack Sweeney – the conflict he has is if we met every value and still went broke, would we be successful? Who is going to be the lamplighter/whistleblower when things go wrong.

Dee Kittleson – she comes from a county that did give the best possible care. Likes the MVV the way it is.

Sue Reinardy – this is exactly what she thought the conversation would be about – the board member's feelings on what we should do with the MVV. She sees the SLWG and the MVV conversations having overlap.

Dale Schleeter – did not know what to expect during this conversation. A lot of good points have come out of the conversation. Agreed with Howard about being comfortable working together and glad there is no right or wrong. We are all the gatekeepers/overseers of how we live the MVV. He feels there is never anything wrong with giving your opinion and that's how we learn to trust each other.

Dave Willingham – heard someone suggest this is like a personal relationship and marriage is a good example. Perception is a big issue on how the employees look at the MVV and those employees who think we are living them out to the greatest degree are happy, and those employees who disagree, feel we are not living them out to the greatest degree. He stated that often times when talking to people it's common for people who are having communication problems to tend to think they are good communicators. One of the things that Dave has found wonderful about the board is the level of trust and confidence that we've developed in one another. The fact that Terri had the courage to trust the rest of the board to listen and respond is a reflection of our strength. Dave commented that one thing that's always bothered him is the conflict between administration (dollars) and the program (people). Never should we get to the point where we think that we shouldn't be involved in the MVV due to having to be involved in other operational areas. Dave always adhered to the statement " if you question someone else's motives, you forfeit your right to not have them question your motives", and as a board we don't talk about our motives. In the long run, what we have and what our mission is should be the priority. Dave has never been a part of a group where he has felt such admiration and respect for everyone in the group and considers this cohesiveness of trust and confidence a strong value.

Mike Hamm asked John McMahon what the state thinks about the MVV and does the state believe that we believe it? John stated on one hand if he looks at the criteria for the business plan there no mention of the MVV, but on the other hand, when DHS sent up a team to do a Family Care refresher training for NB staff, they wanted to know what we are feeding these people as they saw how member centered the staff was. John thinks the state recognizes it and sees the positive impact. John tells staff they have to earn the values, you can't just say them. The values are really guardrails for making decisions and choices and he sees that the board really has to work with it. We ask ourselves sometimes where we have gone in the ditch with our values as a way of course correction. Each employee completes a self assessment with Start, Stop, Continue and we get feedback on the values through this. Trying to be member centered is a day to day issue – what we're here to do and how to do it. John stated that the board has no idea how important it is for staff to know that the board talks about MVV.

Consultant Percy suggested taking some of these MVV minutes and talk to staff about them, showing them what the board has discussed.

See Item #16 for Percy's recision of his position on separate additional board-level mission-vision statements.

Meeting was recessed at 3:00 p.m. to allow for the Strategic Leadership Workgroup meeting.

February 8th, 2011 CONTINUATION OF THE BOARD MEETING

Chair Dave Willingham called the 2nd day of the meeting to order at 9:01 a.m.

All members present with the exception of Dave Markert & Sue Zieke who were excused. Don Quinton and Larry Main were also absent.

CEO Reports (continued)

- **Informational Report: Human Resources**

HR Manager Janelle Gruetzmacher summarized for the Board the HR 2010 in Review Report.

Information presented is based on 2010 data. Janelle reviewed the voluntary & involuntary

terminations, interview process and feedback from the NB R4R Performance Reviews. She talked about

the HR department in general and the systems in place. Janelle and HR Generalist Jan Eck have a calendar for the year where HR commits to visiting 2 hubs each week and they talk with all hub employees about changes or updates in benefits, HR policies, R4R and time for questions along with 1 on 1 time with employees. The NB Employee Handbook has regular reviews and updates and is located on Sharepoint along with a change log to show any changes so employees have access to it at all times. Janelle briefly discussed 2 newer HR policies, the Employee Issues & Concerns & Harassment, Violence & Threats Policies. Conversation around having a policy that pertains to embezzlement, improper use of business property, whistleblower, etc.. Janelle explained that representatives from our Employee Assistance Program have conducted safety training at all hubs and employees have a card with EAP contact information.

Janelle explained the process for exit interviews wherein when an employee gives notice HR meets with them at their office location before their termination date and discusses benefits, payout of any accruals and asks what their NB experience has been like along with asking for suggestions on how NB can improve in employee relations and also grow our business. These have been good conversations and some staff do share more information than others. HR also asks the employee should they have a need to contact NB after their employment ends to please contact HR.

Janelle discussed the NB 2010 voluntary and involuntary terminations and the reasons for both, along with the Action Plan process prior to involuntary terminations and other MCO data on terminated employment. The report also addressed flexible work schedules and planned case load reductions for 2011.

- **Informational Report: 2010 Plan of Correction Report**

CEO McMahon distributed the 2010 Performance Expectations/Plan of Correction-Final Report. The report reflects progress in support of 11.B.6 Communication & Support of the Board & 11.B.7.1 Family Care Contractual & Regulatory Compliance Management Limitations policies. Kay Krause is still in place as our Project Manager providing support to the CEO, CFO & COO. She is contracted for 40 hours per month.

- **2011 Performance Expectations**

CEO McMahon distributed a copy of the Performance Expectations received in our 2011 contract which include an Operational Work Plan, Progress & Attainment of Operations Plan Benchmarks, Report on Major Strategic Initiatives & Transition to the Department's Master Claims Processing Contract.

- **Staffing Update**

As of 1.31.11 NB employs 142 staff.

- **Membership**

Total NB members at 2.1.11 is 1,915.

14. FMPMC & Strategic Leadership Workgroup Reports

FMPMC - FMPMC Chair Bob Kopisch summarized yesterday's meeting. The committee conducted assessments on Compliance Monitoring Reports 11.B.1.1 Not Allow or Cause Spending Beyond Financial Resources and 11.B.15.1 Not Fail to Provide Information Technology Systems. The committee came to an agreement on both with some language to be added and they will be ready for approval by the full Board at the March 7th Board meeting. On CMR 11.B.1.1 question #7 asks if the current policy or interpretation requires further amendment for future use and the committee decided we do need to look at what the interpretation was as originally established and what it should be in the future as it has to do with financial benchmarks. Chair Kopisch gave a brief audit update. Bob spoke with Deb Welch of Clifton Gunderson and there was a preliminary review in December and Clifton Gunderson will be back to NB on 2.28.11 to conduct another review. We may have a

preliminary report for the March Board meeting and then decide whether the FMPMC needs to meet with regards to the audit.

SLWG - SLWG Chair Sue Reinardy summarized the inaugural SLWG meeting stating it was more organizational in nature. The committee started some brainstorming on issues such as board terms and MCO expansion. They will be creating a list and pick a few topics to do a scenario plan on and will organize that for a full board discussion. They want to provide a format that we'll use efficiently and will be meeting again at least once or twice before bringing to a full board meeting.

15. Public Comments

None.

16. Correspondence

CEO McMahon shared the Open Records Request from RFW to DHS in early January. In response the department indicated they felt they would need to provide all of the information that was requested unless the MCO communicated any objections to this. John contacted Board Council Andy Phillips and he drafted a letter of response along with sending in a redacted copy of our Business Plan. John has a meeting tomorrow with the other MCO's and DHS and this topic will most likely come up.

John also provided articles pertaining to Federal Health Care Law and Medicaid shortfalls for the State.

Chair Willingham read a note from Board Consultant Don Percy informing the board he spent much time thinking of the MVV discussion from yesterday and decided that it was valuable and called it a review, affirmation and re-dedication of the MVV and decided that the Board having a separate MVV was redundant. He is supporting that the Board and NB can work with the same set of MVV and that we should have periodic exercises such as the board did yesterday.

17. Meeting Review & Discussion

Mike Hamm & Sue Reinardy were this month's board meeting monitors.

Sue rated everything on the checklist satisfactory. She felt the HR presentation did not need to be as detailed and that the MVV discussion was very valuable, particularly having a couple of hours of unstructured time. She thinks we should do this periodically.

Mike Hamm concurred with Sue regarding the MVV discussion and felt it was important and that we stated our opinions and understanding of why we are here. Mike said he personally did ask questions of the HR presentation that really should be more for a policy monitoring committee but understood why it was done as the Board has been asking for detailed information on turnover and exit interviews. Good discussion on the operational plan.

Chair Willingham stated that the HR policies were not identified early on as one of the priority 15 and thought it was good that John gave an interim report.

Dale Schleeter inquired about the decision to change "provide" to "support" in our MVV and John will bring the question to the NB leadership staff and bring back to the board.

Mike Hamm would like to add as a March Board agenda item the monthly self monitoring and whether or not we really need to do this every month. Dave Willingham responded that he feels we should, but that we could do it better or differently.

Jack Sweeney & Dave Willingham will be next month's monitors.

18. March Board Meeting Dates & Agenda Items

March 7 & 8, 2011. QMPMC is also scheduled to meet in March.

Adjourn

Mike Linton moved to adjourn the meeting at 12:07p.m. Sue Reinardy seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen