

**Minutes
NorthernBridges
Board of Directors Meeting
August 1 & 2, 2011
Flat Creek Inn, Hayward**

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

Others in Attendance: NorthernBridges Staff Lisa Schmock, Wendy Peterson, Katrina Wember & Barbara Moore. Board Consultant Don Percy. Gene Chuzles of the Challenge Center, Tradewinds Residence, Inc., Sharon Kotten – NB Provider, Pam Clark – NB Provider, Pat Ryan – Douglas County Board of Supervisors.

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:00 a.m.

2. Roll Call

All members present.

3. Public Comment

Gene Chuzles of the Challenge Center expressed his concern over the residential rate setting methodology and believes that there are some aspects of it that still need refinement. He provided a written letter which he read to the Board.

Chair Willingham thanked Mr. Chuzles for his comments and requested the order of the agenda be moved directly to the Residential Rate Setting Methodology Update of the CEO Report.

4. CEO Report

• **Residential Rate Setting Methodology Update**

CEO McMahon reviewed where we are at with the timing and implementation of the residential rate setting. We have weekly phone calls with DHS to update and talk about the process and inform them that we are working with providers and sharing information with providers and care managers. We have hit the pause button with the implementation for the rate setting model. The reason for this is To revalidate the rate with the Long Term Care Functional Screen and the Comprehensive Assessment We need to be sure Care Managers are completing the tool accurately. We will be doing more analysis of those members where the rates have been variable. Variability has been most prevalent in the areas of supervision and behaviors of a member We will continue to have provider meetings We are reviewing the capacity of our network to absorb any member changes in placement. DHS has a policy that when a member is moved from one residential facility to another due to rates, they will review this also. . Our current members in residential care cost \$10,000 more than the funding we receive for them on a daily basis. Our intent is to implement these rates after September 1, 2011. DHS understands our approach to the rate setting tool and it is part of Care Management purchasing strategies. All other MCOs have implemented a residential rate setting tool. The other MCOs do not pay a bed hold, or vacancy rate..

5. Approval of Minutes from July 5, 2011

Howard Johnson moved to approve the July 5, 2011 Board meeting minutes. Mike Linton seconded. Motion was carried by voice vote without negative vote.

6. Approval of the Order of the Agenda

New NorthernBridges staff introduced themselves. The order of the agenda was changed to review Don Percy's agenda items #8,#9, #10 & #11 before the CEO report. Agenda approved.

7. The Bardish Group-NB Work Plan/July – December, 2011

Board Consultant Don Percy reviewed his six month work plan with the Board. The unique thing about policy governance is that we regularly review and assess what we do. We are stewards of the public trust and we work at educating ourselves and are now on a cycle of reviewing our own policies. This six month period we will be looking at the Board Process Policies. The Policy Monitoring Committees will also be assessing themselves. The six month plan also includes a series of quarterly new director orientation sessions.

8. Preliminary Discussion on Role of Policy Monitoring Committees

The Policy Monitoring Committees are the preliminary viewers of each of the CEO Compliance Monitoring Reports. After reviewed and presented by the CEO, they complete the assessment worksheet and make findings to the full board at the next board meeting. There was a felt need at the July 19th Executive Committee meeting to ask all members of the board whether this process is working now. Mr. Percy then asked each Executive Committee member to express their opinion.

Dale Schleeter told the Board that there was a lengthy but good discussion and debate at the EC meeting as to whether the CMRs should go to the full board and it was agreed they should go to the committees, but it was not unanimous on the actual process. The thought is to reduce the effort on the part of the full board as everything is discussed at the PMC meeting and if we go through all of the evidence again with the board, we are negating the purpose of the PMCs. Need to find the middle ground.

Ken Mosentine thinks the reason we have the committees is to actually do the homework. They then make the recommendation, not the final decision, as the board makes the decision based on the PMCs recommendations.

Terri Stone felt the PMCs do have duplication or overlap with some committees such as the Quality Management & Member Relations committees. She wondered if being in a transition stage right now, the use of the committees in reviewing John's interpretations and evidence supporting them, if this is the appropriate time to totally re-think the committee process. Terri mentioned that CEO McMahon asked at the EC meeting whether or not we have the right types of committees.

Dave Willingham stated that because of the discussion at the EC meeting, the EC agreed that it would be a good idea to handle the committee appointment vacancies as a temporary matter until we decide if we will combine some committees, or change the structure of the committees. We set up a system of how we would monitor the policies so that we could be assured that there was evidence to support the notion that the CEO was carrying out those policies. We placed great emphasis on the idea that evidence would need to demonstrate compliance with those policies. Dave outlined the process that the board has to show that the CMRs have been reviewed.

- The PMC reviews or previews the CMR and examines the evidence and completes the CMR assessment worksheet. They discuss the evidence and may or may not receive a staff presentation. At the conclusion Dave envisions that the committee, through the chair, will provide a summary of all of the above. The PMC then makes a presentation to the board to a level that demonstrates the sufficiency of the report. The board should then discuss the findings and then vote to concur with the PMC to make the findings their own. We will not assume that the CEO is fulfilling the policies and we should not assume that everyone has reviewed the evidence. We need to demonstrate on a regular basis to each other and the public that we have reviewed the evidence.

Bob Kopisch noted that the agenda item stated only the PMC appointments so the conversation was rather long. The number of committees and duplication was the topic, and whether or not the Strategic Leadership Work

Group should become a formal committee. The Financial Management PMC, of which Bob is Chair, deals with the audit and CMRs and he feels that should be all they do if this is agreed to by the board. If there are no objections to the CMRs, they should get approved and if there are, put on the agenda as a separate item and review it again.

Don Percy then asked the non-EC and non-new members of the board for their opinion of the present system.

Mike Linton stated he thinks it all works very well and is comfortable with the current process.

Sue Reinardy stated that she sees a great deal of maturity and we're in a better spot now and there is less duplication. She is comfortable as to where we are today. She depends on the PMCs to dig in deeper with the CMRs. For the Board to repeat the process that the PMC has just gone through is not a good use of time.

Tom Innes agreed with Sue. Tom is on the Quality Management PMC and feels there is overlap with the QMPMC and the Member Relations PMC but he gets the full perspective of what we're trying to do. If we did not have the PMCs the board meetings would be very lengthy. He believes it's working well.

Larry Main agrees that it's working well now. Each committee has a purpose and the full Board would be bogged down in items that are really for the committees.

Dave Markert stated that we have to have the committees and workgroups and he loves this board's way of using committees.

Mike Hamm is the Chair of the Member Relations PMC and sits on the QMPMC and he disagrees that some things overlap. He feels the MRPMC isn't being used the way it should be. It is important to have the PMCs do the due diligence. Mike does believe that the committees are important. He feels with all of the CMR approvals, he would like to see a running total on Sharepoint as to what's been covered and what remains to be approved. He also does not like having the PMC meetings over lunch as it may not allow for enough time.

Howard Johnson feels we need the committees and there should be a periodic look at them to make sure they are the appropriate committees. They need to meet the intended purpose of the whole board. He believes there is a great deal of transparency. The information that makes up the reports has been presented at the Board meetings over a period of time. The committees have to do the heavy lifting and make sure that what needs to be done has been done. We should annually get input from the board members as to what committees they would like to sit on.

Dee Kittleson agreed that we need the PMCs but is not certain of the SLWG and feels this is John's role and does not necessarily need to be a permanent committee.

Jack Sweeney thinks the committees work fine. Board members need to take personal responsibility to read everything and to ask questions if necessary. We have developed trust within the board and committees that these things are happening.

Don Percy then asked the newer Board members for their opinions.

Steve Sather commented that he is not on a committee yet and so does not know about the PMC structures. He does follow the postings on Sharepoint and appreciates items being posted there.

Beth Meyers commented that she is new to the Carver's governance system but appreciates the governance model. She agrees that we need to watch out for duplication of efforts. We put someone on a committee

because they have the skills to accomplish the task and as board members we trust each other to be responsible for reviewing all documents.

Jane Corty does not know at this point how everything works but has reviewed everything and other Board members are good at answering questions for her.

Joe Wolf stated that being new to the Board, it's a learning process.

Chair Willingham said that his beliefs about the process have nothing to do with the issue of trusting board members. He knows there are no wallflowers in this group and when there is a concern it is likely to be voiced. He trusts that all members read all documents but there may be a time when members may be asked to defend the evidence by a stakeholder. He wants to be able to say he has reviewed the evidence and supports the evidence. Dave would vigorously oppose a consent agenda approach. Don Percy stated that if you read the literature on consent agenda, it is about universal agreement.

Don Percy will take all of the comments from the Board into account and give it some thought to work it into the PMC evaluation later in the year.

9. Board Education Series – Board Process Policies Assessment

Don Percy reviewed the BES Papers 5.3.2 and 5.3.3. Core Policy Statement IV.A.1 states that “the Board will conduct itself in ways that”:

- + Emphasize its distinctive role
- + Exemplify a proactive approach
- + Demonstrate accountability & responsibility
- + Prepare the MCO for the future
- + Demonstrate strategic leadership
- + Undergird its ethical commitment
- + Yield member-centered & valued outcomes

Don then went around the table and asked the non-new directors if we need to modify our core statement, if there were any concerns around the core statement and if we are making reasonable progress.

Ken Mosentine felt that we've been right on task and if there are questions we discuss them.

Mike Linton commented that he likes our core statement and it has helped him as a Board member.

Sue Reinardy believes we are on task.

Dale Schleeter thinks we were on task before and have not needed to do anything different.

Tom Innes agreed and sees evidence of our core statement at every meeting. We are absolutely on task.

Dave Market says we have stayed on task and we've worked at that. He references the NB board and speaks positively of us when he attends other board meetings.

Larry Main agrees that we are on task but he has sympathy for the newcomers as it can be hard catching up and understanding the way we operate, especially if they have never been on a board. Other boards do not report the same way.

Dave Willingham appreciates the boards' unity and diversity. He appreciates the policy statement that says the board will not allow the Chair to hinder the fulfillment of its commitment.

Howard Johnson stated that the core policy statement is complex and wide reaching and we all want to strive for and know we're there and we will be. There's also the reality of politics and the enrollment cap and things that are out of our control.

Mike Hamm commented he thinks that with the number of years many of us have been together we have a certain amount of trust. He comes to the realization that to do what's right comes with constraints. This board is not routine for him and when he looks at our values we still have to remember that what we're trying to do is to make it better for our members.

Bob Kopisch stated he thinks we remain on task and feels we've done well all along.

Jack Sweeney thinks that everyone on this Board that was involved in the birthing process of this organization has a special need or desire for this board to succeed and wonders how we project that forward to all board members.

Terri Stone thinks each time we meet as a Board it almost seems like the board is re-committing themselves to the Mission Vision and Values of the organization. It's always seemed so unique to her that this large group can come together every month and commit themselves to NB and it has grown into a family as you do get to know other members well. We've been right on task and it would be nice to be able to get to the point of taking a proactive approach but there are also too many new "normals".

Dee Kittleson commented she thinks that the new members will be even more committed than the original as some of the board members are also county board members. When she joined the NB Board, her role was to see that her county was "taken care of". She also thinks in the future we need to make sure we always have someone like Don Percy coming to educate as it renews us and brings everything together.

Don Percy then reviewed Subsidiary Policy Statements B.3.1 through B.3.6. He asked the board if these policies are fair statements and are still the proper interpretation and if we are in compliance of the statements. The Board agreed and Don then declared that the Board has met and is in compliance with these statements.

Mike Linton moved that the Board, having individually and collectively reviewed and assessed the current Board Process Policies as set forth in Board Education Seminar Series 5.3 (2011), hereby reaffirms them as written. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

10. Update on CDVC Retrospective Assessment Teleconference on 7.21.11

Don Percy updated the full Board on the Consumer Director Vetting Committee teleconference held on 7.21.11. This report will be brought to the board after approval from the CDVC.

11. Executive Committee Report

The Executive Committee met on July 19, 2011 at NB headquarters. The EC approved the minutes of the 6.20.11 EC meeting, discussed The Bardish Group's six month work plan and had a brief conversation regarding the protocol and process of determining the length of EC and committee meetings. An agreement was made that for all committee and EC meetings going forward, before the meeting is adjourned, the chair will inform the committee of the length of the meeting. They had an update on the OCI Biographical Data form and the reasons for it, and reviewed the ADRC Enrollment Operational Guidelines. The committee had a spirited discussion on the role of the Policy Monitoring Committees. CEO McMahan sent a Letter of Appreciation to the ADRCs thanking them for their extra effort to increase enrollments before the enrollment cap went into effect on July 1st. The committee discussed the agenda for today's meeting and set the date of August 22nd for the next EC meeting.

12. CEO Report (Continued)

- **OCI Biographical Data Update**

CEO McMahon summarized the response from OCI answering questions presented by the Board. The data is a requirement for OCI to assist in giving permits and to assure that the board has the background, knowledge and capability to conduct the business.

- **Quarterly Staffing Update**

Recruitment & Benefits Specialist, Jan Eck and CEO McMahon walked through the new quarterly format of the Staffing Update. The first page goes back to 2008 and gives overall totals of longevity of the staff. Chair Willingham asked if we could make a distinction between replacement and new positions by color coding. Suggestion was made to show the total staff turnover for each quarter. The MCOs are working together to create comparable data. There was also a request to add back into the report the current open positions. The second page of the report shows turnover and Performance Review Process Feedback and the actions taken to address the comments from the feedback. We are also just starting a new work group to re-invent the Annual Performance Review tool and hope to have it in place at the beginning of 2012.

- **Quarterly Membership Update**

CEO McMahon summarized the new quarterly format of the Membership Report. The enrollment cap did have an effect on the ADRC's moving quicker on new enrollments. The new format shows current member demographics, quarterly enrollments by hub, ADRC and enrollment type, quarterly disenrollments by hub and disenrollment type and quarterly IRIS disenrollments. Dave Willingham requested to include the break down as a percentage in addition to the actual numbers.

- **2nd Quarter Financial Statement**

CFO Jason Kohl summarized the 2nd Quarter Financial Statement.

Income Statement:

Revenue: (Reduction)/Increase:

- 131 enrollments and 25 disenrollments in June + 106
- 43 enrollments and 22 disenrollments through July 27 + 21
- Cost Share Revenue – 300 members in the amount of \$82k
- Non-NH Level of Care Capitation – 57 members - \$40k
- 31 fewer members than budgeted – (\$93k)
- 2011 Retro Acuity Adjustment accrued - \$2.06M
- June 2011 Profit(Loss) - \$804k
- 2011 Profit(Loss) - \$804k

Operating Expenses:

- 2010 IBNR - \$692K
- 2011 IBNR - \$8.15M
- June service costs estimated at \$5.3M
- 2010 service expenses paid through June of \$6.1M
- 2011 service expenses paid through June of \$25.9M

- **APS Healthcare Summary**

CFO Jason Kohl summarized the report we received from APS which is a private non-profit firm working largely with federal and state government to look at healthcare programs and funding. DHS requested the report to evaluate whether current methods for determining capitation payments are consistent with Department goals, requirements, and the needs of program enrollees and also when MCOs are likely to come into full compliance with the Department's capital requirements, given the current MCOs financial positions assumptions and funding availability.

- **Member Satisfaction Survey Update**

There was one new statement added to the 2011 survey and this was “My overall experience with NorthernBridges is positive” The deadline to return the survey is August 8th, and data is currently being recorded.

Meeting was recessed at 3:20p.m. to allow for the Financial Management Policy Monitoring Committee meeting.

August 2, 2011 CONTINUATION OF THE BOARD MEETING

Chair Dave Willingham called the 2nd day of the meeting to order at 9:03a.m.

Jack Sweeney, Ken Mosentine & Larry Main were absent and excused.

CEO Report (Continued)

- **ADRC Enrollment Operational Guidelines**

The Board was given a copy of The ADRC of Wisconsin’s Operational Practice Guidelines which addresses the Implementation of the Enrollment Cap for the Family Care, IRIS, PACE, and Partnership Programs and Urgent/Emergency Enrollment Guidance.

- **MCO-DHS Updates**

We are working with DHS on getting further data on outliers and hopefully this will be incorporated into the 2012 cap rate. DHS is increasing their attention on the Provider Integrity Program. The Legislative Audit Bureau Family Care Evaluation raised concern on the amount of MCO oversight of provider abuse and fraud.

DHS and OCI are working jointly to determine any contract changes that pertain to the financial solvency of MCOs. We continue to hold monthly teleconferences with OCI to update them on our progress and answer any questions they have.

The MCOs and DHS are working together to analyze the cost of the waiver vs. the non-waiver members in long term care. Each MCO will work with an actuary hired by the MCOs to look at costs two years prior to enrollment and two years after enrollment.

13. ADRC of The North / 9:00 am, Tuesday, August 2nd

Director Barb Peterson of ADRC of the North talked to the Board about the effects of the enrollment cap. ADRC of the North covers the counties of Ashland, Bayfield, Iron, Price and Sawyer and also works with the Bad River and Red Cliff tribes. There are two major components to family care, the ADRC’s and MCO’s and IRIS. The consistency across the five branches of the ADRC of The North is through the creation of a management team and governing board. Barb works directly with the management team and branch managers to ensure the ADRC staff are providing the kinds of services consistently and with accurate information. It is a structure where they can problem solve and provide consistency. The ADRC began services about 2 years ago. They have had guidance from the state and policies and procedures that were set for them as well as internal policies and procedures for the day to day operations. Barb is very proud of their accomplishments these last two years. They provide information and referrals, options counseling, benefit specialist services, early intervention, short term care services, among others. All staff are cross trained to provide services and the state has provided training. They serve the frail elderly, developmentally disabled, physically disabled and persons with mental health and substance abuse issues. They also serve the broader community who want to know more about planning for their long term care needs. The ADRC’s primary focus their first two years was the wait list. One accomplishment Barb is proud of was their ability to move through the original transition wait list by April of 2011. There are 138 people remaining on the wait list at this point in time and people continue to be added to the wait list. There

were 402 individuals that were offered enrollment initially. The counties and ADRC branch offices have responsibility of management of the wait list. The wait list is designed so that people who have waited the longest come off the list first and this is only altered if someone on the list should rise to a level of crisis or high risk. The ADRC was also involved in nursing home relocations and provided services to youth transitioning to long term care services. They have worked closely with NB to fill attrition slots in a timely manner. With the news of the enrollment cap, the ADRC of the North worked diligently to enroll the maximum number of people allowed before July 1st. The majority of the ADRC staff came with experience and knowledge and there has been stability with their staff. They have developed a website and brochure and experience good relationships with the NB hubs.

As a result of the new budget and the temporary enrollment cap they will not know what the preliminary cap will be and the state is still trying to put those numbers together. ADRCs can now only enroll people by filling an attrition slot. In the past they followed the enrollment plan that DHS had made for them. Because the ADRCs argued loud and hard about the folks that fall into crises and at risk, the state set aside temporary funding for urgent needs and this will end in two years. While this is helpful it's still very limiting. Nursing home relocations will continue but the person in the nursing home will have had to reside there for 90 days. Youth coming from children's waivers will be extended to the age of 22. They will be following the implementation guidelines. The numbers will be slower but they will still be moving people off of the wait list. Barb commented that they would like to visit the NB Board with some frequency.

Barb then asked the Board for any questions they had.

Dee Kittleson inquired about the temporary funding. Who gets the funding will be decided by the ADRC but the state will manage it. Fund is \$12M and is statewide.

Beth Meyers asked if the people on the wait list know where they are on the wait list. In general , people know their number but they ADRCs don't give them any kind of timeline.

Dale Schleeter asked about the 138 on the wait list and if any of them are marginally close to being eligible for the emergency funds. Barb stated that they do monitor this and follow up. A lot of the crisis situations come to the ADRC branch through Adult Protective Services or the hospitals. ADRC of the North has the ability to maximize the attrition slots and use across counties if necessary.

Sue Reinardy asked if there was anything NB can do to get the ADRCs the attrition information any quicker and Barb said to notify the local branch office immediately.

Dave Willingham asked how many enrollments the ADRCs actually had during the two year period. Barb did not have that specific information with her but thought the number would be close to just under 500. Barb stated that some of the counties may have had attrition slots back up. ADRC of the North has worked hard to not let that happen. They go back 60 to 90 days and anticipate those coming up for enrollment. NB takes the enrollments as soon as we receive them from the ADRC and as soon as NB has a disenrollment they notify the ADRCs immediately.

ADRC of The North is committed to doing their job and doing it well. They believe there is a very strong partnership with the ADRCs and NorthernBridges. Mary Hahn, Director of Price County Health and Human Services, encouraged everyone on the NB Board that in any conversations with legislatures about the promise of ending the waiting list that this is still a promise that we want to fulfill.

CEO McMahon said in many ways the ADRC start up was like that of NB, learning how to function differently. They have improved their quality and responsiveness since their inception and hats off to them. John asked Barb if they have communicated to those on the wait list about the enrollment cap. Barb stated they have not done anything formally.

ADRC does provide NB's SDS information when doing option counseling. Dave Willingham asked if it would be allowable for an NB staff person to give a presentation on SDS to the ADRC staff and Barb said she would take this back to her offices, but feels that they do a good job of understanding and providing that information currently.

Barb expressed her gratitude in being able to speak to the Board and will continue to be a partner with NB. Please feel free to go to the ADRC website. Chair Willingham stated that the ADRCs and NorthernBridges have done a good job and we have something unique in northwest Wisconsin. This is something to be proud of and we look forward to continuing our partnership with the ADRCs.

14. Public Comments

None.

15. Correspondence

The Board was provided with a number of articles and letters written in response to the enrollment and expansion caps. A copy of the Letter and Certificates of Appreciation for Sue Zieke and Don Quinton were also provided.

16. Meeting Review and Discussion

This month's monitors were Beth Meyers and Ken Mosentine. Ken was absent on the second day of the meeting.

Beth Meyers marked all characteristics on the monitoring checklist as satisfactory. She appreciated the number of questions and comments by board members during John's CEO Report and the ADRC session. She was happy to see the public in attendance Monday morning. Don Percy did a great job engaging the public in his discussion. She felt there may be more participation by the public if we rotate the board meeting sites and possibly have a meeting in Iron County and Douglas County. She felt it is hard for everyone to hear the staff reports especially when their backs are toward the audience. It was suggested that all board members project themselves when speaking. She requested to inquire with the hotel about getting glassware instead of plastic and Styrofoam.

Next month's monitors are Ken Mosentine and Tom Innes.

Chair Willingham asked the Board members to think about and consider moving the Board meetings to Tuesdays and Wednesdays rather than Monday and Tuesdays.

Chair Willingham announced that Dee Kittleson will be moving to the QMPMC effective immediately, leaving an opening on the FMPMC. Ken Mosentine has volunteered to withdraw from the QMPMC. Joe Wolf will be appointed to the FMPMC. Steve Sather, Jane Corty and Beth Meyers will be appointed to the MRPMC. These are temporary appointments and final appointments will be made at a later date.

17. September Board Meeting Date & Agenda Items

Tuesday, September 6th and this will be a one day meeting. QMPMC is scheduled for the afternoon of the September Board meeting. SLWG will meet at 12:00 noon of the September Board meeting.

18. Adjourn

Bob Kopisch moved to adjourn the meeting at 11:17pm. Dave Markert seconded. Motion was carried by voice vote without negative vote.

Recorder,
Colleen Dressen