

**DRAFT
Minutes
NorthernBridges
Board of Directors Meeting
November 2, 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, Sue Zieke, Tom Innes, Mike Linton, Jack Sweeney, Don Quinton, Larry Main

Other: Don Percy of the Bardish Group, NorthernBridges Staff and the public.

1. Call to Order

Dave Willingham called meeting to order at 9:34 a.m.. The new Burnett County representative Larry Main introduced himself to the board. Larry served on Burnett county board for 14 years. The rest of the board members introduced themselves to Larry. Sue Zieke & Dave Markert volunteered to be the meeting monitors.

2. Roll Call

All members present.

3. Approval of Minutes from October 5, 2009

David Markert moved to approve the October 5, 2009 meeting minutes. Mark Novotny 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

John Nousaine of North Country Independent Living mentioned their 2010 calendars are free to the public. He commented that, while there had been some inconsistencies during initial start-up (e.g., NB authorizing hours depending on where the consumer is – PRN hours are a few extra hours for emergencies – some cases we are authorizing and others not), he felt things are going smoother now.

John McMahon introduced new NB staff members and each gave a brief description of her or his background. The board welcomed them with a round of applause.

6. Executive Committee Report

Executive Committee met on 10.21.09 at NorthernBridges HQ. Minutes from the 10.21.09 meeting were posted on basecamp on 10.27.09. All members were in attendance along with John McMahon and Mike Linton attended by conference call. Reviewed the board meeting of minutes of October 5th with follow up comments and remarks. John reported on the preparation of the Financial Management Policy Monitoring Committee (FMPMC) agenda for its first meeting held this morning at 8:30 a.m. at Flat Creek Inn. The new chair for the FMPMC is Bob Kopisch. The committee also reviewed the list of committee appointments and discussed board meeting schedule going forward with regard to staggering the meetings on a 1 and 2 day basis which we'll need to play by ear. John reported that the RFI's for NB's first annual independent audit had been mailed. Also reported the upcoming meeting and visit by the new division administrator for DHS-Long Term Care, Susan Crowley, on 10.29.09 at NB HQ to which all board members were invited for an informal get together. Dave Willingham, Dale Schleeter and Mike Linton attended Susan Crowley's visit.

The committee convened into 2 closed sessions to discuss conflict of interest issues and implementation of the CEO employment agreement. Mike Linton requested that we include an agenda item for the full board meeting to discuss the composition of consumer representatives on the board. Post action plan issue regarding communication with attorney Andy Phillips of updating or revision of COI disclosure form. Don Percy and Andy

Education Seminar papers in process and planned the agenda for the FMPMC meeting. Phone calls with John McMahon for Executive committee & board meeting preparation. Reviewed past BES papers and did background research on the consumer director target group representation concerns Mike Linton shared with the EC.

NB Bylaws provide for 2 at-large board members with business/financial experience and knowledge in managed care and it has been difficult thus far to find qualified candidates during the start-up period. Recently, however, we received referrals for 2 possible candidates and Don Percy and John will put together a new invitation to be circulated throughout the district to attract the interest of other qualified individuals to serve in these important at-large positions. Hope to have qualified applicants to present to the board by early January. Don Percy stressed the important perspectives these appointments can bring to the board; he confirmed these directors are appointed by the board and would serve 4-year terms.

7. Board Education Series Seminar Paper 5.1.6

BES Paper 5.1.6 is a template for establishing the four new committees created by the board at an earlier meeting. It serves as an implementation plan for each committee and started with the Financial Management Policy Monitoring Committee. Each committee will start with an initial organization and orientation meeting which should last 1 hour and each committee member will receive a separate notebook with the charge and other reference materials for their specific committee. Among each committee's initial tasks will be the development of a procedural guideline. Committees will meet periodically (e.g. three times a year, except for the COI committee) as policy monitoring tasks outlined in their respective charges require attention and such other times as the board chair or board refers items to it. These are policy governance committees and, as such, monitor compliance with board policies within their respective purviews and advise the board on their findings.

8. Discussion of Composition of Consumer Representation on Board

Mike Linton had requested a discussion of the composition of consumer representation on the Board of Directors. Mike thanked the board for the opportunity to be on the agenda today. Mike is concerned that while NB is charged to serve three target groups (Frail Elderly, Developmentally Disabled and Physically Disabled), we don't have equal consumer director representation on the Board Executive Committee. He is one of the consumer directors and serves as an advocate for the elderly with NB board and other organizations. He understands that the board representation is in proper accord with Wisconsin state statutes. Don Percy gave the board an overview of applicable bylaws, board policy and state statutes provisions.

The five-member Executive Committee is by policy presently constituted through election by the board and consists of the boards' three elected officers (Chair, Vice Chair and Secretary) and must include one consumer director and one at-large director. Don asked Mike if he had thoughts on how we would expand the balance and deal with the elections of the Executive Committee. Mike said he has not thought of the size of the Executive Committee but feels there are times when one group or the other can be forgotten along the way. Mike mentioned that when we had the NorthernBridges celebration there was no aging group mentioned on the thank you to our partners list. John stated that the aging network wasn't directly impacted by long term care reform and also that there are aging departments within the Health & Human Services department and DHS was listed on the partner list. Mike's vision is that there be more representation of all 3 target groups on the Executive Committee.

Don Percy noted the elected nature of the EC and any director option to seek election without regard to his/her county or consumer representative status. He reviewed one likely implication of requiring each of three target groups have a seat on a five-member EC in light of the statutory 25% consumer representation minimum on the full board, namely, the county directors could rightly assert 75% representation thereby expanding the EC to 12 members. Don had previously suggested, that, as an alternative, the board if it so wished could specify that the currently-designated consumer director seat on the EC be rotated annually among the consumer directors.

The board chair then invited comments from the full board. Don Quinton commented about the need to look at the years ahead and the frail elderly. Don Percy agreed that as a board we need to monitor this and the Member Relations Policy Monitoring Committee would be the place to deal with that issue. Bob Kopsich thinks the Executive Committee works very well and there was no bias with who became a member of the committee or any influence one way or the other. It's an open, non-biased process and doesn't know if the intent is to have

and she continues to feel there is nothing wrong with the current representation. Jack Sweeney asked what the requirements are for consumer representation on the Executive Committee and for confirmation that one of the five seats is currently designated by board policy to be filled by a consumer director representative.

Jeff Kieffer commented that as long as we are considering changes, he would like have more actual target-group consumers on the full board rather than persons who are advocates for consumers. Sue Zieke agreed with Jeff but that maybe it's hard to find actual consumers who may be able to serve. Terri Stone feels that the board has good representation now and we leave behind our "representations" and are involved for all the members. Terri fears that we may fracture the board as it is. Mike Hamm commented that Mike Linton is now simply stating a representational concern for the Executive Committee that may come up in the future and suggested the consumer director rotation process for the currently-designated seat seemed a reasonable accommodation of that concern. Dave Markert commented he is impressed and has been from the start by the range of familiarity the board members have of all three target group members we serve and is wondering if we are confounding the consumer representative, who represents all of NB's members with a member who actually receives services from NB. He recommends getting feedback from NB staff and case examples.

Don Percy agreed that educational seminars for the board by staff/care managers would be helpful and desirable going forward. Dale Schleeter liked Dave's suggestion and mentioned that, in addition to being a county director on the board, he was a parent representative and learned a lot about children with disabilities. Ken Mosentine commented that he was the VP of the Northern Agency on Aging Board and wanted it on record in response to John's explanation of "partner listings" in the August celebration that the aging group's designee during the early consortium planning period did not perform his duties and his appointing body wasn't aware of that. Terri & Jeff are now IRIS consultants and have visited homes and it's been very insightful.

Dave Willingham commented as he's been thinking about this we need a way to bring this conversation to a conclusion and not be an issue that sits out there for awhile and continues to come back – we need a way to resolve it. Legislature designated that at least 25% be representatives of the groups that are being served. Dave also pointed out that if you look at the legislation "there shall be at least 1 member appointed from each of the entities that create the district", and it also talks about ethnicity and economic subgroups. The more we narrow how we designate members, it can cause problems precluding certain members from being eligible. Early on, we made a declaration that we would "leave our county hats at home" and we should go back to the county and report what NB is doing, not the other way around. Dave would like to drop the word representative as we have been appointed – how we get here is not nearly as important as what we do when we get here. Consensus is that we need to be mindful of the issue.

- 9. The Board will consider a motion to convene in closed session** pursuant to Wis. Stat. Sec. 19.85(1)(e) for purposes of "deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session," to wit: to consider Board conflict of interest disclosure statement.

Mike Linton moved to convene in closed session at 11:33 a.m.. Dave Markert seconded. Motion was carried by voice vote without negative vote.

- 10. Motion to return to open session and act on any closed session items**

Bob Kopisch moved to return to open session at 12:05 p.m.. Ken Mosentine seconded. In closed session the Board considered a Conflict of Interest Disclosure form from a board member and concluded by unanimous consent that there was no finding of a conflict of interest.

- 11. Financial Statement Report**

Brian Ahlgren reviewed the financial statements for September, 2009. He explained IBNR (Incurred but not recorded) to new board members and how it relates to authorizations and claims submissions. Discussed the 32 possible Community Care Organization members that may be enrolling with NorthernBridges. If any of those 32 choose to go to IRIS they'll still be eligible for the funds and NB may have to administer the plan. Brian gets a report of claims paid by date of service month & authorizations from Enterprise and is working to get reports by individual member. John explained that as part of our care under management there is a certain amount of potential fraud by providers. Through trends we'll be able to see if we're paying more than what we've typically

12. Three Year Business Plan

John & Brian reviewed our financial budget for 2010, 2011 & 2012. NB plan is to address service costs and the staff ratio. Working with Wipfli on residential rate setting methodology and hope to reduce this by 2% in the Adult Family Home area. Looking to formalize the informal support network. Brian reviewed the 3 Year Budget Summary. By the end of 2012 we want a financially solvent, stable organization. State has 2 weeks to review the 3 Year Plan and NB will be meeting with the state in the next few weeks as it needs to be approved by the end of November. NB will be issued a permit by Office of the Commissioner of Insurance to operate in 2010.

Mike Hamm moved to approve the NorthernBridges 3 year Business Plan as presented. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

13. CPA Audit Firm – RFI

Deadline for receiving proposals was last Friday, 10/30/09. We received one proposal from Clifton Gunderson. Had conversation with Wipfli but they needed to declare themselves not an option as NB has used them in selecting and implementing our financial systems. Anderson Hager & Moe felt they didn't have the resources. Clifton Gunderson meets the specifications and has experience with working with managed care (LaCrosse County Managed Care) and experience working with different governmental agencies. They are also able to meet the timeline of completing the audit by the end of April and came in within our budget. We will enter into a Letter of Engagement with Clifton Gunderson should the board decide to go ahead. It was recommended to contract for 1 year with the CPA firm with a 2 or 3 year option. This audit needs to be delivered to the state by end of May 2010. Plans will be made to invite Clifton Gunderson to the December board meeting to interview and have them present their proposal. FMPMC discussed working on specifications for audits going forward.

Dave Markert moved that NB invites Clifton Gunderson to the December board meeting to be interviewed and present their proposal. Jack Sweeney seconded. All votes were aye with the exception of Jeff Kieffer who was a nay vote.

Larry Main left the meeting at 3:15 p.m.

14. CEO Report:

- **Recruiting/Personnel**

John reviewed the Recruiting/Personnel update. All hubs are 100% staffed as of today. We are currently conducting interviews for the Quality Manager. Had an offer to a candidate for the Technical Analyst position but the offer was turned down. Also have an additional Adult Family Home Coordinator. NorthernBridges has 139 employees as of last week.

- **MetaStar Care Management Services Review Update**

John reviewed the MetaStar preliminary informal summary put together by Maureen Kenney. Formal annual review by MetaStar is scheduled for April 2010.

- **Member Demographics**

Reviewed spreadsheet updated on 10.21.09. Most of the voluntary disenrollments have been to transfer to IRIS. Currently have 1,663 members. Mike Hamm requested specific information on what counties the wait list members are coming from.

- **Stabilization Goals**

John updated NB's 5 goals for stabilization which are Policy Development and Clarification, Care Under Management, Converting Limited Term Agreements to Full Contracts, Plan to Provide more Training on Enterprise to Staff, and Acquiring Financial Stability. Biggest challenges are with regard to claims payments and we recently mailed a Provider Outreach mailing to over 900 providers with additional information. Also planning on conducting hub based provider meetings soon. We've created a Timely & Quality Provider Payments work group; problem is when a claim gets rejected we don't always have the data – who & why? Staff meeting with Vestica to coordinate the claims processing system better. Still

- **Business Operations**

Community Care Organization members will have to choose to enroll in either family care or IRIS programs by January 1st. CCO members enrolling with NB will begin receiving services January 1st. There are approximately 32 CCO members. All offices will have safety and security training within the next 2 months. Also doing safety assessments of the buildings. Sawyer County will close their personal care program at the end of the year and we are working on transition plans for our members to other providers. We have a missing member in Douglas County. We were notified a week after the member disappeared – vulnerable 80 year old with diabetes and we’re working with the police and Douglas County APS and there have been sightings of her but have not yet found her. H1N1 plan at NB where we’re tracking flu at all of the offices whether it’s a staff person or family member. This is for the safety of staff and members. Staff has PTO and have the option for a work at home plan if the plan is approved by their supervisor. Vestica now 1 of 2 preferred providers by the state for third party administrators. Conversation with Susan Crowley regarding the deficit – Susan’s comment was that businesses operate with the assumption there will be losses initially.

- **DHS**

Susan Crowley, new Division Administrator for DHS visited NB on 10.29.09. We wanted her to leave knowing these things about NorthernBridges – that we are values based, young but capable business and unique. John felt the informal meeting went very well. Board members Dave Willingham, Mike Linton & Dale Schleeter also attended.

- **Assembly Committee on Aging & Long Term Care Informational Hearing**

This informational hearing is scheduled for November 12th at the state capital and NorthernBridges has been invited to participate with 3 other MCO’s. John will be attending and focusing on 3 areas - working with providers, capitation payment system and care under management.

Ken Mosentine left the meeting at 3:48 p.m.

15. The Board will consider a motion to convene in closed session pursuant to Wis. Stat. Sec. 19.85(1)(e) for purposes of “deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session,” to wit: to consider CEO wage and personnel benefits.

Dave Markert moved to convene in closed session at 4:05 p.m.. Tom Innes seconded. Motion was carried by voice vote without negative vote.

16. Motion to return to closed session and act on any closed session items

Mike Linton moved to return to open session at 4:14 p.m .. Dave Markert seconded.

Dave Markert moved to recognize that the employment agreement’s performance criteria on page 2 for the CEO salary increase was met. Tom Innes seconded. Motion was carried by voice vote without negative vote.

17. December Board Meeting

December 7th and possibly the 8th. There may be an early morning session for orientation with the 3 new board members, Don Quinton, Tom Innes & Larry Main.

18. Public Comments

None.

19. Correspondence

None.

Meeting monitor's report: Sue Zieke felt today's meeting was very satisfactory. Used collective decision making regarding the audit & consumer representatives and very respectful of different opinions. Dave Markert agreed it was a satisfactory meeting. Not quite so policy level focused but certainly satisfactory. Mike Linton and Dee Kittleson volunteered to monitor the December board meeting. Don Percy asked what can we do that will help us be more effective at any future meetings? Jack recommended addressing both closed session issues at one closed session instead of two closed sessions. Sometimes the nature of the issues dictates 2 sessions (who can participate, etc.). Bob Kopisch mentioned their county addresses multiple issues during one closed session.

21. Date & Agenda for Next Meeting

Monday & Tuesday, December 7th & possibly the 8th.

22. Adjourn

Don Quinton moved to adjourn the meeting at 4:27 p.m.. Dave Markert seconded.

Recorder,

Colleen Dressen