

**Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
May 3 & 4, 2010
Flat Creek Inn, Hayward**

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

Other: New NB staff Emily Connor, Sheli Steiner, Jane Gould & Sheri Gatten. Jeanne Joyce & Jeff Fox.

1. Call to Order

Dave Willingham called the meeting to order at 9:05 a.m.

2. Roll Call

All members present except Sue Zieke at the beginning of the meeting.

3. Public Comment

Jeff Fox inquired as to within NB, who decides what members go to a nursing home, or assisted living. John McMahon explained that ultimately the member decides, but with help from the care management team and the guardian or family members. Decisions are balanced with health & safety issues. We have not moved anyone from their residential setting based on money. Based on the LTCFS the IDT decides how much and how frequently services are needed.

Board Discussion and/or Actions

4. Approval of Minutes from April 5 & 6, 2010

Mike Hamm moved to approve the April 5 & 6, 2010 meeting minutes. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda order approved.

6. Executive Committee Report

Executive Committee met on 4.16.10 and the minutes were posted on Sharepoint on 4.30.10. No public comment. The committee approved the minutes of the 3.9.10 EC meeting and discussed the new Outside Activities Disclosure Form and Instructions which board members need to review and complete and submit to Colleen by Monday, 5.10.10. There was also discussion around trying to draw ourselves into a tighter adherence to our board agenda and schedule with regards to getting back from breaks and lunch timely. Chair Willingham will try to bring the gavel down in a timely manner. We also want to be sure to have adequate and sufficient discussion of all items on the agenda. Reviewed the Draft CEO Interpretations of the Quality Management Monitoring Policies which are on today's agenda and the CEO report regarding monitoring activities from MetaStar and the state pilot project PEONIES. Discussion regarding changes that have been made in the state policy for MCO's and how they handle guardianship fees and John will explain how this works under the new policy. Also discussed the issue surrounding the role of guardians when they are also service providers, particularly in the residential area. Worked on the annual board meeting agenda coming up in June and this will occur in consort with the regular monthly June board meeting. John has provided us with a punch list of the areas within the bylaws that addresses the business that needs to be conducted at the annual meeting. John discussed outreach and communications between NB and our stakeholder counties. CEO John McMahon and Chair Dave Willingham recently attended the Douglas County and Ashland County boards. It would be helpful if

board members have input regarding the kinds of questions that you are hearing from your boards. Reviewed how the board terms are established and made some corrections as to how it's written. Discussed today's agenda and there will be QMPMC and FMPMC meetings today after the board meeting. At today's meeting John will review an issue that arose last month with the risk sharing agreement that NB no longer has in place with the 2010 contract.

The discussion then turned to outreach and communication to the county boards and it was requested by a board member to get some talking points from Chair Willingham or CEO McMahon when addressing issues with the boards. Board member Jack Sweeney summarized the Douglas County board meeting and stated that John McMahon cleared up at the meeting the confusion around funding and money available for NorthernBridges with regards to employee compensation. Don Quinton stated that the Washburn County board has requested a representative from NorthernBridges to attend a board meeting and a lot of their questions are financial. Sue Zieke suggested a report to the stakeholders addressing some of the most frequently asked questions and these could be included in our annual report. CEO John McMahon and Chair Dave Willingham will plan to schedule presentations at all county boards.

Sue Zieke arrived at 9:41 a.m..

7. Revised Draft CEO Interpretations of Financial Management Monitoring Policies

John McMahon reviewed the changes and edits to the CEO Interpretations of Financial Management Policies. These changes and edits came from recommendations of the board at the April Board meeting. These will be further discussed at the FMPMC meeting this afternoon.

8. Draft CEO Interpretations of Quality Management Monitoring Policies

John McMahon reviewed the Draft CEO Interpretations of Quality Management Monitoring Policies which will be reviewed this afternoon by the QMPMC. The Provider Network Monitoring Policies have had the recommended changes and will be reviewed by the QMPMC today.

CEO Reports

• **Financial Statement Report**

CFO Brian Ahlgren reviewed the 3.31.10 consolidated and regional financial statements. Capitation revenue is down partially due to members enrolling mid month and receiving partial capitation payments. Room & board, cost share and ICF-MR revenue is better than budget. CM expenses continue to be under budget mainly due to not being fully staffed but also due to managing travel expenses. Net operating loss of \$487,000 YTD. Risk sharing entry has been reversed out of this financial statement. John discussed the loss of the risk sharing agreement with our 2010 contract. NB had a conference call with the state on 4.23.10 and NB will be re-submitting the 2010 Business Plan to get the risk sharing agreement put back in place going forward for the remainder of 2010. Would like to see it in place no later than June 1, 2010. Eventually we will be operating without a risk sharing agreement. Chair Willingham asked the board if the board needs to approve the revised business plan either at a special meeting or the Executive Committee meeting before submitting to the state. Recommended to let the state know in the revised business plan, of the board's disappointment with the way the risk sharing agreement situation was handled. NB will get the plan to all board members when the Executive Committee meeting agenda is posted.

Larry Main moved to allow the Executive Committee to give final approval on the revised NB 2010 Business Plan before submitting to the state. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Brian Ahlgren distributed the Management Discussion & Analysis for 2009 along with the Untimely Filing Analysis (90 Claims Run Out Process) as of 4.30.10.

- **Staffing Update**

John reviewed the staffing update as of 4.30.10. Currently have 1,800 members being served by 124 employees.

9. Board Education Seminar Series – Board Briefing Paper #6-CEO Relationship Policies

As part of its periodic review of all board policies, the board reviewed the Board/CEO Relationship policies as contained in Section III of the Board Policy Book during an interactive education session facilitated by Don Percy (The Bardish Group). Percy reviewed the 2008 creation of the policies by the NW Family Care Development Council, their adoption at the June 2008 organizational meeting of the new Board and their reaffirmation in the 2nd Edition of the Board Policy look in June 2009. He made the following points in summarizing the policy governance principles and intent of this particular set of Board policies:

1. No single relationship in the effective governance and effective management of NothernBridges is as important at that between its Board and its CEO.
2. A strong board and a strong executive empower one another to achieve the board-specified Outcomes.
3. The CEO is solely responsible to the full Board and its relationship is formed around the accountability of the position. The CEO is accountable to the Board for achievement of the Outcomes policies and for adherence to its Management Limitations policies, and his performance is to be assessed by the Board solely against those written policies.
4. The Board's CEO relationship policies provide for delegation of authority to the CEO and ongoing monitoring and accountability for its effective discharge by the CEO.
5. Upon completion of board review and approval of the CEO's written interpretations and specification of the performance evidence and supporting information for each, the Board will establish a Procedural Guideline to spell out the monitoring process and schedule.

He then led a board discussion of the twenty-four board-CEO relationship policies as set forth in Board Education Series (BES) seminar paper BES 6.0 and in the Board Policy Book. It was the sense of the board discussants, all of whom were polled at the conclusion of the review, that the policies appropriately reflect their shared values and expectations, and that they conformed with policy governance principles as intended. Suggestions for possible future refinements which arose during the discussion will be reviewed by the policy consultant and his assessments conveyed to the board at a subsequent meeting.

Meeting was recessed at 2:43 p.m. to allow for the QMPMC & FMPMC meetings.

MAY 4th, 2010 CONTINUATION OF THE BOARD MEETING

Dave Willingham called the 2nd day of the meeting to order at 9:03 a.m..

All members present except Mike Linton & Don Quinton who were excused. **Larry Main was also absent.**

10. Approval of 2010 Quality Plan

Grace Burkinshaw & Gail Nordheim reviewed the NB 2010 Quality Program with the Board and asked for feedback and approval. The plan is the previously approved plan which has been modified to extend through the 2010 calendar year. The first 5 pages discuss the philosophy, approach and structure of the program and the remainder of the document spells out the specific quality goals, activities, measurements and timelines. The Quality Committee meets monthly and is represented by all departments of the organization. The committee reviews progress, addresses issues and provides guidance to the Quality Manager and the CEO on the Quality

Program. Goals this year are to create the Member Advisory Council and develop a mechanism for provider participation. The 4 main goals of the Quality Program Plan are to protect member health & safety, promote member satisfaction and outcomes, assure high quality care management and assure provider quality. The Board is ultimately accountable for the quality of the organization and the CEO is responsible for implementing the quality program. Gail reviewed the goals and timelines of the Quality Committee for the 2010/2011.

QMPMC Chair Dave Markert commented on how the committee was very impressed by the breadth of this proposal and its attention to being member centered, and recommended to the board that it be approved at today's meeting. Vice Chair Mike Hamm commented that his only concern was what type of reports the board will be reviewing. John commented we would first look at the evidence in the quality policies to ensure these are being performed. We have a strong tracking system to utilize for presenting reports. John needs to know if the reports are what the board expects and would want feedback from the board. QMPMC needs to come up with the frequency and what type of reports they want to see and then preview for the board. There will be at a minimum, a quarterly status report on the QM Plan itself and also an annual evaluation of the plan in December.

Dave Markert moved to approve the NorthernBridges 2010 Quality Plan as presented. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

11. Clifton Gunderson Audit Report

Deb Welch & Rene Messing with Clifton Gunderson reviewed the NorthernBridges 2009 Preliminary Audit Financial Report which includes the Auditor's Report, Management Discussion & Analysis, Financial Statements & Footnotes.

FMPMC Chair Bob Kopisch stated that the committee met yesterday and discussed the financial statements and recognized that it was a very good audit report for a start up organization. The committee also talked about some of the adjustments that were made and management has no issues with the adjustments. Also discussed the financial statement notes and the MD&A. Some of the areas that the committee found to be deficient in the notes were in the areas of financial solvency and do not feel it was covered sufficiently. The FMPMC would like to see some additional work done in these areas so people understand the significance of them. Rene Messing recommended language talking about the expectation of the state with a start up organization and that it would be customary from the state's point of view that it will take 3 years to be financially solvent. FMPMC recommended to have further discussion with management to work on the final language for the MD&A and the notes. CG will schedule a conference call with Brian and John and send the language changes to them before the phone call.

Sue Reinardy moved to authorize the FMPMC to review and approve the final financial statement reports. Dave Markert seconded. Motion was carried by voice vote without negative vote.

CEO Reports (Continued)

- **2010 Performance Expectations-1st Quarter**

John McMahon reviewed the preliminary summary of the results of the first quarter performance expectations as stated in the 2010 Family Care Contract. Further fiscal analysis will be completed after 90 day run out of claims.

- **Membership**

John McMahon reviewed the Membership Demographics for the 1st Quarter 2010 and also through April 30, 2010 which addresses enrollment/disenrollment, age, gender & target population by hub.

- **Member Portal In Enterprise**

John and NB staff met with Vestica last week and looked at the current member portal. The current member portal is not designed for long term care. Vestica does not have a lot of traffic to the site. NB would

need to figure out what we'd want available with input from members. Our assumption right now is that most of our members either do not have access to a computer or the internet and also question how many members would actually use it. We would most likely want it to show benefits. The Member Portal does not look like it's suited for our intent right now. Mike Hamm suggested it would be good for members, guardians and family members if the right information was put in and also for fraud as members could let NB know when a provider did not provide services they billed us for. The Member Relations committee will continue to study the issue.

- **Member Handbook**

John updated that the state is working on a state-wide member handbook and will create a template and get input from MCO's and members with the intention to roll out by beginning of 2011. NB Quality Manager Grace Burkinshaw is working with our Member Rights Specialists to create an Ad Hoc committee made up of members and guardians to look at both the Member Handbook and Notice of Action letters. Member Rights Specialists will be talking with Care Managers for their suggestions on who to contact to be a part of this committee and hope to have a 9 to 12 member committee in place by June. Plan is to have a new Member Handbook in place for 2011.

- **Communication & Outreach to County Boards**

Chair Dave Willingham & CEO John McMahan plan on attending and presenting at all of the county board meetings. It would be helpful if board members can contact Dave or John with the dates of their meetings, gather any questions from the county boards ahead of time and get to these to Dave & John.

- **Annual Meeting Agenda**

Reviewed handout with agenda items that need to be addressed at the annual meeting which include:

- Audit report
- Receiving of newly appointed County Directors
- Appointment of Consumer Directors
- Designation of Legal Counsel to the Board of Directors
- Annual Report
- Committee Appointments
- Election of Officers - If Needed
- Adoption of Updated Edition of Board Policy Book
- Adoption of Updated Bylaws
- Public Comments

The Board had a discussion about the involvement of stakeholders at the annual meeting and it was decided that outreach to stakeholders should occur through other avenues such as the hub listening sessions.

- **Guardianship Update**

CEO John McMahan discussed room and board and the situation when we transitioned the waiver members, the counties paid guardianship fees for their services and this is not a family care benefit. MCO's had wanted to institute a uniform practice of how to determine a member's ability to pay room and board. NB can only subsidize room and board for a member if it prevents them from entering a nursing home. State has said they will not change the rules and maintain the current policy which is, whoever is the payee gets to decide how that is allocated.

12. Public Comments

None.

13. Correspondence

None.

14. Meeting Review & Discussion

Chair Dave Willingham reminded board members to get their Outside Activities Disclosure Form to Colleen by Monday, 5.10.10 either by mail or email.

Monitors for June Board meeting were Sue Reinardy & Tom Innes.

Sue felt the meeting went well and one area of improvement would be the Quality Plan that went through extensive detail yesterday and also today - are we going into management territory? Can we map these items with the policies and what the board's responsibilities are without getting bogged down in the detail? Sue felt that the Board seminars that Don Percy facilitates are excellent.

Tom felt the Board meeting also went well but sometimes we do a little too much wordsmithing, but as a whole it was a very productive meeting.

15. June Board Meeting Dates & Agenda Items

June 7th & 8th, 2010. Annual Board Meeting at 9:00 on Monday, June 10th followed by the regular June Board meeting.

16. Adjourn

Ken Mosentine moved to adjourn the meeting at 12:44 p.m.. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen