

Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
March 7, 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, Mike Hamm, David Markert.

Others in Attendance: Board Consultant Don Percy, John Nousaine of North Country Independent Living, Joe Wasek of DSI, Dennis Liphart of Pathways to Independence and New NorthernBridges Staff.

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:07 a.m.

2. Roll Call

All members present with the exception of Larry Main, Sue Zieke and Don Quinton who were excused.

3. Public Comment

John Nousaine commented he is interested to hear the Board discussion on the Governor's Budget Repair Bill.

4. Approval of Minutes from February 7 & 8, 2011

Sue Reinardy moved to approve the February 7 & 8, 2011 Board meeting minutes. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Ken Mosentine moved to approve the amended March Board agenda. Dave Markert seconded. Motion was carried by voice vote without negative vote.

6. Executive Committee Report

The EC met on 2.25.11 at HQ and minutes have not yet been posted but will be in the next day or two. The committee approved the 1.24.11 EC minutes and reviewed the content and procedures of the February board meeting. Comments from the EC on the HR report was that it was very helpful in providing the board with an overview of how the NB system works. Conversation around the lengthy Mission Vision Values discussion and the discussion regarding revising the MVV language to change the Mission Statement from "Providing members the best life possible" to "Supporting members in the best life possible" and the difference of how the NB staff carries out the MVV and the Board will use the MVV. Report from EC member Terri Stone discussing a session she participated in talking about trends and directions toward more member independent and individual decision making. The EC reviewed The Bardish Group work plan for January through June, 2011 and the specific tasks Don Percy has listed. Discussed the draft Compliance Monitoring Reports presented at today's meeting and recommendation regarding two outcome policies the EC would like to defer. Brief discussion and report on the progress of the Consumer Director recruitment effort. CD Vetting Committee is meeting this evening and will be conducting interviews of six candidates tomorrow at NB headquarters. Don Percy distributed to the EC a copy of Board Process Memorandum #1 – County Directorship Appointments which addresses the process for appointing County Directors. Discussed today's board meeting agenda and made the decision to have a one day board meeting due to the CDVC interviews tomorrow. Any unfinished business will be deferred to April's board meeting. QMPMC meets today at 12:00 noon and the SLWG meets at 3:30 today. Chair Willingham shared with the EC an initiative he would like to do with the Board wherein he will be sending a letter asking Board members to share any items of unfinished business they feel needs to be addressed before the annual meeting. CEO McMahon suggested using the NB Start, Stop & Continue questions in this letter.

7. Executive Committee Recommendation to Revise Track 1 Compliance Monitoring Report List

Consultant Don Percy reminded that Board that in December of 2008 we had them rank the policies the CEO needs to report on and listed the top 15 priority policies. Within these reports, there is a series of outcome policies and these are longer term to give evidence. There were two outcome policies that the EC decided can be deferred until later this year, 1.A.2 R-E-S-P-E-C-T Principles and 1.A.3 Common Operational Characteristics. A paper from Don Percy was distributed with the rationale for deferring these two outcome policies. The decision to defer in no way lessens the commitment of this board to those goals.

Chair Willingham and Board Consultant Don Percy asked the Board if there were any questions or comments on the reasons for deferring the two policies and there were none.

Sue Reinardy moved to concur with the recommendation of the Executive Committee to defer the two outcome policy monitoring reports 1.A.2 R-E-S-P-E-C-T Principles and 1.A.3 Common Operational Characteristics. Dale Schleeter seconded. Motion was carried by voice vote without negative vote.

8. Executive Committee Rationale for Revising March 7-8 Calendar for Board & Consumer Director Vetting Committee Meetings

Don Percy distributed a paper explaining the rationale for reducing the March board meeting to a one day meeting to allow for the Consumer Director Vetting Committee to meet tomorrow to conduct applicant interviews.

9. Findings of the Financial Management Policy Monitoring Committee & Approval of CEO Policy Compliance Monitoring Reports:

- **II.B.1.1 Not Allow or Cause Spending Beyond Financial Resources**

FMPMC Chair Bob Kopisch went through the policy statement and interpretation and assessment worksheet. II.B.1.1 includes a remediation plan. Chair Kopisch asked the board if there were any questions or comments. Board Chair Dave Willingham asked the Board if there was any reason to question the sufficiency of the report and there were no comments. Tom Innes moved to approve II.B.1.1 Not Allow or Cause Spending Beyond Financial Resources. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

- **II.B.15.1 Not Fail to Provide Information Technology Systems**

FMPMC Chair Bob Kopisch went through the policy statement and interpretation and assessment worksheet. Chair Kopisch asked the board if there were any questions or comments. Mike Hamm stated he is not really sure if a member receiving services has access to the NB technology yet and he would still like to see the Board look at this. He would like to see the member's have access to their basic information through NB software/technology. Chair Willingham asked the board if anyone had reason to question the sufficiency of the report and there were no comments. Mike Hamm moved to approve II.B.15.1 Not Fail to Provide Information Technology Systems. Dave Markert seconded. Motion was carried by voice vote without negative vote.

10. Draft Bylaws Amendment for Bylaws Section 5.01: Board Executive Committee – 2nd Reading

The proposed changes were brought to the February Board meeting as a first reading.

Bob Kopisch moved to accept the Bylaws Amendment for Section 5.01: Board Executive Committee. Mike Linton seconded. Motion was carried by voice vote without negative vote.

11. CEO Report

- **Governor's Budget & Repair Bill**

CEO McMahon informed the Board that he sent an email out to all NB staff this weekend with an overview of the bill. The bills will be discussed in more length at the Strategic Leadership Workgroup this afternoon. The most relevant to NB is the Budget Repair Bill would require that all employees would contribute 5.8% to the Wisconsin Retirement System. This applies to all public employees except for safety designated employees such as police and fireman. The other provisions regarding health insurance premiums and salaries really do not apply to NB. John had a conversation with DHS and the other MCOs regarding the budget bill on Friday. The major issue is the \$3.6B projected deficit with \$1.8B being the MA program. There is a required savings of \$500M. DHS will be holding regional listening sessions looking for solutions for saving this \$500M. Another provision in the Budget Repair Bill is the ability for the DHS secretary to have authority to make many changes to the medical assistance program that heretofore has always been conducted with approval from the legislature. There are several major changes being proposed for Family Care, one being an enrollment cap on the long term care programs including Family Care, IRIS, Pace and the Family Care Partnership program. It appears that this would be by county and the number of enrollees would be set and only through attrition can people come into the programs. The enrollments would be consolidated and there would be a global cap and how this would be administered is still unclear. The enrollment cap would be effective about July 1, 2011. The 37th month of entitlement would be put on hold for two years. There are still questions with regard to urgent referrals and nursing home relocations. In the budget bill there will be no expansion for family care for the next two years. ADRCs however, will continue to have funding and expand. With the expansion being frozen for two years, the only exception would be if DHS considers it to be cost effective. What's impacting both enrollment caps and freezing of the expansion has to do with the current fiscal problem as well as the Family Care audit and we're waiting for that to come through to see what efficiencies or changes need to be made. CEO McMahon stated that we will be re-submitting our 2011 Business Plan due to this and CFO Jason Kohl is beginning to work on this now. DHS stated that they were not going to change the capitation rate for this year.

Sue Reinardy noted that we should talk about how and what we want to communicate to members and stakeholders, as they're getting information from a lot of other sources and with some inaccuracies. We should issue a press release with any current information we can give. We can be a trusted information agency to the stakeholders. Board Consultant Don Percy reminded the board that all board members are invited to the SLWG meeting today at 3:30 to make sure their voices are heard. Chair Willingham commented that these changes are happening quickly and it's conceivable we may want to think of the possibility of a special board meeting if we get more information where we may want to take action as soon as possible.

- **Self Directed Supports**

Northern Regional Manager Janna Duffy gave the Board an overview on Self Directed Supports.

- **Staffing Update**

CEO McMahon noted that due to the budget bill, we will not be hiring for additional new care management staff that have not already been approved. We do have a couple of RN positions that we will be filling and we will be looking at staff vacancies as they occur. We will be filling one of the Care Management Resource Center positions also. The Long Term Care Functional Screen lead started on 3.1.11.

- **Membership**

Current membership as of 2.23.11 is 1,929.

Miscellaneous

Chair Willingham informed the Board that Washburn County Board Director Don Quinton has submitted his resignation effective 3.6.11.

Tom Innes left the meeting at 12:00 noon.

- **Financial Statement Report**

CFO Jason Kohl reviewed the 1.31.11 financial statements.

Income Statement:

Revenue: (Reduction)/Increase:

- 43 enrollments and 34 disenrollments in January
- Received partial months payment for 62 members – (\$101k)
- Cost Share Revenue of \$81k
- Received Non-NH Level of Care Capitation for 53 members - \$37k
- 56 fewer members than budgeted – (\$168k)

Operating Expenses:

- 2010 IBNR - \$7.052M
- 2009 Service expenses paid in January of \$16k
- 2010 Service expenses paid in January of \$5.5M
- Fewer CM FTEs than budgeted in January

Jack Sweeney requested to get comparative financial information for 2010 compared to 2011. CEO McMahon commented that we will have monthly conference calls with the Office of the Commissioner of Insurance.

- **2011 Adjusted Budget**

CFO Kohl also reviewed the 2011 adjusted budget including a Summary of Budget Variances and Solutions. CEO McMahon commented that we will be notifying DHS that we would like to go ahead with implementing our own Residential Rate Setting Methodology effective July 1st, which has been on hold until the new secretary has a chance to weigh in on it. The current methodology is flawed and the MCOs have sent a letter to the secretary stating as much. Utilizing our residential rate setting methodology is our only real option to save significant dollars.

- **Vilas County Aging Update**

CEO McMahon stated that there is no need to meet with any of the counties now due to no expansion.

Ken Mosentine left the meeting at 3:00 pm.

12. QMPMC Report & Consumer Director Vetting Committee Update

QMPMC Chair Dave Markert updated the Board of today's QMPMC meeting. COO Rita Mueller reviewed the 4th Quarter Critical Incidents and Grievances & Appeals reports. NB experienced no grievances but 22 appeals for the 4th quarter, the majority of which were for reduction in services. Falls continue to be the majority of critical incidents reported. Our first annual Performance Improvement Project will be on falls. DHS has requested that we report only those incidents where an injury has occurred and follow up is needed but we will continue to track all critical incidents for our purposes. Medication errors were the second most common critical incident. QMPMC has also requested to review the questions for the next Member Satisfaction Survey which is due to go out in June.

Consumer Director Vetting Committee Chair Jack Sweeney reminded the board that applicant interviews are being held tomorrow at NB headquarters and the committee should be ready to recommend two candidates at

the April Board meeting. One of the seven candidates was unable to make the interviews and Don Percy informed this person that he can apply the next time around which will be coming up soon in which one incumbent is running. Jack and Don will work on the final report and send to the Board. Chair Willingham thanked the CDVC for all of their hard work in putting the process together.

13. Public Comments

None.

14. Correspondence

None

15. Meeting Review & Discussion

Jack Sweeney & Dave Willingham were this month's monitors.

Jack Sweeney stated he completed all monitoring characteristics as satisfactory. He noted that we should keep the breaks to a minimum and start the meetings on time. He felt the Self Directed Supports information was great and he appreciated the presentation done by Janny Duffy and it answered some questions for him. He believes we spent too much time on the budget as we're not really sure what we can accomplish at this time.

Dave Willingham reminded the board that we've talked recently about revising the self assessment-monitoring process and we'll be looking at that. He also rated all characteristics satisfactory and thought we had extra focus including the budget issue; while we spent a lot of time on it, it could be characterized as maintaining a member centered focus. Dave feels the board views obstacles to overcome with leadership and responsibility on a regular basis and we always deal with the difficult issues.

Consultant Percy commented that he's had discussions with people on other boards and they have never seen a self assessment done such as the NB board does.

Sue Reinardy commented that today's meeting proves that we can do the Board meeting in one day.

16. April Board Meeting Dates & Agenda Items

April 4 & 5, 2011.

17. Adjourn

Mike Linton moved to adjourn the meeting at 2:46 p.m. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen