

Minutes-DRAFT
NorthernBridges
Board of Directors Meeting
July 5, 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.

Others in Attendance: NorthernBridges Staff Karen Reed, Ashley Linsmeier, Becky Stanhope, Melissa Knuteson. Deb Bricco & Barbara Lorkowski of Westlake Enterprises in Ladysmith.

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 Larry Main, Terri Stone and Jane Corty who were absent and excused.

3. Public Comment

None.

4. Approval of Minutes from June 6 & 7, 2011

Ken Mosentine moved to approve the June 6 & 7, 2011 Board meeting minutes. Tom Innes seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda approved.

6. Executive Committee Report

The Executive Committee met on 6.20.11 and minutes from the meeting were posted on Sharepoint on 6.28.11. The committee approved the May 23rd EC minutes and reviewed the June Board meeting taking note of the fact that there was some confusion around the seating of our new Consumer Directors and the incumbent Consumer Director simply because of the timing of the meetings. We hope to have the vetting process occur sooner in the year next year. The committee considered a number of CEO Policy Compliance Monitoring Reports and these will be reviewed by the board today along with some QMPMC CEO Policy Compliance Monitoring Reports handled at the last QMPMC meeting. They reviewed the EC assessment that the board completed and Don Percy has compiled the assessments into a single document. Chair Willingham stated that the assessment was very helpful and the EC takes this feedback very seriously and the committee hopes to reflect your will as we move forward this next year. Dave commented that the EC report that he presents at the monthly board meetings is important as this is an ongoing opportunity for every board member to observe the activities of the EC and allows them time to ask questions and express their concerns rather than waiting for a formal assessment. The EC discussed and will be looking further in the months to come into the board educations series which Don Percy will be bringing back to the board meetings now that we are done with the vetting process. Don will be developing a final report of the Consumer Director Vetting Committee which will be reviewed by the vetting committee members during the month of July via teleconference. Don will be sending out this review in the next few days to the vetting committee. We are also preparing a questionnaire for all of the recently appointed Consumer Directors who went through the vetting process to get their comments on how they feel the process worked. There was also a brief discussion on the OCI requirement for biographical data on the board members.

CEO Report

- **OCI Required Biographical Data for New Directors**

Mike Hamm moved to request that CEO McMahon get further information from legal counsel Andy Phillips regarding the statute and legislative intent. Ken Mosentine seconded.

Motion was amended to request that CEO McMahon inquire with the OCI and ask them for a written statement regarding the need for the biographical data form. Mike Linton seconded. Motion was carried by voice vote without negative vote.

John will contact the OCI for a more definitive answer to the board's questions. We will hold the forms until next month and follow up with getting written clarification for the August Board meeting.

7. Approval of the 4th Edition Board Policy Book & Bylaws

Dave Markert moved that the By-Laws of the NorthernBridges Board of Directors 4th Edition dated July 5, 2011, and reflecting the Board's official name change contained in the Board's June 6, 2011 action amending Board Resolution #2011-1 Official Name of NorthernBridges, be approved. Beth Meyers seconded. Motion was carried by voice vote without negative vote.

Joe Wolf moved that the Board Policy Book of the NorthernBridges Board of Directors 4th Edition dated July 5, 2011, and reflecting the Board's official name change contained in the Board's June 6, 2011 action amending Board Resolution #2011-1 Official Name of NorthernBridges, be approved. Tom Innes seconded. Motion was carried by voice vote without negative vote.

8. Strategic Leadership Workgroup – Summary of June 7, 2011 Discussion of Strategic Issues and Rankings

SLWG Chair Sue Reinardy reviewed the document with the board. Sue recalled that in the June discussion Board members felt that although some of the issues identified may be more appropriately management issues, talking through the issues helped provide John direction. It is useful to have alignment between what we're doing operationally and this process will help us do this. There were not too many outliers. Top three issues are Trusted Entity, Enrollment Cap and Service Offerings. Sue requested that the SLWG meet during the first day of the August Board meeting.

Beth Meyers inquired about becoming a member of the committees. Chair Willingham explained that we need to decide who continues on the committees and make new appointments. All board members will be asked to express their interest in which committees they'd like to participate at the August Board meeting.

9. Findings of the Executive & Quality Management Policy Monitoring Committees & Approval of CEO Policy Compliance Monitoring Reports

- **II.B.4 Emergency Loss of CEO**

The discussion at the EC meeting addressed whether the Board should have a policy or plan in place on CEO succession. Beth Meyers moved to amend II.B.4 Emergency Loss of CEO to have representatives from the Executive Committee involved in the process along with the COO, CFO and the HR Manager in the Procedures for Succession section. Sue Reinardy seconded. Motion was carried by voice vote without negative vote.

Tom Innes moved to approve II.B.4 Emergency Loss of CEO. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

- **II.B.6 Communication & Support of the Board**
Beth Meyers moved to approve II.B.6 Communication & Support of the Board. Mike Hamm seconded. Motion was carried by voice vote without negative vote.
- **II.B.10.1 Member Rights**
Dale Schleeter moved to approve II.B.10.1 Member Rights. Howard Johnson seconded. Motion was carried by voice vote without negative vote.
- **II.B.10.2 Grievance Process**
Tom Innes moved to approve II.B.10.2 Grievance Process. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.
- **II.B.13.1 Quality Management Plan**
Ken Mosentine moved to approve II.B.13.1 Quality Management Plan. Tom Innes seconded. Motion was carried by voice vote without negative vote.
- **II.B.13.2 MCO Continuous Improvement**
Ken Mosentine moved to approve II.B.13.2 MCO Continuous Improvement. Beth Meyers seconded. Motion was carried by voice vote without negative vote.
- **II.B.14.1 Strategic Plan**
Bob Kopisch moved to approve II.B.14.1 Strategic Plan. Dave Markert seconded. Motion was carried by voice vote without negative vote.
- **II.B.14.2 Use of Data to Manage the MCO**
Tom Innes moved to approve II.B.14.2 Use of Data to Manage the MCO. Mike Hamm seconded. Motion was carried by voice vote without negative vote.
- **II.B.14.3 Use of Performance Measures for MCO Performance**
CEO McMahon has been keeping a list of policies with duplication or overlap and when the board is done reviewing all they will be reviewed again for consolidating. Ken Mosentine moved to approve II.B.14.3 Use of Performance Measures for MCO Performance. David Markert seconded. Motion was carried by voice vote without negative vote.
- **II.B.16.1 Quality Work Force for Management & Program Delivery**
Ken Mosentine moved to approve II.B.16.1 Quality Work Force for Management & Program Delivery. Steve Sather seconded. Motion was carried by voice vote without negative vote.
- **II.B.17 MCO Certification**
CEO McMahon stated that this is an outdated policy as we are certified annually based on the submission of our annual business plan and approval by DHS. Previously, before we were initially certified we had to submit 37 different pieces of evidence to meet the initial certification. When the board approves the three year business plan, this contains all of the evidence that we need to submit. This may be consolidated with another policy. Dave Markert moved to approve II.B.17 MCO Certification. Howard Johnson seconded. Motion was carried by voice vote without negative vote.
- **II.B.18 DHS Family Care Contract with the District**
Ken Mosentine moved to approve II.B.18 DHS Family Care Contract with NorthernBridges. David Markert seconded. Motion was carried by voice vote without negative vote.

10. CEO Report (Continued)

- **Financial Report**

Income Statement:

Revenue: (Reduction)/Increase:

- 65 enrollments and 34 disenrollments in May +31 members
- 127 enrollments and 20 disenrollments in June +107 through June 29th
- Cost Share Revenue – 296 members in the amount of \$80k
- Non-NH Level of Care Capitation – 51 members - \$36k
- 77 fewer members than budgeted – (\$231k)
- 2011 Retro Acuity Adjustment accrued - \$1.74M
- May 2011 Profit (Loss) - \$0
- 2011 Profit (Loss) - \$615k

Operating Expenses:

- 2010 IBNR - \$782k
- 2011 IBNR - \$7.31M
- May service costs estimated at \$5.44M
- 2009 Service expenses paid through May of \$34.6k
- 2010 Service expenses paid through May of \$6.04M
- 2011 Service expenses paid through May of \$19.23M

CFO Jason Kohl also reviewed the DHS Calendar Year 2011 Family Care Capitation Rate Development.

Jason shared Year to Date 12.31.10 and 1st Quarter 2011 MCO Financial Statement Summaries with the board which shows that as a whole the MCOs are performing well. CEO McMahon stated that we will be putting together a press release regarding making progress on our financial solvency.

Jason then updated the board on the initial findings and strengths of the Midas Business Systems software.

- **Residential Rate Setting Methodology**

Provider Network Manager Krista Love and CFO Jason Kohl gave an overview of the NB Residential Rate Setting Methodology. We are the only MCO without our own rate setting methodology. We looked at the state's process and this would not work for NB or our providers and also looked at other MCO's processes. DHS has cautioned us on the implementation of the methodology and the process is being reviewed. We are looking at a September roll out at the latest.

- **2011 Performance Expectations & 2011 Operational Plan**

COO Rita Mueller gave a quarterly progress report on the 2011 Performance Expectations and 2011 Operational Plan.

- **Board Counsel Memo on Official Name of NorthernBridges**

Board Counsel Andy Phillips created the memorandum at the request of the Board for NorthernBridges' historical record.

- **Budget Repair Bill & Budget Bill Update**

Governor Walker has signed the budget. The WRS employee contribution is expected to be implemented on September 2nd.

11. Public Comments

None.

12. Correspondence

The board received correspondence from Division of Long Term Care Administrator Pris Boroniec and Deputy Administrator Beth Wroblewski sent to the MCOs seeking input on the enrollment cap. CEO McMahon will work with the Executive Committee on reviewing this and bring the recommendations back to the full Board. Chair Willingham informed the board that we'll be setting the next EC meeting date at the end of today's meeting and we may allow for a teleconference at the EC for any questions or comments on the enrollment cap questions. The board members can also submit their questions before the EC meeting.

13. Meeting Review & Discussion

This month's monitors were Steve Sather & Dee Kittleson.

Dee Kittleson marked all characteristics satisfactory and believes the board is good at collective decision making. Issues are discussed in length and not dodged. During the financial statement report there was more than one conversation going on and this makes it hard to hear all the dialogue. We need to be able to hear everyone's thoughts and ideas. It's hard to hear Jason so at some point we need to let the presenter speak and then take time to discuss. Dee suggested the second board meeting packet could have been mailed a little earlier.

Steve Sather marked all characteristics satisfactory. Good job from the Strategic Leadership Workgroup in compiling the questionnaire from June, 2011 and the report to the Board. Great in depth discussions on policies and reports. Enjoyed the update on the Midas system. He was enlightened with the presentation on the rate setting methodology.

Next month's monitors are Ken Mosentine and Beth Meyers.

14. August Board Meeting Date & Agenda Items

August 1st and 2nd, 2011. The FMPMC is scheduled to meet in August and the SLWG has requested time during the August Board meeting.

15. Adjourn

Mike Linton moved to adjourn the meeting at 3:12 pm. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen