

Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
July 7, 2010
Flat Creek Inn, Hayward

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

Other: Don Percy of The Bardish Group via teleconference. New NB staff Megan Mahoney, Laura Larson, Ann Riggs, Evan Sletten, Holly Dewitt. CFO Brian Ahlgren, Quality Manager Grace Burkinshaw, Marketing & Communications Coordinator Jeanne Joyce.

1. Call to Order

Dave Willingham called the meeting to order at 9:10 a.m..

2. Roll Call

All members present with the exception of Mike Linton who was excused. Don Quinton was absent.

3. Public Comment

None.

4. Approval of Minutes from June 7 & 8, 2010

Dee Kittleson moved to approve the June 7 & 8, 2010 meeting minutes. Dave Markert seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Items 9, 10 & 13 were moved ahead of the OADF discussion to accommodate Don Percy who attended by teleconference.

6. Executive Committee Report

Executive Committee met on 6.22.10 at NB headquarters. Minutes from the 6.22.10 were posted on Sharepoint on 7.1.10. There will be an amended version of the 6.22.10 EC minutes posted in the next few days. All members were present and no public attended. The committee approved the minutes of the 5.17.10 EC meeting, discussed follow up to the June board meeting and the closed session that occurred during the annual meeting to discuss the Consumer Director vetting process and it was decided that this vetting process will occur before the May 2011 board meeting in order for the new consumer director to be seated at the June 2011 annual meeting. Discussed the fact that we are looking at the new 3rd Edition of the Board Policy Book and Bylaws at today's meeting and because we changed the date of the annual meeting, that at some point in the future we should change the bylaws to reflect that the annual meeting will occur in June. Further discussion regarding the process being used and methods around Care Under Management initiatives and John will be providing us with information on that at today's meeting with an update on timetable, process, rate setting structures, etc. Had conversation about the OADF's and once again we have found some reasons for modifying the document primarily to encourage further disclosure. The committee discussed clarification of the issue raised at the June 6th & 7th Board meeting regarding the status of Committee Assignments, and any Board or Committee Offices Terms to which Directors have been elected prior to being re-appointed to the Board. Re-appointed Directors serve the remainder of the Term of any committee to which they have been appointed, and fulfill the remainder of the term of any Office to which they have been elected. It was suggested that the Board review the Bylaws to consider if and how such a clarification might be added to the Bylaws by amendment. The

Executive Committee will begin such a review. John updated the EC on a meeting held with the state and ADRC's and plans to have future meetings. Also received an update on the 2010 business plan. Chair Dave Willingham will ask the At-Large Directors of their choice of committees to participate on. The committee set the agenda for today's meeting and discussed the purpose of a closed session for review of the Outside Activities Disclosure Forms today. Also discussed the CEO Assessment and Employment Agreement planning process. There was no correspondence and the meeting was adjourned at 1:00 p.m..

Bob Kopisch arrived at 9:24 a.m..

7. Approval of 3rd Edition of Board Policy Book & By-Laws

Don Percy and Colleen Dressen worked on putting together the 3rd Editions of the Board Policy Book and Bylaws. Once approved by the Board they will be posted on Sharepoint and final copies will be distributed. Don reviewed the changes in the documents with the Board. Most of the changes came as a result of the creation of the new committees, and these are listed by reference to the Board Policy Book. Addendum A includes the Procedural Guidelines and PG1 and PG2 were refined this past year. In August we will be looking at 3 new procedural guidelines – vetting process for appointing or re-appointing new At large or Consumer Directors, and the procedures used for county appointments. Sue Reinardy suggested that a record retention policy may be missing from the Board Policy Book with regard to board communication, emails, etc. Don Percy agreed that we need to maintain the record copy of it and this will be done for the board and the MCO. Don consulted with District Counsel Andy Phillips earlier and will discuss with him again. CEO John McMahon did talk to Andy regarding this and Andy stated that one of his associates is working with WCA to come up with a template of record retention policies and this is an issue that still exists with counties as well. They plan on having a draft for WCA this summer.

Larry Main moved to approve the 3rd Edition of the Board Policy Book. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

Bylaws changes appear in red font and the major change is on page 6 where we incorporated the policy monitoring committees. The Business Oversight Committee needed to await the creation and appointment of the At Large Directors.

Dave Markert moved to approve the 3rd Edition of the Bylaws. Tom Innes seconded. Motion was carried by voice vote without negative vote.

8. TBG-BES July – December 2010 Work Plan

Don Percy reviewed his board education and development work plan for the next 6 months. The Board Education Series emphasis shifts to Outcomes, the fourth category of Board Policies. Board agenda topics shift to discharging its key policy governance, namely monitoring on a regular basis the CEO implementation of policies. His July activities also include assisting the Board Chair in refining CEO performance assessment process and continuation of Employment Agreement. He will also begin work with the Executive Committee on its dual role as a Policy Monitoring Committee for the board policies assigned it in the policy monitoring accountability matrix. August produces will include three new Procedural Guidelines to guide future board handling of appointments and reappointments of county, at-large and consumer directorship and vetting protocols for the latter two. He will design and conduct the next in the series of full-board review of current policies and focusing on Outcomes, and design and initiate next stage of the full-blown Board policy-monitoring system, reports scheduling and initial report review. September will include continuation sessions on Outcomes & Policy Monitoring and respective roles of full board vs. policy monitoring committees. October through December Don will review initial sets of CEO Policy Monitoring Reports. All board meeting agendas begin to include monthly CEO monitoring reports on-board Outcomes and Management Limitations policies. During the next twelve months the board will monitor itself on how it handles the Board-CEO Relationship Policies and the Board Process policies.

9. **The Board will consider a motion to convene in closed session pursuant to Wis. Stat. Sec. 19.85(1)(f) for purposes of “considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations,” to wit: to consider Outside Activities Disclosure Form.**

A closed session was considered with the conclusion that the Board by consensus determined that such a closed session was not required.

Consideration of Outside Activities Disclosure Forms

We need a policy for a consistent way of handling the conflict of interest issues. It was recommended that the Conflict Of Interest Policy Monitoring Committee be charged with creating a policy. Consensus was to consider the matter before the board today in open session.

Vice Chair Dale Schleeter was asked to chair this conversation as Chair Dave Willingham’s OADF was one of the three to be discussed and Dave wished to recuse himself.

The board reviewed all 3 OADF’s and the COIPMC’s and District Counsel’s recommendations for handling them. Dale also discussed that we will be revising the OADF once again to better address specific conflicts of interest.

Bob Kopsis moved to accept the recommendation of District Counsel to ask Chair Dave Willingham to sign a statement confirming that he will remove himself from any meeting, conducted by either NorthernBridges or outside agency of which he serves on the board where contracts or other business are discussed, and to have this signed statement for the August Board meeting. Dave Markert seconded. Motion was carried by voice vote without negative vote.

The COIPMC asked Terri Stone to revise her OADF as the committee does not believe it is a conflict of interest. Terri has completed this request and has provided a revised OADF.

Dave Markert moved to accept District Counsel’s recommendation to ask Terri Stone to revise her OADF. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Jeff Kieffer was asked to revise his OADF as the committee does not believe his issue was a conflict of interest. Jeff has completed this request and has provided a revised OADF.

Dave Markert moved to accept District Counsel’s recommendation to ask Jeff Kieffer to revise his OADF, and to sign a statement confirming that he will remove himself from any meeting, conducted by either NorthernBridges or outside agency of which he serves on the board where contracts or other business are discussed, and to have this signed statement for the August Board meeting. Howard Johnson seconded. Motion was carried by voice vote without negative vote.

Dale Schleeter mentioned that he is now on the Sawyer County Transit Authority Board which is a contracted provider with NB and he will need to complete a new OADF.

10. 2010 Family Care Contract Amendment

The amendment was not finalized at the time of the Board meeting. CEO John McMahon stated that the amendment will be delivered to him this week. The state is proposing to give us \$1.2M to enhance our cap rate.

11. Draft Executive Committee Monitoring Policies

CEO John McMahon reviewed the policies with the board. Board discussed the CEO emergency succession plan and the need for the policy to be created which should include the definition of what triggers the plan. Also discussion around an NB strategic plan. Terri Stone recommended the committees assist CEO McMahon with the strategic plan. Dave Markert also commented that he sees setting goals as part of the strategic planning process and believes that the Board should be involved. Sue Reinardy agreed that this is a board activity. McMahon asked the Board when they felt we should start creating the strategic plan. Chair Dave Willingham suggested the board may need a facilitator to get us started.

12. CEO Assessment & Employment Agreement Process Planning

Executive Committee has been discussing this in their meetings. Don Percy has talked to the board about the assessment and that the criteria for performance of the CEO is measured by our various monitoring reports and we are just now going to start getting these reports. Regarding the performance portion of this process, it was suggested the board not get too concerned about it at this point, and look more towards the current general performance of the organization as a reflection of the CEO's performance. Separate the performance and CEO employment agreement issues. The Board Policy Book under B.4.3 states "A committee will be used to gather compensation information and to provide CEO compensation options and analysis for full Board consideration". The initial CEO Employment Agreement was negotiated by the EC back in 2009 and was approved by the board with January of 2009 execution. Chair Dave Willingham wanted to have a discussion with the board regarding the requirement of B.4.3 and the compensation committee and asked for input from the board on how they would like to proceed in developing the compensation committee. The committee would consider compensation options such as fixed annual pay, cost of living, long term incentives, and other compensation issues such as fringe benefits.

Jack Sweeney moved that the CEO compensation process be assigned to the Executive Committee. Sue Reinardy seconded. Motion was carried by voice vote without negative vote.

CEO Report

- **Financial Statement Report**

CFO Brian Ahlgren reviewed the 5.31.10 income statement and balance sheet. We received a \$3.5M advance from the state in lieu of our June capitation payment. ICFMR money is starting to come in. Current cash flow and hub financials will be presented at August board meeting with the June financial statements.

- **2010 Business Plan Update**

CFO Brian Ahlgren distributed the 2010 Business Plan Summary-Recast. In June the board was given the updated business plan and NB held to the assumptions that we want to be stable and solvent and receive a more realistic cap rate. We were directed by the state to withdraw that cap rate and show what our actual new member costs will be for the year. Only change with this new submission is the state's request to present the plan with our current capitation rate. Original plan had a cap rate of \$3,350 and the recast summary has \$3,087. The plan was re-submitted to the state and they have said they will enhance our cap rate to cover \$1.2M with the understanding that we will not be contributing to the risk reserve or solvency fund this year. The contract amendment is not here yet as the cap rate proposal needs to be signed off by the Secretary. John reviewed the NB Plan Of Correction-Program Improvement Plan which is the state's performance expectations of us. The state has used similar Plans of Correction with other MCO's. We need to accelerate the return on our care under management initiatives. Some hubs are doing well but overall we are not seeing the results we need to see. The state also said that they have not given us the same level of support that other MCO's have received.

- **Care Under Management**

Brian Ahlgren reviewed the Business Plan Resubmission/CMI Analysis. John also reviewed the spreadsheet showing the difference in costs for waiver members vs. wait list members.

Mark Novotny and Sue Zieke left the meeting at 3:05 p.m..

- **MetaStar Report**

Quality Manager Grace Burkinshaw & CEO McMahon reviewed a summary of the 6.14.10 Final Report prepared by MetaStar. Grace distributed the 2010 Quality Plan Timeline and discussed the plan as it relates to the MetaStar findings.

- **Staffing Update**

John McMahon reviewed the 6.30.10 Staffing Update. New information on the staffing update shows the annualized turnover rate. Board agreed that showing the annual rate on a 12 month rolling basis makes the most sense.

- **Membership**

The Board reviewed the 6.21.10 Membership Report.

- **Miscellaneous**

The printing of the NB Annual Report is expected to be done by the end of this week.

13. Policy Monitoring Committees Reports

There were no policy monitoring committee reports.

14. Public Comments

None.

15. Correspondence

None.

16. Meeting Review & Discussion

Monitors for the July Board meeting were Mike Hamm and Howard Johnson.

Mike commented that during the discussion regarding open vs. closed sessions on matters of conflict of interest was a point where the Board talked out the issues and came to an agreement on how to handle it today, but the process needs to be resolved for the future. Collective decision making over the compensation committee and finally moving it to the workload of the Executive Committee was a long process. A lot of information provided at today's meeting.

Howard thought we did a great job of getting 1-1/2 days of work done in one day. He noted that we did not start the meeting on time (9:10). He recommended using microphones when teleconferencing. Howard agreed with Mike regarding the conflict of interest discussion. Free sharing of diverse perspectives. NB has gone from the start up to sustainability and there's a different sense in the room now that we are making more business decisions.

17. August Board Meeting Dates & Agenda Items

Monday & Tuesday, 8.2.10 & 8.3.10. Monitors for August Board meeting will be Ken Mosentine & Dee Kittleson.

18. Adjourn

Ken Mosentine moved to adjourn the meeting at 4:30 pm. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen