

**Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
September 7 & 8, 2010
Flat Creek Inn, Hayward**

Board Members Present: Dave Willingham, Jeff Kieffer, Mike Hamm, Terri Stone, Ken Mosentine, Dee Kittleson, David Markert, Tom Innes, Susan Reinardy, Howard Johnson, Bob Kopisch, Jack Sweeney, Sue Zieke.

Other: Don Percy of The Bardish Group and new NB staff.

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:07 a.m..

2. Roll Call

All members present with the exception of Dale Schleeter , Mark Novotny and Mike Linton who were excused. Don Quinton & Larry Main were also absent.

3. Public Comment

None.

4. Approval of Minutes from August 2 & 3, 2010

Dave Markert moved to approve the August 2 & 3, 2010 board meeting minutes. Tom Innes seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Approved.

6. Executive Committee Report

The Executive Committee met twice in August on 8.2.10 and again on 8.25.10. Meeting minutes were posted on Sharepoint on 8.16.10 and 9.3.10. At the 8.2.10 meeting the committee discussed the process for CEO Assessment Review and Compensation. At the 8.25.10 meeting the minutes from the 7.20.10 and 8.2.10 EC meetings were approved, and the committee discussed moving forward with the revised NB Management Limitations Policy, Financial Management, B.1.5 (c)(k). The FMPMC meeting scheduled for today was canceled as it was agreed that the policy was ready for the boards consideration. The committee also reviewed the revised draft of the CEO Interpretations of the Executive Committee Monitoring Policies and added a procedure for access to the Board for any personnel issues that might involve the CEO. It was decided that employees will work through the CFO or HR Manager if such a situation arises. They reviewed the CEO information paper to further clarify the revised business plan and Plan of Correction with further clarification for deficit forecasts. There was a brief discussion and commentary on the 8.24.10 visit from Secretary Timberlake. Convened into closed session to discuss CEO Assessment & Compensation Review and will be moving forward with that process next month. Reviewed draft of September board meeting agenda and added an additional EC meeting. Chair Willingham had telephone conversations with Don Percy and John McMahon and reviewed with Don Percy the BES Paper 4.4 being provided at today's meeting.

7. Revised Management Limitations Policy, Financial Management, B.1.5 (c) (k)

CEO John McMahon reminded the Board that this policy was reviewed by the FMPMC last month. Sue Reinardy took the lead and authored the revised policy. The goals are pretty straight forward which are to reduce risk tolerance and invest in instruments that are short term. Revising this policy is also evidence of the Board monitoring the policies.

Dave Markert moved to adopt the revised Management Limitations Policy, Financial Management, B.1.5(c)(k). Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

8. 2nd Reading & Final Approval – Bylaws Amendment – Annual Meeting

Ken Mosentine moved to adopt the revision to the bylaws which moves the annual meeting from May to June or at such a date the board determines. Dave Markert seconded. Motion was carried by voice vote without negative vote.

9. Executive Committee Monitoring Policies

CEO McMahon stated that the EC had reviewed the EC monitoring policies and the suggested changes are highlighted in the document. There was discussion regarding page 5 and major incidents of non compliance being reported to the Board Chair and how we know when this is done. If there is some regulatory action we would want to know right away.

Tom Innes moved to adopt the Draft CEO Interpretations of Executive Committee Monitoring Policies. Dave Markert seconded. Motion was carried by voice vote without negative vote.

10. Board Education Seminar Paper 4.4: CEO Monitoring Reports Section III: NB Policy Book

Don Percy discussed the BES Paper 4.4. Last month the Board reviewed BES Paper 4.3 with a history of how this evolved, which started back in 2008. This paper introduced the process that will begin in earnest next month. The Board will oversee the compliance of the CEO with the policies. CEO Monitoring Reports will now be a regular agenda item for Board meetings. The first 2 reports will be at the October board meeting. Don also mentioned that the first time through the Board members will need a lot of patience as they will learn that some of the things we wrote in our policies could be refined. Some clarity will be needed so the CEO can carry out what the board wishes. NB Board has a framework of accountability. If we hold the CEO accountable for our policies this will be the basis on how we judge. Don discussed page 3 of the document: C. Guidance to Board Members and the questions they should be asking themselves along with the protocol. Dave Willingham as Board Chair will receive the report and a meeting will be scheduled for the monitoring policy committee. There will be times when more than 1 monitoring report may share the same body of evidence. The board will be constant refiners of the monitoring policies. If the board doubts the veracity of a report, the full board can direct the CEO to provide additional evidence. The performance of the MCO is the performance of the CEO.

CEO Report

• **Financial Statement Report**

CFO Jason Kohl reviewed the July 31, 2010 financial statements along with the IBNR calculation that we use and the metrics we use to track our Care Under Management initiatives. There was discussion around cost share and that some members are behind on payments. Jason is working with the state to determine the amount of 2009 member service costs that can be included in the risk sharing agreement. There are eight Care Under Management initiatives with a goal to start seeing some savings by August.

• **Plan of Correction**

John introduced Project Manager Kay Krause and re-introduced Senior Director of Care Management, Nancy Brede. Nancy reviewed the Plan of Correction strategy details & timelines which include the Care Management Resource Center.

• **Organizational Updates**

CEO John McMahon distributed the updated NB Organization chart effective October 1, 2010. Rita Mueller will be assuming the Chief Operating Officer role on 10.4.10 and Russ Lutz will be finishing his contract with NB at the end of September. Grace Burkinshaw will transition to the Care Manager Resource Center Manager role. Nancy

Brede assumed the Sr. Director of Care Management role on 8.9.10. NB is currently recruiting for a Director of Care Management for the Northern Region to replace Nancy and the Central Region as Terry Murphy will be leaving at the end of September. Jason Kohl took over as Chief Financial Officer on 8.16.10 and will continue to oversee the IT department. We are also recruiting for Manager of Technology Services. CEO McMahon feels very positive about the current management structure and our plans for the Care Management Resource Center.

- **Secretary Timberlake Visit**

Board members Dave Willingham & Terri Stone attended. Secretary Timberlake gave an update on the state of Family Care in Wisconsin and talked about the financial performance. DHS still plans to expand Family Care. She discussed the audit of the Family Care Program. Wisconsin Family Care Association met with the Legislative Audit Bureau twice and the audit is expected to be completed by the end of the year. Any changes would be built into the next biennial budget. NB staff discussed the Plan of Correction with Secretary Timberlake. John felt it was a very positive meeting,

Meeting was recessed at 2:31 p.m. to allow for the QMPMC & EC meetings.

SEPTEMBER 8TH, 2010 CONTINUATION OF THE BOARD MEETING

Dave Willingham called the 2nd day of the meeting to order at 9:05 a.m..

Dale Schleeter was in attendance. Dee Kittleson, Mike Linton & Mark Novotny were absent and excused. Don Quinton & Larry Main were also absent.

- **ADRC Overview**

Kathy Solberg & Melody Yeager of DHS joined the meeting to give an overview on the ADRC's. Kathy is a Quality Specialist with the Office for Resource Center Development and works with the 4 ADRC's in the NB counties. She provides technical assistance and oversight to the ADRC's. Melody Yeager is in DHS Administration and is the Contract Coordinator for NB. Also attending were ADRC Directors Charlene Oftedahl, Barb Peterson and Mary Holschuh. Kathy Solberg distributed basic information on the functions of an ADRC along with information on the Long Term Care Functional Screen which was developed by the state to determine eligibility of a possible member, and wait list management. Only about 15% of people that contact the ADRC's are enrolled into publicly funded long term care. The ADRC's also field many calls regarding support for the elderly, services, social security, disability, etc.. People do have the right to appeal if they feel they are functionally eligible and the LTCFS determines they are not. There was some conversation around the relationship between the ADRC's and the MCO's. Chair Willingham commented that it's a mistake not to have some mechanism whereby there is better communication between the two. Kathy Solberg agreed that there needs to be more sharing of information and communication between the ADRC's and MCO's. NB and the ADRC's have recently started having quarterly meetings. Kathy Solberg's perception is that the state is acutely aware of the need for the consistency of the LTCFS, and that they are administered correctly. 35 ADRC's cover 53 counties in Wisconsin and it's expected that all 72 counties will have ADRC's within 5 years. The ADRC's and MCO's need to have a better understanding and appreciation for what each other is doing. IRIS enrollments are 30% higher than anticipated.

- **Miscellaneous**

John informed the Board that Russ Lutz will be ending his contract with NB as Project Manager/COO effective the end of September. John thanked Russ for his support, hard work and consultation over the last 14 months in getting us where we are today.

Russ talked about his work here and the changes that have taken place. His decision to leave at the end of September is his conclusion that his job with NB is done here – he feels that Johns' leadership and his ability to think about the business side, and the care/member outcome side will help NB move forward in the

future and NB will continue to be successful. Russ feels John has a great management staff and NB has positioned itself to be successful in the future. Russ urged the Board to continue to support the organization as they always have. NB will continue to look at utilization until the Care Managers feel comfortable that they have right sized the services. He is most proud of our dedication to deliver family care the way it was meant to be. Russ also mentioned his excitement over the Care Management Resource Center and our re-thinking about our hub structure and regionalizing them as 3 business units to ensure more commonality in how we practice and how we make our decisions. We now are really thinking ahead to serve our members and let them live their best life possible. Russ commented that some of the MCO's Boards are barriers to the business but NB's board has always been very supportive in helping us achieve our goals. Board Chair Willingham commented on how interesting it's been to watch how we have had an array of consultants we've worked with and very different personalities have worked together. Russ' enthusiasm and passion for making this work has been a large contribution to our success...his effect will not go away when he does.

- **Financial Overview & Plan**

CEO McMahon distributed summary financial statement information for MCO's for 12.31.09 and 3.31.10. All of the MCO's lost money in 2009 except Milwaukee County (unaudited). For 2010, four MCO's have a positive balance, and overall for 2010 the program's financial report is positive. Capitation increase is due to fewer elderly and more DD. In terms of solvency, all MCO's are struggling to meet the capital requirements as risk reserve and working capital increase with increased capitation. John has started a draft overview of our operation deficit and would like to present this at the October Board meeting. NB is still the youngest MCO.

- **Qlikview Report**

The chart reflects claims paid through August, 2010.

- **Staffing Update**

NB is currently recruiting for a Residential Services Coordinator, SSCM-Ashland, Behavioral Health Specialist, Financial Analyst and those positions that have recently transitioned.

- **Membership**

1,874 current NB members. We continue to have a fair amount of movement in terms of enrollment and disenrollment.

- **NB 2010 Member Satisfaction Survey**

- **NB Grievance & Appeal Summary – 2nd Quarter 2010**

- **NB Critical Incident Report – 2nd Quarter 2010**

All reports were covered in the QMPMC report below.

11. QMPMC & EC Reports

QMPMC

Chair Dave Markert reported on yesterday's meeting. The committee reviewed all of the reports. Quality Manager Grace Burkinshaw reviewed the summary results from the 2010 Member Satisfaction Survey. A random sample of 418 members received satisfaction surveys with 183 surveys being returned for a response rate of 43.8% which exceeds the 40.1% statewide response rate for all MCO's satisfaction surveys in 2009. It was recommended that NB get member satisfaction survey results of the other MCO's from the state for comparison. The Member Satisfaction Survey will be conducted annually and NB can add questions to the state's mandatory questions. QMPMC will make full recommendations to the board of suggestions for Member Satisfaction surveys in the future. Recommendations thus far for future satisfaction surveys were:

- Clarify on questions 8a & 8b "I am happy with the quality of services I receive" and "I am happy with the timeliness of the services I receive", are they responding about the care manager or the provider?

- Clarify on question 9 “I am comfortable with the people who help with my personal care” that this is about their provider.
- Question 3 “I would recommend this program to a friend” either be removed or modified in language.
- Look at the responses by responder if there is a differential by member, guardian, provider, and also transition vs. wait list.

Total number of appeals filed was 14 and no grievances were registered for the 2nd Quarter 2010. 3 appeals are pending and 1 appeal had requested a state fair hearing which resulted in favor of NB. Appeals & Grievance Committee allows for members to be heard. The committee requested to get data of those who filed an appeal, what the number was of transition vs. wait list.

Majority of the incidents for 2nd Quarter 2010 was once again falls. The graphs on the last page of the report give us a feel as to how our hubs are doing and possibly identify how our care managers are using the system – are some hubs under reporting, or are their members actually doing better? This graph, over time may help determine that and prompt more education to members and/or Care Managers.

Executive Committee

The Executive Committee met twice yesterday. Met with Don Percy at noon and discussed the draft process and timetable for the CEO Performance Assessment and Employment Agreement. Target date of taking the Board through the first 15 priority policies is between now and the April, 2011 Board meeting. Don will be refining the process and the EC will take another look at it at the EC meeting on 9.22.10. They will then bring this back to the board at the October Board meeting. The purpose is to delegate tasks so that we get the job done in the period of time required. There will probably be an interim amendment to the CEO Employment Agreement regarding this process and the expectations of this process going forward to April, 2011.

12. Public Comments

None.

13. Correspondence

None.

14. Meeting Review & Discussion

Jack Sweeney and Tom Innes were this month’s board meeting monitors.

Jack feels that the Board is here to learn and be informed so we can make good corporate policy. We do get down to the bottom of what the real problem is and it’s been a very fruitful 1-1/2 days. Good discussion on monitoring polices. The financial discussion is critical and likes getting more and more detail. Plan Of Correction and the ADRC overview were very helpful as it gave him a broader understanding of the ADRC’s. We still are conflicted about the committee reports to the board; while we have all the information he believes there’s some improvement that can be made there.

Tom felt the meeting was well run with the many issues we dealt with and the QMPMC meeting also went well. Good to focus on the member issues – Grace Burkinshaw has a lot of energy and is good. The DHS/ADRC presentation was a little vague but helpful to him as a new member.

Bob Kopisch volunteered for monitor next month and Chair Willingham will contact Mike Linton.

15. October Board Meeting Dates & Agenda Items

October 4th & 5th. MRPMC also scheduled to meet in October.

16. Adjourn

Tom Innes moved to adjourn the meeting at 12:08 pm. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,
Colleen Dressen