

**Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
September 1, 2009
Flat Creek Inn, Hayward**

Board Members Present: Dave Willingham, Jeff Kieffer, Mike Hamm, Jack Sweeney, Bob Kopisch, Terri Stone, David Markert, Mark Novotny, Ken Mosentine, Dale Schleeter, Don Quinton, Dee Kittleson, Mike Linton, Sue Zieke.

Other: NorthernBridges Staff.

1. Call to Order

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

2. Roll Call

All members present.

3. Approval of Minutes from August 3 & 4, 2009

Dave Markert moved to approve the August 3 & 4, 2009 meeting minutes. Ken Mosentine 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

None.

6. Executive Committee Report

The Executive Committee met on 8.19.09 at Hayward headquarters and was joined by headquarters staff and board member Mike Linton & Don Percy by telephone. Minutes of that meeting are ready but have not yet been posted on Basecamp. The Executive Committee reviewed the Executive Committee minutes of their previous meetings in July and approved them. They discussed a report from Don Percy dealing with issues they are currently working on. Continued to work on the board members assessing the Executive Committee process and a document has been developed for that process. There will be a report to the board on the outcome of the assessment process at the October board meeting. Reviewed changes in bylaws that are the outcome of the August board meeting. There was an Omnibus motion to consider those various changes. The Committee considered the first reading of all amendments and changes in policies & procedures. Discussed new Conflict of Interest disclosure form for the board and Don Percy is working on this and it will be completed this month. Discussed process for making the committee appointments and discussed terms that are in the committee charters; how to coordinate the 1 & 2 year terms of committees to maintain continuity with regards to the length of the board member terms. Discussed planning process for the upcoming visit of Secretary Timberlake to NB HQ which took place on 8.24.09. Reviewed and discussed the agenda for today's board meeting with modest changes and received brief reports on CEO report. Report from the Chair regarding teleconference calls with Don Percy regarding Conflict of Interest, Board Member Assessment and committee appointment process. Reviewed comments and answers to questions from NB corporate attorney Andy Phillips.

7. Financial Statement Report

Brian Ahlgren updated July income statement actual vs. budget. For July total members actual vs. budget is down approximately 100 members total due to lower than projected membership in Ashland County and Barron & Douglas counties. Other revenue of \$643,000 from DHS is booked for the risk sharing agreement with the state. Brian discussed with the state to be sure we are calculating this properly. NB risk sharing portion is 25%.

service costs are off. Care management costs are lower than budget overall, fewer fte's and lower travel costs and benefits. Administrative expenses over budget due to legal fees. Started booking a 1% bad debt expense for any room and board or cost share. Board training/Don Percy invoice also added to this. Finance expenses continue to come in under budget. IT over budget this month and is just a timing issue; was under budget last month. Entered into a contract with Lionleaders for employee management and performance processes and this was not a budget item but took from other areas and reallocated. Starting to purchase signage for the hubs and this is in marketing budget. Balance sheet reflects end of July cash in bank was \$500,000 higher than end of June. Other increases being room and board and cost share. \$46,000 in furniture and fixtures. \$3.3M was cash at the end of July.

Russ distributed and explained the State-Based Service Cost Calculation vs. Actual spreadsheet comparing service costs per member per month from 2007 – 2009.

8. Briefing Paper #20 – Use of Outside Members on COI Policy Monitoring Committee

We have made some contacts with the county clerks to determine whether we might use the County Ethics Committees as a resource to recruit some outside members but found they were not a real resource. Don Percy is doing some research into hospitals and we're also looking at the education community. Hope to come back in October with a full plan. We have had 2 resignations from the board and therefore 2 counties to appoint so we want to be proactive in providing the counties with a disclosure form. Andy Phillips and Don Percy will work with the Executive Committee to further clarify the terminology and definition so we have a better way of determining what information comes off of the disclosure form and how to handle that.

9. Bylaws Amendments – Action

The following amendments to the NB LTC District Board Bylaws, having been approved initially at the August board meeting, will be presented for their required second approval action at this meeting:

Section 5.02 - ~~Finance~~ Financial Management Policy Monitoring Committee

A ~~finance~~ financial management policy monitoring committee shall be comprised of a chair and four other members appointed by the Board Chair to perform duties specified in ~~a~~ by Board Policy IV.B.10.1 (Committee Charters) ~~paper~~.

Section 5.05 – Member Relations Policy Monitoring Committee

A Member Relations Policy Monitoring Committee shall be comprised of a chair and four directors, two of whom shall be consumer directors, appointed by the Board Chair to perform duties specified in Board Policy IV.B.10.2 (Committee Charters)

Section 5.06A – Conflict of Interest Policy Monitoring Committee

A Conflict of Interest Monitoring Committee shall be comprised of a chair, three directors, and two non-directors appointed by the Board Chair to perform duties specified in Board Policy IV.B.10.4 (Committee Charters). District Counsel may serve as a legal advisor to the committee.

Section 5.06B – Quality Management Policy Monitoring Committee

A Quality Management Policy Monitoring Committee shall be comprised of a chair and four directors appointed by the Board Chair to perform duties specified in Board Policy IV.B.10.3 (Committee Charters).

Dave Markert moved to approve Section 5.02 – Financial Management Policy Monitoring Committee. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

Ken Mosentine moved to approve Section 5.05 – Member Relations Policy Monitoring Committee. Mike Linton seconded. Motion was carried by voice vote without negative vote.

Mike Linton moved to approve Section 5.06A – Conflict of Interest Policy Monitoring Committee. Dee Kittleson seconded. Motion was carried by voice vote without negative vote.

Ken Mosentine moved to approve Section 5.06B – Quality Management Policy Monitoring Committee. Sue Zieke seconded. Motion was carried by voice vote without negative vote.

10. Discussion: Committee Appointment Process

Dave Willingham has received approximately half of the completed forms from the board. Preference would be to have staggered terms to include a 2 year term for half of the committees and a 1 year term for the other half. This will require good record-keeping. Board members are asked to give feedback on where they see themselves on a committee and also where they see other board members. If a board member's term ends and they have 1 year left on a committee, they will then fulfill their term on the committee if they are reappointed to the board. Need to decide who should elect the committee's chair; either the board chair or the committee itself. Dave and John and the Executive Committee will work together on this. Don Percy is putting together a procedural guideline for committee appointments. A suggestion was to have someone from the Executive Committee on each of the sub-committees.

11. CEO Report

Business Operations:

John updated that Park Falls & Hayward hub openings were last week and we have Ashland hub left to open. As of 9.3.09 the Ashland elevator inspection passed and a date can now be chosen. Today is the 1st anniversary of the official opening of NorthernBridges.

Russ updated that we've begun the process of our stabilization phase. Working on a tool to collect data from our current business systems and have been looking at a system that's inexpensive and will do the job. H1N1 Summit – looking at the safety of our members, employees and providers and we are putting together a plan and contingency plan that if there is an infection level we can continue our business. Per legal counsel, we have updated provider contracts with some immaterial language changes and using this for new contracts and renewing contracts. Discussed provider issues in relation to paying provider claims. Average number of days to pay provider claims is now 19. Providers are given access to website giving all information on our requirements, completing applications, etc.. Russ discussed our adjudication process in which we compare claims to authorizations. Most providers were not used to submitting claims until dates of service have already passed. NB has had in-depth provider orientation and training. Providers are contacted when a claim is denied and given explanations as to why it was denied and they then have to re-submit the claim.

Recruiting/Personnel:

Centuria is now 100% staffed. Care Specialist position open in Superior due to a promotion to Care Manager. Currently interviewing for Technical Analyst, Finance Assistant and Rehabilitation Specialist at HQ.

DHS Secretary Visit:

Secretary Timberlake visited HQ on 8.24.09 and had a brief meeting with staff.

John distributed the Member Demographics spreadsheet showing number of members taken off of wait lists and removed from nursing homes. Also shows disenrollments and reasons for disenrollments and target groups that each hub serves.

DHS Room & Board Rate Setting Methodology:

Discrepancies throughout the state about what they are and what they should be. Historically, members fund their room and board and when there's a gap between the room and board rate and the member's ability to pay, the county would pick up that difference with community aids or tax levies. State has adopted a uniform method to establish room rates by using the Dept. of Housing and Urban Development fair market rent figures which are determined through surveys and census and this will become effective in January.

Residential Rate Setting Methodology Planning:

John distributed the Principles for Setting Rates for Certified and Licensed Residential Facilities. Each MCO will have a workgroup working on a rate setting method.

Stabilization & Hub Centric Business Model:

John distributed NB's business model. NB has discussed what stabilization looks like by the end of the year.

12. October Board Meeting

October 5 & 6, 2009. Don Percy will attend in person.

13. Public Comments

None.

14. Correspondence

John has a request from Northwest CEP. They are developing an advisory board for a direct care services grant. John will post additional information on basecamp. They are wondering if any board members would serve in an advisory capacity.

15. Meeting Review and Discussion

Dave reminded the board of our self-monitoring of board meetings that Don Percy recommends. Dee Kittleson commented that she got a lot out of today's meeting. Don Quinton appreciates the financial statement reports and Brian does a good job.

16. Date and Agenda for Next Meeting

October 5 & 6, 2009.

17. Adjourn

Mike Linton moved to adjourn the meeting at 3.33 p.m.. Dee Kittleson seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen