

**Minutes  
NorthernBridges  
Board of Directors Meeting  
December 7, 2009  
Flat Creek Inn, Hayward**

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

**Other:** Don Percy of the Bardish Group, Renee Messing & Debra Welch of Clifton Gunderson, Brian Ahlgren.

**1. Call to Order**

Dave Willingham called meeting to order at 9:11 a.m.

**2. Roll Call**

All members present with the exception of Sue Zieke who was excused.

**3. Approval of Minutes from November 2, 2009**

Ken Mosentine moved to approve the November 2, 2009 meeting minutes. Dee Kittleson seconded. Motion was carried by voice vote without negative vote.

**4. Review & Approval of Agenda**

Hearing no additions or changes the chair approved the agenda.

**5. Public Comments**

None.

**6. Clifton Gunderson Proposal for CPA Audit**

John McMahon introduced Renee Messing & Debra Welch from Clifton Gunderson. Renee & Debra have each been in public accounting for 30 years and specialize in governmental organizations. Clifton Gunderson has offices in 17 states and Washington D.C.. There are 10 offices located throughout Wisconsin with headquarters in Milwaukee. Non-profits and governmental organizations is a major business line for CG. Renee & Debra explained the audit process they are proposing for NorthernBridges. Details of the full presentation will be filed with the official record copy of these minutes and appeared in the pre-meeting distribution of agenda materials.

Board members asked a number of due diligence questions regarding multiple aspects of the audit proposal, on-site activities, personnel questions, interactions with staff and with board members during the course of the audit, timeline and future distribution of audit results.

David Markert moved to engage contract with Clifton Gunderson for the independent audit based on their proposal and presentation and responses to Board questions. Larry Main seconded. Motion carried by voice vote without negative vote.

**7. Executive Committee Report**

The Executive Committee met on 11/16/09 and minutes from that meeting were posted on basecamp on 11/22/09. All members were present and joined by Mike Linton and Don Percy by telephone. The committee approved the 10/21/09 Executive Committee meeting minutes and discussed the board monitoring process. Dee Kittleson and Mike Linton are monitoring today's meeting. The board chair commented rather than saving all comments to the end of the meeting, if monitors need to interrupt during the meeting to keep the board on track, that is fine. The Executive Committee reviewed 2 legal opinions from Andy Phillips regarding conducting our business via teleconference and closed sessions and the inability to know that the conference is committee members only and not others on the call. Andy recommended that we not have closed sessions over the phone. Also discussed what the procedure should be for sharing information with new board members not present in

board meeting. It was also noted for the record that Andy Phillips has been counsel since the beginning of the consortium but he has never been designated as formal counsel to the district. We will need to do this at our January board meeting. Also discussed the briefing papers that we will be reviewing at today's meeting. Looked at today's agenda and added the discussion of At Large seats. Don is preparing a work plan for the Board Education Series for the next 6 months. The Board Chair had teleconferences with Don Percy and John McMahon and attended the Wisconsin Personal Services Association conference last Thursday and Friday and sat in on a panel discussion regarding relations between the MCO's and the WPSA and issues such as billing.

#### **8. Board Education Series Seminar**

Don Percy reminded the board that the remaining 3 Policy Monitoring Committees (Quality, Member Relations & COI) initial meetings will be held in January, February and March and will start at 8:30 a.m.. He indicated that two of the three agenda items for this month's meeting were "advance information" for agenda topics on the upcoming January 2010 board meeting.

##### **A. Board Briefing Paper #23 Consideration of Two Unfilled At-Large Board Directorships**

The initial 18-member design of the NB Board provided for appointment of 2 At-Large Directors. We tried in September of 2008 to advertise and now have a better idea of the criteria and have drafted a more adequate ad and will get this out to the newspapers, NB website and direct mail. Executive Committee felt the need for the at large seats and the vetting process to be discussed at the board meeting again.

There were no objections to continuing with the process for the At Large Directorships.

##### **B. Board Briefing Paper #24 New Board Director Orientation**

Don reviewed the BP and asked the board to be prepared to share their story with the new board members about some aspect of the NB Board culture at the January board meeting.

##### **C. BES Seminar Paper 5.1.7 Formalized Charter for the Board Executive Committee**

Mike Hamm moved to adopt the NB Board Education Seminar Paper 5.1.7/Charter for the Board Executive Committee. Dale Schleeter seconded. Motion was carried by voice vote without negative vote.

#### **9. Financial Statement Report**

Brian Ahlgren reviewed the income statement, cash flow & balance sheet. Capitation Revenue – deficit to budget due to 150 fewer members enrolled than budgeted. ICF-MR Revenue continues to be below budget due to lower costs for members than budgeted. Other Revenue - 3<sup>rd</sup> quarter acuity adjustment, \$700,464. Direct Member Service Costs - continues to exceed budget as continuity of care from counties results in higher costs than budgeted. Care Management Costs - lower than budget, offset by allocation of ES implementation fee paid to Vestica. Total \$50,000 paid, \$30,000 allocated to care management. State has guaranteed NB they will pay the risk sharing agreement by the end of the 1<sup>st</sup> quarter of 2010.

#### **10. CEO Report**

##### **• Sharepoint Board Tab**

Leo Carlson with Cheqtel introduced the Sharepoint Board of Directors tab and its features. The decision was made to upload main documents as PDF files and upload Word documents for discussion & editing purposes. Jeff Kieffer, Mike Hamm & Dale Schleeter volunteered to be our testers. The Sharepoint Board of Directors page will be rolled out after testing has been done and all board members will be notified well in advance.

##### **• Three Year Business Plan Update**

John McMahon discussed the conference call NB had with DHS and their request for addendums to our 2010 business plan. John distributed a copy of the Business Plan Addendum to the board. One of our targets for 2009 was to reduce our service costs by 4.3% which we did accomplish but the state wants a higher reduction. The addendums were provided to DHS last Wednesday and we have another conference call scheduled with DHS this Wednesday. They also want to have \$18 pmpm for 3rd party administration and they want us to leverage that rate for our contract with Vestica. For 2010 DHS is proposing two six month capitation rates in 2010. The 1<sup>st</sup> 6 months rate will have measureable

certification for NB that they will contract with us for 2010 and the Office of Commissioner of Insurance will issue NB a permit to operate as an MCO. Our care under management plan calls for reducing our service costs by 6.75% in 2010 (at least \$191ppm) which adds up to about \$4M. We will be looking to reduce our residential rates by 2% in 2010, which includes home health care and respite. We've made it clear to providers and care managers that we will not pay for any non-family care benefits. We will be reviewing all ISP's the first 3 months of 2010 to ascertain if the services being provided are effective, the scope of services that are being provided are not being duplicated, and also looking at transportation costs. NB is instituting a Preferred Provider Program (quality service at the most cost effective price). NB will also incorporate savings in the ISP through our MA Personal Care Tool and will review any costs higher the \$100 a day. Plan to develop a list of services we believe are negotiable and establish a reasonable rate for that service and apply it across the board.

- **Recruiting/Personnel**

Business & Technical Analyst Gregory Bortz started at HQ today. Recruiting/Personnel information now includes staff turnover as requested by the board. An offer has been made to a candidate for the Quality Manager. Karla Hasart, former SSCM out of Ashland has taken on Adult Family Home Coordinator role. Freeze on hiring new care managers so that we can reach our 40:1 and 80:1 care management ratio and will fine tune hub assignments if necessary. One RNCM has resigned effective the end of December and another social services care manager will retire in February.

- **MetaStar Information Systems Capability Assessment Summary**

This is a review that is required as a new MCO to look at information systems to ensure it meets the state requirements. Looks at enrollment, claims processing, encounter reports. Some of NB's strengths are its good enrollment process, provider data, claims processing efficiency by using HIPAA codes, provider training, systems security. We have already taken actions on some of the suggestions for improvements.

- **Member Demographics**

Member Demographics now includes age & gender ranges by hub.

- **Stabilization Goals**

The 4 Stabilization goals are 1) Policy Development to revise & create NB policies and communicate to staff and these will be posted on Sharepoint as they are completed. 2) Develop & implement Care Under Management – business plan addendums & strategies. 3) Close the gap on Limited Term Agreements and Unsigned Contracts – LTA's expire before end of the year and they are being contacted. 4) Enterprise Training/References & User Handbooks. Additional training is currently taking place at all hubs.

- **Business Operations**

EFT testing is being done today with Challenge Center in Superior. Once ready to roll out, all providers will have the option for ETF if they choose. Care Management is now under Operations. Qlikview (business intelligence software) has been purchased and this includes both financial and member information. Vestica's Customer Service department is taking more accountability with rejected provider claims and phone calls and are calling the provider as soon as the claim is denied and working with them to get it re-submitted in the same check run.

- **After Hours On Call Services**

Gold Cross provides NB with after hour services and also during the day when backup system at hubs is not present. Daily emails are sent to 2 staff at HQ with all call information and then forwarded to care managers from HQ. 3 NB staff are always on call.

John distributed Wisconsin Assisted Living Association's seminar information being held at Flat Creek this Thursday, 12/10/09 with NB staff on the panel.

Working with Center for Independent Living, UW-Superior and technical colleges for more integrated

- **Assembly Committee on Aging and Long Term Care – Family Care Information Session**  
John attended this in November which included providers, DHS and advocacy organizations. Family care is viewed by all as a legitimate program and will fill the long term care needs of people. Big concern is the financial viability. Providers concerned about adequate rates. Mike Linton also attended.

**11. January Board Meeting**

January 4, 2010 at 9:30 a.m.. The meeting will start at 9:30 as the QM Policy Monitoring Committee will be meeting from 8:30 to 9:30 in the 4 Seasons Porch.

**12. Public Comments**

None.

**13. Correspondence**

None.

**14. Meeting Review and Discussion**

Mike Linton and Dee Kittleson were monitors. Dee commented that the CPA audit presentation was great and information on closed sessions in January will be helpful. Don's presentation on At Large recruiting process was informational. Discussion on managing the care costs was most important discussion of the day. Sharepoint discussion was challenging for Dee. Business Plan addendum was helpful. Mike agreed with Dee and thinks we should put a "2 Pun Limit" on the board chair. Meeting was productive and was conducted properly. Mike heard the closed session conversation at the Executive Committee meeting. Once in a while we get a little off track, but that will happen at any meeting. All in all he believes the meetings are conducted very well. Dave Willingham thinks it's remarkable we work for this long of a period of time and remain productive throughout the day. Bob Kopisch & Ken Mosentine volunteered to be monitors at the January board meeting.

**15. Date & Agenda for Next Meeting**

January 4, 2010 at 9:30 a.m.

**16. Adjourn**

Ken Mosentine moved to adjourn the meeting at 3:38 p.m.. Dave Markert seconded.

Recorder,

Colleen Dressen