

**Minutes-DRAFT  
NorthernBridges  
Board of Directors Meeting  
December 5 & 6, 2011  
Flat Creek Inn, Hayward**

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

**Others in Attendance:** Board Consultant Don Percy, Gene Chuzles of Challenge Center, Jeff Fox, NorthernBridges Staff Kari Pabst, Heather Shafer, Tom Smedley, Bob Wild

**1. Call to Order**

Chair Dave Willingham called the meeting to order at 9:04 a.m.

**2. Roll Call**

All members present with the exception of Dee Kittleson who was absent and excused.

**3. Public Comment**

Jeff Fox, an active volunteer on behalf of NB members asked how people are told about assisted living providers in addition to the provider directory and if there is a preferred list of these providers. He also asked about travel reimbursements for volunteers as he is a volunteer driver. Jeff commented there is an assisted living provider that has not yet had a NorthernBridges member. Chair Willingham commented that we take public comments seriously and Jeff would be hearing from the CEO in response to his comments.

**4. Approval of Minutes from November 7 & 8, 2011**

Steve Sather moved to approve the November 7 & 8, 2011 Board meeting minutes. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

**5. Approval of the Order of the Agenda**

Agenda approved. New NorthernBridges staff introduced themselves to the Board.

**6. Executive Committee Report**

The Executive Committee did not meet in November. The next Executive Committee meeting is scheduled for December 19<sup>th</sup> at 10:30 a.m. at Rivers Edge.

Bob Kopisch arrived at 9:17 a.m.

**7. Findings of the Financial Management Policy Monitoring Committee & Approval of CEO Policy Compliance Monitoring Report II.B.2.2 Management of Financial Risk**

FMPMC Chair Bob Kopisch reminded the board of the decision to consolidate II.B.2.1 Protection of Assets and II.B.2.2 Management of Financial Risk. CEO McMahon had revised some of the language and the FMPMC concluded that what was presented by John satisfied compliance with the understanding that the policy needs to be reviewed to clarify and integrate with other policies to eliminate overlap and conflict. The FMPMC recommended to approve II.B.2.2 unless the board saw any reason that it did not demonstrate compliance. The interpretation now incorporates the interpretation and evidence of II.B.2.1 Protection of Assets.

Tom Innes moved to approve the findings and recommendations of the FMPMC incorporating the new interpretations and evidence into II.B.2.2 Protection of Assets. Mike Linton seconded. Motion was carried by voice vote without negative vote.

## 8. CEO Report

- **2012 Business Plan Update**

CEO McMahon reminded the Board of the structural deficit of \$1.4M. John and staff had a conference call with DHS two weeks ago for their review of the business plan with a follow up call last week. Overall the feedback from DHS was minimal with input on some corrections or budget adjustments. We received feedback about what DHS called our optimistic service reductions for next year, particularly around residential services. We have several major initiatives to reduce our member service costs with residential services, supportive home care and personal care and DHS thinks this is aggressive. There was discussion around enrollment projections for next year and DHS suggested they were not confident with our numbers, but we do give analytical data supporting this. The attrition slots are very speculative and our experience with the ADRCs is delays in filling them. DHS said they wanted to talk further about the financial information and they believe the \$1.4M deficit requires a shared solution. We are to respond to DHS with our review of our 2012 budget to see if anything can be eliminated or reduced to make up that \$1.4M. CFO Jason Kohl and the finance department have started looking at expenses and what we may be able to reduce. Larry Main inquired if there were any legislators that could stand behind us. Beth Meyers reminded the Board that it's our role to provide information to our constituents. CFO Kohl informed the Board that NB met with the ADRCs last week about getting better at data sharing. We are hoping to get some IRIS information in the future and are working on better communication with the ADRCs. We do have regular meetings with the ADRCs and DHS. Sue Reinardy commented that the structure of the process is what causes the problems. Tom Innes and Beth Meyers both felt that the Board, as representatives of NorthernBridges, need to get our name out there and inform the public more about NorthernBridges. It was requested to put the 2012 NB Marketing Plan on the agenda for a future Board meeting. Chair Willingham suggested inviting the ADRCs back to a Board meeting. Dave Markert suggested attending the Board meetings of the ADRC. Don Percy suggested a joint meeting with representatives of ADRC and NorthernBridges' Boards and recommended the Strategic Leadership Workgroup be the venue to discuss this. Sue Reinardy suggested we take another look at how Family Care and the ADRCs are structured. Bob Kopisch asked John how he thought he would get the Board's approval of any changes to the 2012 Business Plan and John stated that will be in the discussion of the approval of the 2012 budget in today's agenda. We are looking at member services costs, care management and administrative costs.

- **Monthly Financial Summary**

CFO Jason Kohl reviewed the financial statement for the ten months ending October 31, 2011. These figures are estimates as October Financial Statements have not been fully reconciled and completed.

**Income Statement:**

Revenue: (Reduction)/Increase:

- 24 enrollments and 23 disenrollments through October (-13) – Approximately 2,051 members
- 24 enrollments and 23 disenrollments through November (+9)
- October Cost Share Revenue – 328 members in the amount of \$89k
- October Non-Nursing Home Level of Care Capitation – 61 members - \$42.2k
- October 2011 Retro Acuity Adjustment accrued - \$203k
- 2011 Retro Acuity Adjustment accrued - \$3.0M
- October 2011 Surplus/(Deficit) - \$180k – **Estimate**
- 2011 Surplus/(Deficit) - \$1.87M – **Estimate**

Operating Expenses:

- October direct member services costs estimated at \$5.6M (\$2,775.87 PMPM)

**Balance Sheet:**

## Assets:

- Risk Reserve - \$1.5M
- Solvency Fund - \$750k

## Liabilities:

- 2010 IBNR - \$245k – Reduced \$874k (12.6%) from initial estimate of \$6,942,153
- 2011 IBNR - \$9.27M – Inflated as October had lower than expected paid claims volume

**9. Board Policy Consultant: NB Board Process Memorandum #4 – Handling Board Policy Issues (Monday at 11:00 a.m.)**

Board Consultant Don Percy reviewed the draft Board Process Memorandum #4 – Handling Board Policy Issues which he developed following the Board's November 8, 2011 review of Briefing Paper #29-(New Board Policy Issue Handling and Disposition Process). The discussion draft provides background and suggested elements of processes for how the Board should deal with three situations:

- Advance Scheduling of Published-Agenda Policy Issue(s)/Matter(s)
- De Novo Board-Level Policy Issues/Matters Discussions
- Policy Issues Raised During "Public Comments" Periods

Based on today's discussion, a final version of BPM #4 will be prepared for Board review and approval at it January 3-4, 2012 Board meeting.

Don asked the board if there were any broad or specific questions about BPM #4 or any questions on his suggested elements for circumstance three. There was discussion around if a NB employee wanted to give public comments and that is within their rights as a citizen. Don will contact legal counsel Andy Phillips regarding (a) NB employees appearing who wish to make comments during the Public Comments periods and (b) Chair's authority to defer any matters that require consultation with District Counsel to another meeting. The board preferred Version Two of Subsection B.2: Six Questions.

Don is beginning work on recasting of the Outcomes Policies in proper Carver format. John McMahon and Don will meet and discuss the CEO Interpretations to be a part of the Compliance Monitoring Report(s) on Outcomes Policies. He noted that the Outcomes Policies are the most important among the four policy categories which compromise the NB Board Policy Book.

**CEO Report (Continued)**

- **Long Term Care Functional Screen (Monday at 1:00 p.m.)**

Long Term Care Functional Screen Lead Emily Connor and Care Management Resource Center Manager Grace Burkinshaw summarized the LTCFS for the Board. The purpose of the Long Term Care Functional Screen is to determine functional eligibility. It does not determine what supports and services a member needs.

Mike Linton left the meeting at 1:14 p.m.

Beth Meyers left the meeting at 2:00 p.m.

Meeting was recessed at 2:27 p.m. to allow for the Quality Management Policy Monitoring Committee meeting.

**December 6, 2011 CONTINUATION OF THE BOARD MEETING**

Chair Dave Willingham called the 2<sup>nd</sup> day of the meeting to order at 9:00 a.m.

All members present with the exception of Dee Kittleson, Beth Meyers and Larry Main who were absent and excused.

#### **10. Approval of 2012 Quality Management Program (Tuesday morning)**

Quality Manager Sarah Benson summarized the draft Quality Management Plan for 2012. The plan is designed to provide a blueprint for NorthernBridges quality activities in 2012. The plan is results oriented and aimed at achieving organizational success. It identifies key activities for:

- Achieving excellence in care management, including competencies and training
- Assuring quality for members
- Assuring member satisfaction and understanding of Self Directed Services
- Promoting wellness and independence
- Assuring high quality services are provided by contracted providers

The plan outlines the scope of the activity, goals and objectives, assigns accountability for deliverables (what, who, when) and tracks progress and completion of goals and objectives.

The Board felt the plan was very ambitious but everything in the plan is contractually required by DHS. We did make changes as we felt we did not have enough staff or the correct tools. We're required to make sure that our care managers have competencies and test on them and report to the state.

Dave Markert moved to approve the 2012 Quality Management program. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

#### **11. 2011 Quality Program Evaluation (Tuesday morning)**

Quality Manager Sarah Benson reviewed the evaluation with the committee. Sarah commented that our effectiveness at carrying out the 2011 Quality Management Program was limited due to the lack of a consistent Quality Manager presence. Prior to the beginning of June, the Quality Manager position was directed by an interim Quality Manager on a part time basis. Even after the appointment of a full time Quality Manager, this was the only person within the department specifically focused on quality activities. Moving forward in 2012, the Quality Department is adding additional resources to include the Quality Manager, a Quality Program Specialist as well as both Member Rights Specialists assuming additional responsibilities to include provider quality components.

#### **12. Approval of 2012 Budget**

CEO McMahon discussed with the Board the options for our responses to DHS on their feedback of the 2012 Business Plan and a shared solution. Ultimately the Board needs to decide so this can be communicated back to DHS. There was concern by the Board of over-aggressiveness of the plan. DHS was informed of the Board's anxiety about the service cost reduction targets and DHS is asking us to do more reduction. We've eliminated the Care Management Director position and we are moving to MIDAS which will eventually save us \$6 PMPM, in addition to other reduction initiatives. Quality Management Specialist, Finance Analyst, SDS Coordinator and Rehabilitation Specialist are the only positions we are adding this year. Recommendation from the Board is to offer or give up the project manager.

The Board decision was to ask John to tell DHS we don't really know what it is we can do other than bump up enrollment and give up the project manager. Sue Reinardy recommended asking for enhanced funding to cover some of the deficit. Dale Schleeter suggested increasing the enrollment numbers.

Sue Reinardy moved that the Board authorize CEO McMahon to negotiate based on information he can get from DHS and allow the Executive Committee to authorize any further adjustments. Howard Johnson seconded. Motion was carried by voice vote.

- **Virtual PACE Program Update**

This was deferred to the January, 2012 Board meeting in the essence of time. CEO McMahon attended a meeting last Friday with other MCOs to learn more about the PACE program and what it may potentially mean for MCOs.

- **MCO-DHS Update**

None.

**13. QMPMC Update**

See Agenda Items #10 & #11 – 2012 Quality Management Program and 2011 Quality Management Evaluation above.

**14. Public Comments**

None.

**15. Correspondence**

None.

**16. Meeting Review & Discussion**

This month's monitors were Sue Reinardy & Terri Stone.

Sue Reinardy found all of the monitoring checklist characteristics satisfactory with the exception of #3 – Policy-level focus priority sustained throughout the meeting. She rated this as needing improvement and her reason for this was she felt that Monday morning's conversation had a lot of complaining of other entities' performance that did not yield to a productive outcome or good use of Board time. Constructive critique is valuable when it leads to action. Footnote – Sue was very impressed with the minutes from the extensive and complicated discussion at November's board meeting.

Terri Stone found all of the monitoring checklist characteristics satisfactory. She commented that she knows sometimes we get lengthy in our discussions, but with the topics we were discussing she felt was an appropriate length of time. She is impressed with the NB staff that comes to present as they are wonderful communicators and can very readily answer questions. She felt it was a very good meeting with some hard issues to get through.

Bob Kopisch and Dave Markert volunteered for January monitors.

CEO McMahon stated that he will communicate via Sharepoint with the Board on the results of the conversation with DHS and the 2012 budget.

**17. January Board Meeting Dates & Agenda Items**

Tuesday & Wednesday, January 3 & 4 (Monday is the New Year's Day holiday).

**18. Adjourn**

Dave Market moved to adjourn the meeting at 12:04p.m. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen