

Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
December 6 & 7, 2010
Flat Creek Inn, Hayward

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

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 Sue Zieke who was absent and excused. Don Quinton was also absent.

3. Public Comment

None.

4. Approval of Minutes from November 1 & 2, 2010

Mike Hamm moved to approve the November 1 & 2, 2010 Board meeting minutes. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Director Sue Reinardy had a correction and suggestion for the minutes:

- #9 – Correct name of IRIS Presenter is **Beth** Wroblewski.
- CEO Report/Family Care Expansion – Rather than use “white” counties, name the counties not yet in Family Care.

Sue Reinardy moved to amend the motion to approve the November 1 & 2, 2010 Board meeting minutes with the requested changes. Mike Linton seconded. Motion was to amend was carried by voice vote without negative vote.

Motion to approve the minutes as amended 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 11.1.10 and also on 11.16.10 and minutes from those meetings have been posted on Sharepoint. The 11.1.10 meeting primarily involved a discussion with Consultant Don Percy on the CEO Policy Compliance Assessment and Compensation/Employment Agreement Review Process and this has been completed and an amendment will be presented to the EC today. The committee also reviewed a draft of the Amended Executive Committee charter which will also be reviewed today by the Board. This has been amended to be similar to the other PMC charters. The CEO Compensation survey instrument that we sent out to 4 MCO's was reviewed and in this we're looking to survey for demographics and CEO compensation information. Chair Willingham has not received any formal response from any of the MCO chairs so he will be contacting them by phone this week to see if they are interested in participating in the survey. The committee discussed the 12 month retrospective compendium of the Board minutes previous to the policy monitoring to determine what kinds of informal reports the board has actually received as this will be evidence of monitoring. The EC received a summary of this information at the 11.16.10 meeting and this will be presented to the Board in

January. Don Percy is also looking at the internal NB policies. The 11.16.10 meeting was a follow up discussion of the November Board meeting and discussion around the HR issue presented at that meeting. The committee also talked about having John prepare talking points, or a script of do's and don'ts so that the board can consistently respond to people when they are contacted by a member, provider or an NB employee. They also discussed the exit interview process and the possibility of tracking these to keep the board informed of the reasons staff are leaving. John McMahon discussed with the EC the amount of extra time many NB employees are putting in and the hope that hiring additional Care Managers will help with the workload. Update on the Consumer Director recruitment process in which we had 5 inquiries and sent 5 packets, but received only 2 application packets back. One applicant was clearly not eligible as he was a provider, leaving only 1 eligible candidate. We will do another advertisement and work with Don Percy to find additional candidates. There was a closed session on the 11.16.10 agenda but that was not necessary as we were not ready for the information so it was not held. Discussed briefly the survey information for the annual EC Assessment, and we will also be doing the Annual Board Self Assessment. Discussed the agenda for today's meeting including the IRIS presentation, the QMPMC meeting scheduled for this afternoon and the Clifton Gunderson audit proposal.

7. Approval of CEO Policy Compliance Monitoring Reports

FMPMC Chair Bob Kopisch reviewed the 4 CMR's focusing on the assessment worksheets and the recommended changes.

- **II.B.1.3 Financial Management-Sound Financial Plan & Management**
Dave Markert moved to approve II.B.1.3 with suggested amendments. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.
- **II.B.11.2 Claims Processing-Responsible 3rd party payers are billed for member services**
Ken Mosentine moved to approve II.B. 11.2 with suggested amendments. Tom Innes seconded. Motion was carried by voice vote without negative vote.
- **II.B.11.3 Claims Processing-Claims processed within DHS contract timelines**
Dave Markert moved to approve II.B.11.3. Dale Schleeter seconded. Motion was carried by voice vote without negative vote.
- **II.B.8 Enrollment-Benefits to ineligible persons**
Tom Innes moved to approve II.B.8 with suggested amendments. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Board Chair Willingham stated that we will track the approvals and also the language changes and review all of them and incorporate into the policy book.

8. Proposed Policy Book Addition for Executive Committee Charter

This change will be incorporated into the Board Policy Book with the 4th Edition. This has been reviewed by the Executive Committee. Following are the changes to the charter (**bolded**):

- The Executive Committee **elected by the full board** shall consist of three Board of Directors officers (Chair, Vice Chair and Secretary) and two additional members. **At least one member of the Executive Committee shall be a consumer director.** The terms of committee members shall normally be three years. The Committee shall meet at such times and places as the Chair shall determine. A special meeting can be called at the request of two committee members.
- As noted in Policy IV.B.10.5 in A. above, the Executive Committee consists of three Board of Directors officers (Chair, Vice Chair, Secretary), and two additional members to be recommended by the Chair. **At least one of member** of the Executive Committee shall be a Consumer Director. All members of the

Committee shall be elected by a majority of the Board of Directors and will serve for three years, **unless their board service concludes earlier.**

- The Executive Committee is chaired by the Board of Directors Chair **or by the Vice Chair in the Chair's absence.**
- **The Committee will function as a policy monitoring review committee under the charter contained in the attached Board Basic Reference Document 1.1**

Mike Hamm moved to approve the Amended Executive Committee Charter. Howard Johnson seconded. Motion was carried by voice vote without negative vote.

9. IRIS Program/Presentation by Beth Wroblewski/DHS

DHS Director of Bureau of Long Term Support, Beth Wroblewski, described how the IRIS program works and took questions from the Board.

CEO Reports

- **Plan of Correction**

Director of Care Management Nancy Brede & Project Manager Kay Krause updated the Board on the Plan of Correction with a 2010 Contract Amendment & Performance Expectation Status Update and answered questions from the Board.

Mike Linton left the meeting at 2:27 p.m..

Meeting was recessed at 2:34 p.m. to allow for the QMPMC meeting.

December 7th, 2010 CONTINUATION OF THE BOARD MEETING

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

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

10. Clifton Gunderson 2011 Audit

Debra Welch & Rene Messing of Clifton Gunderson gave the Board an overview of the audit process and took questions from the Board. The audit consists of 5 sections: (1) Continuous communication throughout the year to stay in touch with what's happening within the organization. (2) Weekly status meetings during the audit process with Jason, John and finance team. (3) Planning & strategy to look at financial statements and systems and identify critical areas and prepare a list of what NB needs to provide to CG to do preliminary work. Included in the planning process are discussions with management team about any areas that they feel are critical that CG may not have identified. (4) System Evaluation to look at internal control & fraud systems and testing of the systems and statistical sampling to refine the audit plan based on the results of these tests. This has begun this week. Testing and Analysis at the end of February to test transactions of Cash & Investment accounts, Accounts Receivable, Account Payable and IBNR to determine compliance with the Family Care audit guidelines. CG will meet weekly with John & Jason to update them on the status. (5) Final phase is exit conference and reporting and follow up. This is the most critical phase of the reporting process to review the management letters & reports with John & Jason. Draft reports will be made available to the Board with final reports issued in April, 2011.

FMPMC Chair Bob Kopisch will be CG's Board of Director's contact. Discussion followed around IBNR and acuity being different than last year. Bob stated that we did start our evaluation of the CEO and believes that this will help the audit in identifying measuring and monitoring. CEO John McMahon stated that the 3 areas he sees as critical to discuss are to review allocation of our indirect costs (clarification that this was intended to address administrative costs), fraud & auditing of claims, and cash flow. We have also addressed the segregation of duties issues since last year's audit.

CEO Reports (Continued)

- **Financial Statement Report**

CFO Jason Kohl reviewed the 10.31.10 financial statements and October IBNR analysis.

Income Statement:

- **Revenue: (Reduction)/Increase:**
 - No member growth in October – (\$52K)
 - Received partial months payment for 42 members – (\$76K)
 - Capitation payment assumed Cost Share Revenue of \$73K
 - Received Non-NH level of care Capitation for 59 members - \$60K
- **Operating Expenses:**
 - October IBNR - \$5.263M
 - 2009 Service expenses paid in September of \$84K
 - Total 2009 Service expenses paid in 2010 - \$8.449M
 - Care Management Costs – few than budgeted FTEs
- **2009/2010 Adjustments in October:**
 - 2010 Acuity Adjustment booked for 1st & 2nd Quarter - \$1.261M
 - 2009 Acuity Adjustment - \$917K vs. \$1.477M Accrued Revenue
 - 2009 Final Risk Sharing Payment - \$3.9M vs. \$3.523M Accrued Revenue

Discussion continued around changes in authorizations, denied claims being sent to NB numerous times, the difference between IRIS's responsibilities when members go to nursing homes, and NB's and the other MCO's responsibilities. Sue Reinardy suggested the MCO's meet and discuss a list of issues, including the nursing home situation and address with the legislators. She suggested a strategy session in January to discuss what our threats and priorities are. There was also a lengthy discussion on cost effectiveness and not losing sight of serving our members and remembering our core values.

- **2011 Business Plan Update**

NB had a conference call with the state a couple of weeks ago regarding our narrative portion of the 2011 Business Plan and we have not yet heard back but expect to hear from them by next week with our final capitation rate, as OCI has to issue our permit by 12.15.10. The Risk Sharing Agreement that was proposed and capitation rate are still unknown at this point.

CEO Reports (continued)

- **Operations Update**

COO Rita Mueller gave an overview of her position within the organization. She began her new role on 10.4.10 and she shared with the Board what her responsibilities are and took questions. She ensures that the day to day operations are meeting the needs and achieving the strategic vision set forth by the CEO. The areas that directly report to Rita are Director of Care Management, Quality Manager, Provider Network Manager and Marketing & Communications Coordinator. The past few months she's been trying to get a grasp on what's been happening in these areas and getting out to the hubs to provide leadership and share communication with the care managers. On these visits, she shared the Plan Of Correction, Annual MetaStar Quality Review results and our Business Plan. Two of the items that Rita feels we need to be most

successful at are communication and consistency. We are working on an operational plan to help guide us to meet the expectations of those two items. Consistent Care Management practice is one of the priorities. She also discusses with the hubs and supervisors her expectations that our interdepartmental departments work together well and how we can be effective, along with our external communications. Rita is hopeful that we will be able to celebrate our successes more. Being out in the hubs and working closer with the Care Management staff, she hears success stories that she feels we need to share both internally and externally to help people better understand Family Care. One of the Care Management Practices that still needs to be developed further is informal supports. Keeping good communication within the hubs and interdepartmentally is of utmost importance. Rita and Director of Care Management, Nancy Brede, have compiled a list of items from input of the Care Managers that we can work on and respond to.

Director Dave Markert asked Rita what she thought was the biggest morale issue for Care Managers and she responded that the workload issue would probably be it. CEO McMahon described Rita's role as helping to knit together the departments within NB to maintain a sense of "us" vs. "we & them".

- **Staffing Update**

CEO McMahon reviewed the 11.30.10 Staffing Update with the Board including transitions and recruitment for new positions and replacements. One of the things that John discusses at his hub visits is the turnover rate and reasons staff are leaving, addresses what we are doing regarding retention and the Employee Issues & Concerns policy.

- **Membership**

As of November 23, we have 1,906 members and 570 people have been taken off of the wait list. There are approximately 750 people still on the wait list.

- **Miscellaneous**

- The Legislative Audit Bureau has requested information on NB staff salary & benefits.
- The insurance claim for the water damage to NB property from the sprinkler malfunction is completed and we have received the check for damages in the amount of \$17,549.36 after the deductible.
- Managing Care, Financial Stability, Organization & Contract Compliance, Communications, Relations & Culture are the 4 areas we are prioritizing for our operational planning. We have had one large retreat and additional small group meetings and have a 2nd retreat scheduled for 12.16.10. This information will be shared with the board when it is all put together.
- John's plan for completing the 15 priority policy reports between now and March, 2011 are posted on Sharepoint.

11. EC & QMPMC Reports

Executive Committee

The Executive Committee met at noon yesterday (12.6.10) and there are no findings or actions to report to the Board. The meeting consisted mainly of updated information from Consultant Don Percy on on-going CEO assessment tasks.

Quality Management Policy Monitoring Committee

Chair Dave Markert informed the Board that the committee looked at the progress that has occurred within the NB 2010 Quality Plan. The committee also moved to present the Draft 2011 Quality Management Plan to the full Board for review and approval at the January, 2011 Board meeting.

12. Public Comments

None.

13. Correspondence

The Board is acknowledging and recognizing members who have resigned from the Board with Certificates of Appreciation, a Resolution and letter from the Board Chair. These will be going out to the former Board members. Chair Willingham read the cover letter to the Board.

14. Meeting Review & Discussion

Terri Stone & Dave Markert were this month's board meeting monitors.

Dave Markert marked satisfactory for all characteristics on the monitoring checklist. He thought we held to our normal standards. Monday morning we were confused about the changes to the EC Charter regarding bylaw and policy book changes and thinks in the future we should separate these. Very good discussion from the IRIS presentation and we should thank Beth Wroblewski for her efforts. The IRIS presentation helped us to focus on the issue of the Managed Care model. Good comments by Board members. Good discussion around our basic mission relative to finances and a good conversation about our goal to provide the best quality of life to our members vs. cost effectiveness.

Terri Stone also checked all characteristics satisfactory. She felt the agenda items were well discussed and appreciated hearing about the management initiatives, practice & procedures as it provides a window for us to reflect on how well we are doing with policy governance. She also appreciated Sue Reinardy's suggestion from Tuesday that we set up our priority list of issues and start a strategic plan at the January Board meeting. She likes that the Board members openly give their opinions at the meetings.

Next month's monitors are Sue Reinardy and Mike Hamm.

Mike Hamm also informed that Board that he will be attending the 2nd NB Member Advisory Council meeting which is being held next Monday, 12.13.10 from 1:00 to 3:00 in the downstairs conference room at NB Headquarters/River's Edge Building in Hayward.

15. January Board Meeting Dates & Agenda Items

January 3 & 4, 2011. MRPMC is also scheduled to meet in January. Jack Sweeney suggested an agenda item would be information on how the Self Directed Supports works within NB. Also a discussion on our Core Values/Mission/ Vision, and a strategic planning session at the January board meeting.

16. Adjourn

Mike Linton moved to adjourn the meeting at 12:15 p.m.. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen