

**Minutes-DRAFT**  
**NorthernBridges**  
**Board of Directors Meeting**  
**October 5, 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.

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

**1. Call to Order**

Dave Willingham called meeting to order at 9:08 a.m..

**2. Roll Call**

All members present with the exception of Mike Linton, Jack Sweeney and Don Quinton who were excused. All board members introduced themselves to new board member Tom Innes; Iron County representative and Tom introduced himself.

**3. Approval of Minutes from September 1, 2009**

Bob Kopisch moved to approve the September 1, 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**

Jeff Fox commented they know someone who owns a group home and that their billing was two months out. John explained that we are paying providers within 19 days of receiving their clean claims and that any delays are due to unacceptable claim submissions. NB contacts them when a claim is denied and works with them to correct the problem. Vast majority of claims are getting paid on a regular basis. Another member of the public who is a provider commented that she called NB when her claim was rejected and stated she was not notified by NB. Request was made to be notified sooner of any of their errors in claims submissions. Russ Lutz took the provider's contact information and will check into this for her.

**6. Executive Committee Report**

The Executive Committee met on 9/23/09 in Hayward and minutes from that meeting were posted on Basecamp on 10/3/09. The committee approved the minutes of the Executive Committee meeting on 8/19/09, went through reviews of the September board meeting chair report status of filling of vacancies on the board for Iron and Burnett counties, discussed an advisory committee invitation to the NB Board from Northwest CEP who is administering a grant for the development of education for direct care workers. Discussed Executive Committee assessment done by the board and a report will be done later in this meeting. Discussed status of recruitment for non-board members to the Conflict of Interest Committee. Discussed the upcoming board training and will be receiving a report on the status of our board committee selection and training process going forward. Discussed Quality management and this will also be discussed in the CEO report today. Distributed grid for committee assignments for feedback. Discussed the process and progress being made for development of new disclosure form for conflict of interest that Don Percy and Andy Phillips are working on. Reviewed the October agenda for today's meeting. Conducted closed session in regards to CEO employment agreement and ongoing administration for that agreement. Dave Willingham participated in several conference calls regarding committee selection process and conflict of interest, Executive committee assessments and board education seminars for the October board meeting. Dave also had numerous emails and phone conversations with Iron and Burnett county board chairs regarding new board members and also sent out information packets to new board members.

## **7. Financial Statement Report**

Brian Ahlgren updated with the August Financial Statements. Capitation revenue – deficit to budget due to 138 fewer members enrolled than budgeted. ICF-MR revenue – continues to be below budget due to lower costs for members than budgeted. Other revenue – booked an additional \$600,000 per Risk Sharing agreement with state for a total of \$1.24M booked in two months. Booked \$102,000 acuity adjustment – analysis showed higher acuity level for our members than budgeted. Direct member service costs continues to exceed budget as continuity of care from counties results in higher costs than budgeted. Care management costs and Quality managements costs are under budget. Administrative and Executive expenses are over budget due to bad debt expense and board training. Our cap rate for service costs were based on 2007 data and there is a difference in our actual 2009 service costs of approximately 20% which includes the 4.3% reduction expected by the state due to care under management.

John and Brian distributed information on our plans for a RFI for the NorthernBridges independent audit. Plan to have the RFI in the mail by 10/19 and make a recommendation by 11/13 to present to the board for approval on 12/7/09. The audited financial statements are due to the Department by May 31 for the prior contracted fiscal period. Brian discussed the Restricted Reserve and Solvency Fund and detailed what these are per the contract language.

## **8. Three Year Business Plan**

Brian distributed the draft of the 2010 budget. The 3 year business plan is due to DHS October 31, 2009. The board will receive and act upon the 2010 plan at the November board meeting. DHS has been notified that the business plan will be submitted once the board approves it.

## **9. Committee Appointments**

Dave Willingham distributed the NB Committee List which includes 23 committee assignments, with only 16 board members, meaning 7 members will be on 2 committees. The list gives every board member their first choice with one exception and that person got their second choice. Each committee has one member who is also a member of the Executive Committee. In addition to monitoring the policies, the committees will have additional duties such as finance recommending an independent auditor. Quality Management Committee reviews the Quality Management plan once a year before the board approves the plan. Member Relations will have additional functions that will become clear as time goes on. Should take about 4 months to phase in these committees, one per month starting with the Finance Committee in November, the Quality Management Committee in December, Conflict Of Interest in January and Member Relations in February. Don recommended the committees find a time mid-month to meet, or possibly before the board meetings.

## **10. Board Briefing Paper #21: Self-Monitoring of Board Meeting Process and Performance**

To fulfill the intent of Board Policy requiring the Board to take time to review its performance at the end of each meeting, Don Percy presented a board monitoring process and checklist for trial use over the next six months. Sue Zieke and Dave Markert agreed to serve as monitors for the November meeting.

## **11. BES Seminar Paper 5.2.2: Remaining Board Process Policies for Assessment by Category**

Board Seminar Paper 5.2.2 requested board members to rate the board's first year progress or need for improvement in meeting the intent of the following policies:

**B.1 Accountability** – All board members rated Reasonable Progress. Mike Hamm commented that it brought to mind the costs vs. ethics issue. Ken Mosentine commented that the state's implementation of the capitated funding using 2007 data with selected end of year adjustments is a deterrent and does not take into account the whole picture. Dale Schleeter rated the board as going beyond Reasonable Progress. Dave Willingham commented that although he rated performance in this area as having made Reasonable Progress, he's saying he is satisfied with that; he feels this is good but we have a ways to go.

**B.2 Social Responsibility** – All board members rated Reasonable Progress. Dale Schleeter commented about NB following best practices within real world realities. Dave Willingham commented we're providing members the best life possible while concurrently having a plan for "care under management".

**B.3 Agenda Planning** – All board members rated Reasonable Progress.

**B.6.1 Job Result of Board Chair** - All board members rated Reasonable Progress.

**B.6.2 Authority of the Board Chair** – All board members rated Reasonable Progress. Mike Hamm commented the current Chair is doing a great job, reflecting their trust in him. He wants to be sure other directors take responsibility for providing guidance like this in the future. Dave Markert felt the board does a great job of discharging its responsibilities for policies, but the Chair encounters events which require interpretation and he feels Dave represents the board well. Dave Willingham commented that the Executive Committee has been extremely helpful in discussing the issues and they reflect on what they think the rest of the board may think or feel about an issue.

## **12. Consultant Report on Executive Committee Operations**

Don Percy summarized his report on Executive Committee Operations undertaken in response to the Board Chair's assignment. The assessment questionnaire was sent only to directors who were not EC members during the review period. Sue Zieke commented that it worried her that some board members felt the Executive Committee had too much power in making decisions. Dee commented that she thinks that it's better now, but previously felt a "them & us". She feels the Executive Committee is communicating better than in the past.

Percy then afforded EC members a chance to comment on the questionnaire responses. Jeff Kieffer encouraged any member who has concern about an Executive Committee activity to alert the chair promptly. He has felt the Executive Committee most often made recommendations subject to confirmation by the full board and did not make decisions on the Board's behalf. Bob Kopisch commented that the responses to the questionnaire were consistent with what he has heard other board members say. He would have expected more comments at the time EC recommendations are made and communicated and there hasn't been a lot of this. He felt if this is still a concern we need to air it somehow and figure out what to do differently, especially with the formation of the new committees. Terri commented she wasn't surprised with the responses and her concern is the same as Bob's to find a path to get them resolved. Terri's observation is that at times the Executive Committee has actually been over-cautious and made the decision process a little longer or harder as the members of the Executive Committee are very cognizant of their role. Dale Schleeter commented his first Executive Committee meeting was different than he expected. EC members spent most of the meeting asking Dale questions related to the evaluation process and he was impressed with the level of concern of the committee on how they are doing their jobs and wanting to do the right thing.

Dave Willingham stated the Executive Committee does spend a lot of time trying to remain sensitive and listen to the concerns brought to them in a non-defensive manner. With regards to the responses, hindsight suggests that many of these first-time issues could have been handled more directly at the time they occurred. He encouraged the board to bring items and issues to the attention of the Executive Committee right away and if anyone ever feels their views have been dismissed to keep on pressing. Building trust is an ongoing exercise. Dave commented that this organization is being reported about in other places because things are going on here that are new and positive and NB really wants to do it right.

Don Percy noted that with the above actions, the board has completed its first annual review of the board policies.

## **13. CEO Report:**

- **Business Operations**

Russ updated that Gail Nordheim is working with us on our Quality Management program. She will work with us on reviewing the quality plan and getting the programs put together and Quality Committee up and running. Appeals & Grievance is one of the first things we want to tackle.

We've defined what we need to put in place for stabilization and have another meeting tomorrow to finalize those tasks that we want to accomplish by the end of the year. Some of those items are minimizing exception reports, ironing out processes for staff, clarifying policies (bed hold, etc.), streamlining technology (ES) and business continuity planning (H1N1).

- **Service Costs Update**  
Brian updated with an analysis of our service costs compared to 2007 actual which was what the NB budget was based on. He also reviewed a graph on Family Care Cost Savings vs. State Expectations.
- **Recruiting/Personnel**  
All hubs are now 100% staffed.
- **Member Demographics**  
Reviewed how many members were transitioned and how many taken off the wait list. Spreadsheet also shows enrollments and disenrollments. Currently serve 1,630 members. Working with Vestica on pulling additional information on gender and age.
- **MetaStar Care Management Services Review**  
This is an independent quality review that will be conducted at all of the NB hub offices. We will be reviewing Enterprise System with them so they are able to evaluate how we are doing. They will also be doing record review off-site using ES.
- **Hub Update**  
Last hub opening was in Ashland on Friday, 10/2/09. Small electrical fire at Superior hub but no loss of property or data. Staff reacted appropriately and called fire dept. and evacuated the building and NB received a copy of the report.
- **ADRC Transition Plans**  
Reviewed Rusk County template for transition plan and ADRC Center of the North Enrollment Plan.

**14. November Board Meeting**

Monday, November 2, 2009.

**15. Public Comments**

None.

**16. Correspondence**

None.

**17. Meeting Review & Discussion**

Don Percy discussed phase in plan for committees. Don will put together packets for the committees to get started. Recommendation is for the Finance Committee to meet the same day as the November board meeting prior to the meeting from 8:30 to 9:30, and the board meeting starts at 9:30.

Dave Markert moved to affirm the committee appointments made by the chair. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

Dave Willingham mentioned that Northwest CEP would like NB board members as part of their advisory committee related to a direct care worker grant. Application for this will be posted on Basecamp on 10/6/09.

**18. Date and Agenda for Next Meeting**

Monday, November 2, 2009.

**19. Adjourn**

Dale Schleeter moved to adjourn the meeting at 4:30 p.m.. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder, Colleen Dressen