

**Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
May 2 & 3, 2011
Flat Creek Inn, Hayward**

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

Others in Attendance: Board Consultant Don Percy/TBG, Dennis Liphart of Center for Independent Living, John Nousaine of North Country Independent Living, NorthernBridges New Staff – Rhonda Richardson, Kim Brown Galligan, Kelley Burch, Kay Loftin. Former NB Board member Jeff Kieffer.

1. Call to Order

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

2. Roll Call

All members present. Board members introduced themselves for the benefit of new Board Members Beth Meyers, Joe Wolf & Steve Sather.

3. Public Comment

John Nousaine informed the group that he has been at the DHS meetings that Secretary Smith is holding and the Joint Finance committee meetings. He pointed out that NB Chair Dave Willingham and CEO John McMahon have also been at the meetings testifying and the best quote came from Dave "Our new Mission is Wishin' for Attrition". New NorthernBridges staff introduced themselves to the Board.

4. Approval of Minutes from April 4 & 5, 2011

Sue Reinardy moved to approve the April 4 & 5, 2011 Board meeting minutes. Ken Mosentine seconded. Motion was carried by voice vote without negative vote. After the motion was made, Larry Main made the correction that he was here both days of the April Board meeting. Correction will be made to the April minutes.

5. Approval of the Order of the Agenda

Agenda was approved as amended to include item #11 – Amendment to Board Resolution #03-10.08 Official Name Change to NorthernBridges.

6. Executive Committee Report

The Executive Committee met on 4.21.11 at HQ. The minutes from that meeting were posted on Sharepoint on 4.28.11. The committee approved the minutes from the 3.25.11 EC meeting. Board Consultant Don Percy gave a report on the progress of the Consumer Director Vetting Committee. There is an additional vacancy for Consumer Directors because of the resignation of Sue Zieke. Terri Stone's term expires 5.31.11. Ads were placed and application packets have been sent and returned with some declining to apply. There are two applicants from the previous vetting process that are still interested in the position. The CDVC meets at 3:30 this afternoon. The EC discussed the EC Assessment which Dave had wanted to be completed before the June annual meeting. We'll need to decide if we want to do an EC assessment every year, or every 18 months. They reviewed the April board meeting and discussed the monthly board monitoring process and whether we want to make some changes to the process. The committee also discussed the possible change in our per diem policy which is on today's agenda. There was a brief discussion on the Strategic Leadership Workgroup, and an update on the three county board director seats that expire at the end of May. Steve Sather has been appointed from Washburn County, Ken Mosentine re-appointed from Barron County and Tom Innes reappointed from Iron County. This will officially take place at the annual meeting. Chair Willingham and CEO McMahon attended the

Joint Finance Committee Budget hearing in Superior on April 8th and gave testimony. There was steady testimony from 9:00 to 4:00 and near the end of the day a gentleman said he liked the budget while another applauded wildly. Dave also attended a hearing in Eau Claire the following day which was attended by the democratic legislators of the area and all legislators were invited. Dave also worked with John and NB staff on the new board member orientation which was held last week.

7. 1st Reading – Draft Bylaws Amendment for Section 2.03 - Terms

Chair Willingham explained that we send out a letter to the County Board Chairs informing them of the NB county representative seat expiring allowing them enough time to make the appointment and that we need some official notice from the Board of Supervisors. The proposed change to Bylaws Section 2.03 reads as follows (bold italics): “Therefore, upon expiration of a County Appointee’s term the county appointing the County Appointee shall appoint a successor County Appointee and provide the Secretary of the Board with **written** notice of the appointment at least 15 days prior to the Annual Board Meeting. **Should written notice not be received prior to the Annual Board Meeting, the successor county appointee’s term will remain vacant until the county appointing the County Appointee has provided written notice of the appointment.**” The proposed bylaws amendment survived the 1st reading and the 2nd reading will be on the June Board meeting agenda.

8. Draft Board Policy Amendment for Policy Statement B.9 – Per Diem & Travel Expense Reimbursement

Because there was some confusion as to the length and reimbursement of meetings, a suggestion was made to change the per diem for a Board meeting to a fixed amount of \$75 per meeting and not tie the board meetings to the length of the meeting itself. All other committee meeting reimbursements will remain tied to the length of the meeting. It was made clear that **per diem** means **per day**, thus each board meeting day will be reimbursed at \$75 per day with the \$100 maximum per day for meetings still in effect.

Dave Markert moved to change the proposed amendment to read “per day” vs. “per meeting”. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Dave Markert moved to adopt the amendment to Policy Statement B.9 – Per Diem & Travel Expense Reimbursement and for it to be effective June 1, 2011. Tom Innes seconded. Motion was carried by voice vote without negative vote.

9. Discussion of Additional Bylaw Changes

Dave Willingham asked the board if they had any other suggested changes to the Board Bylaws. Jack Sweeney asked if this should be a process that we would follow on an annual basis. Dave agreed that bylaws and policies should have a built in process for reviewing annually. Dale Schleeter feels that each of the committees and the board as a whole continue to look at the bylaws as a matter of course during committee and board meetings. Bob Kopisch suggested we put this on the agenda early in the year such as January.

10. Board Resolution Regarding Governor’s Budget Proposal & Family Care

CEO McMahon reviewed the draft Resolution he prepared opposing the Family Care Program enrollment and expansion cap in the Governors budget. John attended the MCO group meeting with much discussion on the governor’s budget proposal and it was agreed it would be worthwhile for each MCO board to communicate its position on the Governor’s budget to their legislators. They had discussed a joint resolution but in the interest of time it was decided each MCO would prepare their own resolution.

Bob Kopisch moved to put the resolution on the floor for discussion. Dale Schleeter seconded.

Beth Meyers suggested including the number of members served by Family Care as a whole into the resolution. This is 28,885 members according to the Family Care audit. Dave Willingham questioned if we should make it specific to NB, or Family Care as a whole. Board members agreed that we should include all of the Family Care members. Larry Main suggested we send a copy of our finalized resolution to the other MCOs. Dale Schleeter

suggested we send the resolution to the counties and ask that they show their support of NB's resolution to their legislators. Terri Stone suggested also sending the resolution to the advocacy groups in addition to the counties. Decision was to send to the counties and the MCOs. John will edit the resolution for review at tomorrow's portion of the board meeting. Sue Reinardy commented that she feels the resolutions can and do make a difference.

Bob Kopisch moved to postpone the final discussion until tomorrow's meeting after John has re-drafted the resolution. Dave Markert seconded. Motion was carried by voice vote without negative vote.

11. Amendment to Board Resolution #03-10.08 Official Name Change to NorthernBridges

CEO McMahon has proposed to change what was originally stated in Board Resolution #03 – 10.08 as **NWFC-Northwest Family Care to NWLTCD – Northwest Long Term Care District**. The changes have been reviewed and approved by legal council Andy Phillips.

Larry main moved to approve the Amendment to Board Resolution #03-10.08 Official Name Change to NorthernBridges. Joe Wolf seconded. Motion was carried by voice vote without negative vote.

Bob Kopisch moved to refer the matter to the Executive Committee for review. Sue Reinardy seconded. Motion was carried by voice vote without negative vote.

12. CEO Report

- **Financial Statement Report**

CFO Jason Kohl reviewed the 3.31.11 financial statements.

Income Statement:

Revenue: (Reduction)/Increase:

- 47 enrollments and 36 disenrollment's in March
- Received partial months payment for 62 members - \$87k
- Cost Share Revenue – 279 members in the amount of \$84k
- Received Non-NH Level of Care Capitation for 52 members - \$36k
- 75 fewer members than budgeted – (\$225k)

Operating Expenses:

- 2010 IBNR - \$6.942M
- March service costs estimated at \$5.38M
- 2009 Service expenses paid through March of \$30.9k
- 2010 Service expenses paid through March of \$5.8M
- 2011 Service expenses paid through March of \$9.19M
- Fewer CM FTEs than budgeted in March

Jason explained our solvency funding contract minimum and risk reserve for the benefit of the newer board members.

John noted that we are the only MCO without a residential rate setting methodology. We have been working with the state to assist them in developing a state wide methodology, but it has been put on hold and no decision has been made. NB needs to move ahead on our own to have fair and consistent rates. We have looked at other methodologies and are specifically looking at the model used by Southwest Family Care Association and our goal would be to implement with new rates into contract changes that would go into effect August 1st. We are looking at Southwest's acuity tool to be sure it gives us an accurate acuity of the member and trying to develop a market driven rate. The state has indicated that we should move forward with our own residential rate setting methodology.

13. 2010 Audit Report (Monday @ 1pm)

Clifton Gunderson Auditors Deb Welch & Renee Messing reviewed the Draft Preliminary 2010 Audit Report which included the Financial Highlights, Financial Statements and Management & Internal Control Letters. CFO Jason Kohl also prepared a draft Management's Discussion & Analysis (MD&A). The FMPMC will follow up with any recommendations at the August meeting. It was suggested that next year, the Board receive the draft as soon as possible before the audit presentation to give the board members a chance to review it before the meeting. The audit needs to be submitted to the state by May 31, 2011 so board members were encouraged to contact CEO McMahon or CFO Kohl as soon as possible with any questions they may have on the audit. Sue Reinardy suggested we edit the notes regarding Concentration of Credit Risk with regard to investments to address that this is not relevant to NB. The MD&A and the Management Response must also be approved by the auditors and the Executive Committee will have the authority to approve the audit if the MD&A is approved by the auditors. The MD&A will be discussed at tomorrow's portion of the Board meeting and Deb and Renee will be available by phone if necessary.

14. Board Education Seminar 5.3.1.1 – Summary of EC Questionnaire Responses

Board Consultant Don Percy discussed the overall Board Process Policies and Operations Review process. As a first step in that process we recently conducted an assessment of the Executive Committee with the newer members exempt from the process. Three board member's responses have not yet been merged into the document at this time and Don will incorporate those and the final document will be posted on Sharepoint when complete. Don reviewed the Summary of EC Questionnaire Responses with the Board.

Dave Willingham asked the board how we could improve on the nature of the questions that are asked in the EC Assessment Questionnaire. Suggestions were to make the questions so that they cannot be answered a simple yes or no as this requires everyone to give a more descriptive answer. Another suggestion was to review the typical board meeting agenda and see where we can possibly reduce the monthly meetings to one day at least a few times per year. One board member commented that he would really prefer to not have the Policy Monitoring Committees meet during the noon lunch break as it shortens the meeting time and it's uncomfortable for other board members when coming back to the meeting room and the PMC meeting is still going on. Sue Reinardy stated that we do not need financial statements every month and suggested we review them quarterly. Dave Willingham stated his concern with not having financial statements monthly if board members may miss a meeting. CEO McMahon suggested having a theme for each board meeting and focus on one particular topic such as policy governance, financial, the political/legislative world. He thinks it's a good time in our development to take a look at our Board meeting agendas and be able to share information that helps the board perform their role. Dave Markert inquired about a standard financial reporting format that is more understandable. Mike Hamm asked the EC members if they felt they have ever made a decision that should have been brought to the board first. The EC members agreed that they always try to be on the safe side and bring to the board before making those decisions if they are uncomfortable.

Meeting was recessed at 3:15 p.m. to allow for the Consumer Director Vetting Committee meeting.

May 3rd, 2011 CONTINUATION OF THE BOARD MEETING

Chair Dave Willingham called the 2nd day of the meeting to order at 9:07 a.m.

All members present with the exception of Larry Main & Steve Sather who were absent and excused.

2010 Audit - Management's Discussion & Analysis – Continued Discussion from Monday

CFO Jason Kohl reviewed and summarized the draft Management's Discussion & Analysis. We will add the definition of acuity adjustments to page 4. Decision was to create a similar but separate document for the

board to share with their county and Human Services Boards. **John will check w/CG on this?** Jason is awaiting feedback from Clifton Gunderson on the MD&A. There was also a suggestion to include language regarding the solvency requirements. The Executive Committee will review the final draft of the MD&A.

Bob Kopisch moved to approve the MD&A as amended with changes to be approved by the Executive Committee. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Resolution Regarding Governor's Budget – Continued Discussion from Monday

CEO McMahon reviewed the changes made to the Resolution from the suggestions made at Monday's board meeting and other edits were also suggested.

Bob Kopisch moved to adopt the substitute Resolution. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Chair Willingham suggested the board members take a copy of the resolution and follow up with their legislators by email.

CEO Report (continued)

- **Enrollment Cap Effect on Budget**
Discussion on enrollment cap effect on the budget took place on Monday with the Resolution Regarding Governor's Budget Proposal agenda item.
- **Budget Repair Bill & Budget Bill Update**
Wisconsin Act 10 is being reviewed by a Judge in Dane county and if the law goes into effect it will be effective moving forward, and not retroactive. No new information on the budget bill at this time.
- **Joint Finance Committee Public Hearings**
Dave Willingham and John McMahon testified in front of the Joint Finance Committee. Mike Linton was scheduled to go to Arcadia but the meeting was moved to a different location and he was unable to attend. Some members of the Aging Coalition did attend. Mike was disappointed in the way they handled it with meetings being moved and times being changed. Dave Willingham noted that he received some nice comments on NorthernBridges. With regard to the Family Care audit, the WFCA is going to have a meeting next week with the co-chairs of the Legislative Audit Committee to update them on the evaluations and content of the audit. The meeting is in Madison next week with the staff who wrote the report to give them some additional information as they can write further clarification to the report.
- **CEO Compliance Monitoring Reports**
CEO McMahon reviewed the Plan for Completing Remaining CEO Compliance Monitoring Reports on Remaining Management Limitations Policies. The majority of the reports remaining are for the Executive Committee and Financial Management Policy Monitoring Committee. John has been keeping track of duplications in policies for possible consolidation.
- **Updated Talking Points**
Wisconsin Family Care Association is still working on the draft talking points.
- **OCI Update**
Office of The Commissioner of Insurance issues our Operational permit each year and we have a six month certificate this year due to our lack of financial performance. They will be issuing another six month certificate. They have received a copy of our monthly financial statements and have no current concerns. We'll continue to meet with them via teleconference. All MCOs are billed by the OCI for the

services they perform in examinations, applications and analysis of the MCOs. CEO McMahon will ask the OCI about the high dollar amount of the invoice during the next phone call with them.

- **Miscellaneous**

We are making a banking change to Wells Fargo because of the electronic features they offer.

The state has a committee to develop a statewide Member Handbook and it will be available to distribute to members in September. We will have a copy in July to add our specific NB information.

We've been working with the Survival Coalition representing people with disabilities and advocating for the Family Care Program.

Staff are reviewing the Midas Business Information System.

- **Annual Quality Review**

MetaStar is contracted by the state to complete annual reviews of the MCOs and they are finishing up with ours this week. We then have a conference call scheduled and they will send us a draft of their findings within 30-45 days.

- **Mission, Vision, Values Survey**

CEO McMahon reviewed the Mission, Vision & Values survey taken by NorthernBridges Staff. We will conduct this survey every quarter of 2011. This is an activity of Employee Engagement which is one of our Operational Plan Activities. Overall, 97% of NB employees either somewhat or strongly agree that they and their hub/office demonstrate the NB Mission, Vision & Values.

- **Staffing Update**

145 NB employees as of April 30, 2011. Currently recruiting for Central Regional Manager, Quality Manager, SSCM's for Spooner and Hayward.

- **Membership**

1,948 members as of April 30, 2011. 737 have been taken off the wait list.

15. FMPMC & CDVC Reports

FMPMC Chair Bob Kopisch informed the board that the meeting focused on the Management letter and carry over comments and what the status is of the issues – most of the items they commented on are in process but not implemented fully due to staffing issues or timing. The committee did not see any major problem with the audit.

CDVC Chair Jack Sweeney informed the board that the date for the interviews will be set and Don will be checking on candidate's references. We are still a little unsure as to how many interviews we will conduct because of a few questions on the applicants' eligibility. The CDVC will report to the Board their recommendation at the June Board meeting. Since the CDVC meeting on 5.2.11, the interview date was set for Monday, May 23rd at NB headquarters.

16. Public Comments

None.

17. Correspondence

None.

18. Review of NB Board Meeting Monitoring Checklist

The board discussed the Board Meeting monitoring checklist and Chair Willingham asked for input on updating or improving the process. He feels the monitoring process has served the board well thus far. Mike Hamm commented that after doing it a number of times, some of the questions asked on the checklist we do not do; have a satisfactory meeting but when there are glaring issues they do stand out. Dave commented that we tend to get mostly yes and no answers and should we ask for specific examples of how we did as a board. He feels that it's better to comment on issues immediately after the meetings vs. waiting too long. Mike Linton commented that as we're doing the monitoring he feels that most speak up and nothing is held back. Jack Sweeney reminded the board that Don Percy will evaluate the board with a policy monitoring report after the BES sessions are done and this should include the monitoring process. Howard Johnson suggested we remove #4 & #5 from the questionnaire – we haven't checked "needs improvement" – let's be honest about how we do the evaluations. Terri Stone suggested we do the monitoring reports at the beginning of the 2nd day vs. the end of the 2nd day. Dave Markert recommended splitting up some of the questions as some do address more than one subject. Sue Reinardy feels that we probably expected to have two different opinions when we set this up and that isn't always happening and maybe we should ask for just one volunteer for each meeting.

19. Meeting Review & Discussion

Bob Kopisch and Howard Johnson were this month's monitors.

Bob Kopisch commented that it was generally a good meeting but that we did drag on with conversation on a couple of topics. We have gotten away from being recognized by the Chair before speaking so we're talking over each other and we need to get back to more order. Form vs. substance and board role vs. staff role – he feels we dabble on deviating and sometimes bridge on staff issues vs. board issues. We have a diverse board and everyone has opinions and this will continue to happen. John does a good job of not getting too concerned over the discussion.

Howard Johnson stated that with question #2 (individual members were given adequate opportunity to participate in discussion and decision making), the Board Chair may consider going around the table getting comments from every board member. At times we have diverted from policy level focus and also too much substance which leads to micro managing. Board members need to remember that they have the responsibility to speak up.

Chair Willingham commented that he tries to maintain a level of order that doesn't become oppressive and feels that we do get out of hand as far as people being recognized and he appreciates Bob's and Howard's comments. He is also aware of the micro-management issue and staff and board distinction – doesn't think it's always a bad thing for John to know how the board feels about things even if it's a decision John must make. He likes Howard's comment about going around the table to make sure we hear all 18 voices – when those kinds of occasions arise, the board members should feel free to let him know that at any time during a meeting.

CEO McMahon commented that he would like to have a future conversation around the issue of roles and board input. Dee Kittleson stated that Dave Willingham has the power to "bring things back" and that's perfectly within his power to comment. Let's have a discussion about just how we interact. Beth Meyers noted that during agenda item #13 on Monday, the Board Education Seminar series, we ended that conversation talking about having quarterly financial reports. If she were sitting in the audience she would be wondering how we got to financial reports when the discussion was supposed to be on the EC assessment. Dave Willingham stated there were a couple of responses on the questionnaire itself that had to do with the length of the meetings and this was how that conversation started. Beth feels we have to be true to our agenda and was voicing her concerns as a new member.

Dave Markert and Ken Mosentine volunteered to be monitors for the June Board meeting.

20. June Board Meeting Dates & Agenda Items

June 6 & 7, 2011. John reminded the board that the July meeting is scheduled for a Tuesday and Wednesday due to the 4th of July holiday falling on a Monday and we should decide if we want to hold a 1 day meeting instead and make this decision at the June Board meeting. September is also a Tuesday and Wednesday and we have scheduled an NB supervisor training for the 7th (Wednesday) so it would be helpful to decide if we want to go to a 1 day Board meeting for September also. Sue Reinardy will take the Strategic Leadership Workgroup list of issues and get the board a rating sheet for the June meeting so we can rank these in order of importance.

21. Adjourn

Dave Markert moved to adjourn the meeting at 11:22a.m. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen