

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

Board Members Present: Dave Willingham, Mike Hamm, Terri Stone, Ken Mosentine, Dee Kittleson, David Markert, Tom Innes, Susan Reinardy, Howard Johnson, Sue Zieke, Dale Schleeter, Mike Linton, Larry Main, Don Quinton.

Others in Attendance: NB Staff, Dennis Liphart of Center for Independent Living and Joe Wacek of Diversified Services Inc.

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:08 a.m..

2. Roll Call

All members present with the exception of Bob Kopisch who had a morning obligation and arrived at 11:40 a.m., and Jack Sweeney who arrived at 9:13 a.m..

3. Public Comment

None.

4. Approval of Minutes from October 4 & 5, 2010

Dave Markert moved to approve the October 4 & 5, 2010 board meeting minutes. Howard Johnson seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda approved.

6. Executive Committee Report

The Executive Committee met on 10. 21.10 and minutes from that meeting are not yet posted. Bob Kopisch was unable to attend the meeting. The committee discussed the vacancy on the EC through the resignation of Jeff Kieffer, approved the minutes of the 9.22.10 Executive Committee meeting and had follow up discussions from the September Board meeting. Chair Willingham acknowledged the services of Terri Stone recording the EC minutes since the beginning and stated our appreciation from the EC and the full Board. Terri has other obligations that preclude her from continuing to record the EC minutes and this will be done by NB staff in the future. Also discussion around the new approach to providing financial information to the board and it seems to be a little clearer and the 2011 business plan, of which there will be further discussion at today's meeting. The 2011 Business Plan was submitted to the state on 10.14.10. CEO McMahon reported on the DHS visit to HQ on 10.25 & 10.26. There was discussion regarding the IRIS and Long Term Care Functional Screen presentations for the November Board meeting. Since our last meeting, Mark Novotny has resigned due to health concerns, leaving vacancies for 2 Consumer Directors and advertisements have been sent to all 11 counties. We have had 5 requests for applications to date. We will be using the same vetting committee for recruitment as we did at the annual meeting in June and those members are Jack Sweeney, Dale Schleeter, Mike Hamm, Ken Mosentine & Mark Novotny who will need to be replaced. There was also discussion around Northwest Long Term Care District expansion and there will be more discussion later today. The committee planned today's agenda including the request for the Board to do an evaluation of the Executive Committee, adding an EC meeting for today at 12:00, the CEO Policy Monitoring Reports and revision of the EC charter. Don Percy prepared a draft of the CEO Compensation survey, a 12 month retrospective summary of the informal CEO reports received this past year. Phone & email conversations with Chair Willingham, CEO McMahon & Board Consultant Don Percy.

Chair Willingham & CEO McMahon visited Price & Burnett county Boards during October and gave presentations on NB, and they felt it was well received by both county boards. Hope to visit remainder of the counties in the coming months.

7. Resolution Recognizing Board Directors Jeff Kieffer & Mark Novotny

Whereas, Jeff Kieffer and Mark Novotny have faithfully served the Northwest Long Term Care District Board of Directors, and, Whereas, Jeff and Mark were pioneers on the Board since its inception in June 2008, and served in the creation of this Board with their involvement in the Family Care Development Council, and, Whereas, the Board extends to them sincere appreciation and gratitude for their dedication and service to the Board, Members of NorthernBridges, and Citizens of the Northwest Long Term Care District. Now therefore, the Board commends and thanks them for their service to the NorthernBridges Board of Directors.

Mike Linton moved to approve the resolution as read. Tom Innes seconded. Motion was carried by voice vote without negative vote.

A copy of the resolution will be forwarded to Mr. Kieffer & Mr. Novotny. A Certificate of Appreciation has been created for both. Mike Hamm recommended we notify the counties of their services.

8. Election of Board Secretary

Board Secretary term to be filled expires May, 2011. This election is to fill the remainder of Mr. Kieffer's term . Chair Willingham received notices of interest from Ken Mosentine, Terri Stone & David Markert. Chair Willingham asked if there were any other nominations. Mike Hamm moved to close the nominations and Larry Main seconded. Board members completed their ballots and ballots were tallied by Dee Kittleson & Tom Innes. First tally was a tie between Ken Mosentine & Terri Stone. Members completed a 2nd election. 2nd election was conducted and tallied again. Majority of ballots were in favor of Ken Mosentine as new secretary. Mr. Kieffer's term as secretary expires as does the other Board Officers May 31, 2011 (or actually on the date of the June annual meeting). Mr. Kieffer's term as a Board Director expires in 2014, and Mr. Novotny's term as a Board Director in 2013.

9. IRIS Program

We will have a presentation via Webinar from Barb Wroblewski of DHS at the December board meeting to address the purpose, funding, etc. of the IRIS program. Jack Sweeney recommended getting questions to her ahead of the December Board meeting. We can collect these and send to them. This will allow her to tailor the presentation to what we want to know. It was suggested that Monday be the preferable day for the IRIS presentation.

10. Consumer Director Recruitment & Appointment of Vetting Committee

The vacancies have been advertised in all 11 counties. Application packets are being sent out as they are requested. This is followed by a reference check and interview process. Committee is Jack Sweeney –Chair, Dale Schleeter, Mike Hamm, Ken Mosentine. Chair Willingham has asked Terri Stone to replace Mark Novotny as a consumer director on the committee. Hope to have the process completed for the board to make a final decision at the January, 2011 Board meeting. The policy monitoring committee vacancies will be filled after the new consumer directors are appointed.

CEO Reports

• **Long Term Care Functional Screen Report**

Director of Care Management Nancy Brede gave a presentation on how the LTCFS works, how it affects eligibility, etc. All information can be accessed by googling Long Term Care Functional Screen Wisconsin. All NB Care Management staff that conducts the LTCFS must be certified to do so. The LTCFS helps determine the member's functionality only. It is confidential, for conversation & observation, not a test for the

members. We want to add a LTCFS Lead to the Care Management Resource Center staff and this is in our 2011 Business Plan. This person would work closely with DHS regarding any changes to the LTCFS. The Comprehensive Assessment & LTCFS must be very similar – correlate. NB does the LTCFS annually and whenever there is a change in condition.

- **2011 Business Plan**

CFO Jason Kohl reviewed the 2011 Business Plan Summary with the 3 enhancers the Board requested which are to break even, additional funds for risk reserve and solvency and grow working capital to contract minimums. The Plan was submitted to the state on 10.14.10, and we have a conference call scheduled with DHS on 11.18.10 to discuss it further. DHS stated they will provide us with more specific analysis to measure our benchmarks. The MCO's 3 major business goals for 2011 are to improve Care Management Practice, have better utilization management, and continue to seek operational efficiencies & effectiveness. CEO McMahon shared that we have an operational planning meeting on 11.17.10 and hope to have a final plan in January. We are also working with Vestica to simplify the Care Management module in ES.

- **Financial Statement Report**

CFO Jason Kohl reviewed the 9.30.10 financial statements.

Revenue: (Reduction)/Increase:

- No member growth in September – (\$25K)
- Received partial months payment for 41 members - (\$70K)
- Re-classed 2009 Capitation and ICFMR revenue received in August to Other Income – (\$72K)

Operating Expenses:

- September IBNR - \$5.153M
- 2009 Services expenses paid in September of \$62K
- Total 2009 Service expenses paid in 2009 - \$8.329M
- Care Management Costs – fewer than budgeted FTE's.

2009 Adjustments expected in October:

- 2009 Acuity Adjustment - \$917K vs. budget of \$1.477M
- 2009 Final Risk Sharing Payment – Estimated at \$3.9M vs. \$3.523M

Meeting was recessed at 2:59 p.m. to allow for the FMPMC meeting.

November 2nd, 2010 CONTINUATION OF THE BOARD MEETING

Dave Willingham called the 2nd day of the meeting to order at 9:06 a.m..

Dee Kittleson, Mike Linton & Don Quinton were absent and excused. Chair Willingham reported that Don Percy has communicated with DHS on the IRIS presentation at the December Board meeting and it is scheduled for 11:00 on Monday, December 6th. Mr. Willingham also stated that Sue Zieke has requested to spend some time this morning on a matter that is of concern to her. Sue previously contacted Chair Willingham & CEO McMahon with this matter.

Sue Zieke had been contacted by 2 former employees of NB whom Sue knew previously. They commented to Sue that they left NB because of workplace conditions. NB does have a policy regarding staff communicating issues with management and that is the Employment Issues & Concerns Policy (EIC). Sue was concerned about these comments. Chair Willingham asked the Board to be careful of where we go with this issue as it is not on today's agenda. Also, because it involves personnel we must not stray into specifics. In addition, the Chair referred the Board to the process presented to the Board by Don Percy through a Board Education Series Presentation using a four step process to assess how issues introduced to the Board should be considered. 1. Consider the issue's FORM, identify the issue's OWNERSHIP, Governance or Management, 3. Determine Policy COMPLIANCE 4. Follow up Policy SUFFICIENCY. The Chair shared from the Policy Handbook Policy II.B.3 *The CEO may not cause or allow employees to work in conditions that are unsafe, unfair or unprofessional.* Through this Policy, CEO Interpretation, and Monitoring process, the Governance

Board, measures how the CEO and the MCO is performing in regard to Personnel Management and Practice, while maintaining the proper roles of Board Governance and CEO Management.

CEO McMahon explained that the EIC policy was implemented back in August and is our process for communicating any issues that pertain to a person's employment in a fair way and timely manner and applies our values to the process. The CEO is the final authority for all employee matters. John explained the process to the Board. The EIC Policy was given to all staff and HR reviewed the policy with all hubs. We will start keeping track of the number of people that have used the process and John stated there were 2 or 3 over the last couple of months. John informed that Board that NB has a 3 month check in, mid year check in and annual review as part of our formal Performance Management System. We ask employees what NB should start, stop & continue doing and this gives them the opportunity to let us know what is and is not working for them. There is also an exit interview with the employee to solicit additional feedback. John feels that within the management team there is a high level of concern for the organization being successful.

The Board asked John to provide in the next month or two a report or current information on how the policy is working.

CEO Reports (continued)

- **DHS Visit**

John McMahon updated the Board on the visit from DHS on 10.25 & 10.26 which included 8 staff from DHS. We spent the time reviewing the Plan of Correction and performance expectations for 2010. Outcome of the meeting was very positive and mutually we felt like we had learned from each other – they felt they knew more about NB and want to provide continuing support to us, including utilization management analysis using Qlikview on what's really influencing our costs. We also talked about how to bridge the connection between our financials and care management staff, and some discussion around our 2011 business plan.

- **Plan of Correction**

John reviewed the 10.21.10 Plan of Correction Status Update. We will ask Kay Krause & Nancy Brede to attend the December Board meeting to share further updates on the Plan of Correction. This was reviewed with the state at the meeting last week. Results from the MetaStar Care Management Review in October were very positive. Our Care Management quality scores improved from 75% to 84%. A final report will be issued soon.

- **Family Care Expansion**

Review the Family Care Implementation Information Map. The handout shows the timelines for Family Care rollout of Wisconsin counties left to start up. State has indicated that the white counties may be contacting other MCO's to see how they do business. Any expansion would have to be a Board decision and John has started to collect information on the white counties – number of persons served, providers, etc.. These white counties have fairly small populations. State has plans that all of the counties in Wisconsin will have Family Care by end of the next biennial budget. We would need to look at what the advantage would be to expand. It was suggested that Board Council Andy Phillips be consulted as to the enabling resolutions required to expand the Long Term Care District.

- **Tribal Relations Committee**

NB had a meeting a few weeks ago with 4 tribes in our region. A number of issues were covered including the tribes wanting to have a Tribal Relations Committee. Plans are to meet again in January with a conference call scheduled in December around some contract language issues. Some concerns are tribal members not understanding the grievance and appeals process and service plan changes.

- **Staffing Update**

Report shows staffing update as of 10.31.10. John pointed out that we've included some previous information to show a 13 month period.

- **Membership**

The Board reviewed the Membership Report as of 10.21.10. Growth is slowing down. Also reviewed the Qlikview report which shows the costs per member per month and per member by day. Approximately 1/3 of our population is in residential care and this is our highest service cost area.

11. EC & FMPMC Reports

Executive Committee

Executive Committee met at noon yesterday and reviewed the process of working on the CEO assessment & compensation. They reviewed a revised charter from Don Percy for the Executive Committee similar to the charts for the policy monitoring committees and hope to have this ready for approval by the board for the December board meeting. The committee also considered a proposed draft of a CEO compensation survey that we'd like to do with 5 other MCO's in the state and ask them to complete the survey regarding demographic information, what services they outsource and get a handle on the administrative and other duties of their CEO's, and information about the CEO's compensation package including salary, benefits, vacation, etc. With the survey, Don also prepared a draft letter for Dave Willingham to send along asking for this information and offer to then share the results of the information and assuring them that Don Percy would receive and compile the information in confidentiality. Plan to move forward with that process this coming month. Also reviewed status of Track One task to prepare a retrospective summary of the monthly informational policy compliance report equivalents given to Board over the past twelve months (i.e., during pre-CMR period).

Financial Management Policy Monitoring Committee

Chair Bob Kopisch updated the board of yesterday's meeting. The committee reviewed the 2009 audit recommendations from Clifton Gunderson and looked at CEO policy compliance monitoring reports. The committee was comfortable with the management letter response regarding the audit recommendations from CFO Jason Kohl and we are addressing the issues. CEO reports – quite a bit of discussion on II.B.1.3 and we do have recommendations including adding language to the policy and this will be summarized and brought to the Board at the December meeting. 3 of the 4 CMR's have recommended changes. FMPMC found that an issue we have shifting into this monitoring mode, we're new to this and it will require some refinement as we proceed with the process.

Chair Willingham noted when planning the agendas for the committee meetings, we'll try to anticipate the amount of business the committees will be asked to do and arrange the best time of day for the Policy Monitoring Committee meetings. Adjourn the Board meeting at 2:30 vs. 3:00 or other necessary adjustments to meeting time.

12. Public Comments

None.

13. Correspondence

None.

14. Meeting Review & Discussion

Howard Johnson and Sue Zieke were this month's board meeting monitors.

Sue rated all characteristics on the checklist as Satisfactory. She felt the LTCFS information was good and the Board had good questions for Nancy. She commented that sometimes we dip into management areas and things could move along quicker.

Howard also checked everything as Satisfactory. He commented very nice job by staff (Nancy Brede & Karen Johnson) presenting the LTCFS report; many good questions from the Board with informative answers. He felt

the afternoon discussion wandered a little and got lengthy. Good and appropriate discussion regarding staff this morning with good interaction by all Board members and this was time well spent, with appropriate discussion on the Board's role.

Next month's monitors are Terri Stone & Dave Markert.

15. December Board Meeting Dates & Agenda Items

December 6 & 7, 2010. QMPMC is also scheduled to meet in December.

- 16.** Dave Markert moved to adjourn the meeting at 11:35 p.m.. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen