

**Minutes-DRAFT  
NorthernBridges  
Board of Directors Meeting  
October 3, 2011  
Flat Creek Inn, Hayward**

**Board Members Present:** Dave Willingham, Ken Mosentine, Bob Kopisch, Tom Innes, 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: Board Consultant Don Percy, NorthernBridges Staff John Sugimura, Gene Chuzles/Challenge Center, Janell Sacharski/Barron County DDS, Dennis Liphart/Pathways.

**1. Call to Order**

Chair Dave Willingham called the meeting to order at 9:02 a.m.

**2. Roll Call**

All members present with the exception of Sue Reinardy who was absent and excused.

**3. Public Comment**

Gene Chuzles of the Challenge Center attended the Douglas County Residential Provider meeting with NorthernBridges last Tuesday and wanted to thank CEO John McMahon and Krista Love, Provider Network Manager for a good meeting. He commented that it was very good dialogue.

**4. Approval of Minutes from September 6, 2011**

Steve Sather moved to approve the September 6, 2011 Board meeting minutes. Larry Main seconded. Motion was carried by voice vote without negative vote.

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

The Residential Rate System Report, Annual Quality Review Report and Member Satisfaction Survey Report will be conducted on Tuesday. Agenda approved.

NorthernBridges new staff John Sugimura, Marketing and Communications Coordinator introduced himself to the Board.

**6. Executive Committee Report**

The Executive Committee met on September 19, 2011 and the minutes were posted on Sharepoint on 9.26.11. EC member Bob Kopisch was unable to attend the meeting. Board Consultant Don Percy attended the meeting by telephone. The committee approve the 8.22.11 EC minutes. There was conversation around Don Percy's work plan and timetable for the remainder of 2011 including the Policy Monitoring Committee self assessment process. Don updated the EC on the New Director Orientation Program and the first NDOP session is at 12:00 noon today and both the newer directors and their mentors will be attending. The EC discussed the September Board meeting with considerable comment and discussion on the public comment portion of the meeting and how the board handles and addressed the public comments, and we will be discussing this in the future. The EC reviewed and set today's Board meeting agenda. Chair Willingham had the usual conference calls and email exchanges with Don Percy and John McMahon throughout the month of September. Dave also had email exchanges with one of the board members with questions about the board's policies and procedures around the public comment portion of the Board meetings. It has been a long time since we had a discussion on that subject. Don Percy is preparing a review for this and we'll discuss and get more input from board members and how we handle it and we'll develop a procedure/policy so that it is very clear how the Board handles public

comment. Chair Willingham asked the Board to get any suggestions or ideas regarding public comment to Mr. Percy.

**7. Board Policy Consultant Update/Status Report**

Board Consultant Don Percy gave an update and status report on remaining items in his policy consultant work plan through December 31, 2011.

**8. Findings of the Financial Management Policy Monitoring Committee & Approval of CEO Policy Compliance Monitoring Reports**

- **Board Outcomes Policy A.4 Investment Portfolio**

FMPMC Chair Bob Kopisch stated that the committee decided this really wasn't something they should be reviewing as the Board needs to look at the outcomes policies. The FMPMC did not review this but the committee suggested we talk to our auditors. Bob Kopisch did this and they did not have an opinion.

- **II B 1 4 CFO Oversight**

The FMPMC felt the interpretation contained clear evidence of compliance and there were no other reasons to question the sufficiency of the report or make further amendments. Chair Kopisch asked the Board if there were any other reasons to question the sufficiency of the report and none were stated. Larry Main moved to accept the findings of the FMPMC and to approve II B 1 4 CFO Oversight. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

- **II B 1 5 Investment Directions**

On the Assessment Worksheet of the policy, the FMPMC stated that the report does not contain clear evidence of compliance as the working capital and restricted reserve are a work in progress but that there is a clear commitment and date for remediation and refers to D.-Evidence of the report. The working capital will take some time. Chair Bob Kopisch asked the Board if there were any other reasons to question the sufficiency of the report and there were none stated. Beth Meyers moved to accept the findings of the FMPMC and to approve II B 1 5 Investment Directions. Tom Innes Seconded. Motion was carried by voice vote without negative vote.

- **II B 2 1 Protection of Assets**

The decision was made to eliminate II B 2 1 Protection of Assets and incorporate everything into II B 2 2 Management of Risk. The FMPMC evaluated II B 2 2, including all of the elements from II B 2 1 and the document that CEO McMahon put together includes all items of both policies. The FMPMC is recommending consolidation of the two policies. We now have a basis for evaluation of board risk tolerance. The Board should evaluate the new amended II B 2 2 Management of Risk at a future meeting. Dave Markert Moved to consolidate II B 2 1 Protection of Assets, and II B 2 2 Management of Risk. Beth Meyers seconded. By unanimous consent the Board accepted the findings of the FMPMC and deferred the approval of the CMR to the November Board meeting.

- **II B 2 2 Management of Risk**

See II B 2 1 above.

- **II B 12 1 Provider Network Capacity**

The FMPMC felt the interpretation contained clear evidence of compliance and there were no other reasons to question the sufficiency of the report or make further amendments. Chair Kopisch asked the

Board if there were any other reasons to question the sufficiency of the report and none were stated. Larry Main moved to accept the findings of the FMPMC and to approve II B 12 1 Provider Network Capacity. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

- **II B 12 2 Provider Performance**

The FMPMC felt the interpretation contained clear evidence of compliance and there were no other reasons to question the sufficiency of the report or make further amendments. Chair Kopisch asked the Board if there were any other reasons to question the sufficiency of the report and none were stated. Larry Main moved to accept the findings of the FMPMC and to approve II B 12 2 Provider Performance. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

- **II B 12 3 Provider Credentials**

The FMPMC felt the interpretation contained clear evidence of compliance and there were no other reasons to question the sufficiency of the report or make further amendments. Chair Kopisch asked the Board if there were any other reasons to question the sufficiency of the report and none were stated. Larry Main moved to accept the findings of the FMPMC and to approve II B 12 3 Provider Credentials. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

## 9. CEO Report

- **Follow Up on Board Directors and HR Employee Policies**

CEO McMahon discussed this with legal counsel Andy Phillips and Andy stated that the Board does not need to be subjected to the same HR policies as other NB employees as a whole and there is a provision in the statute for the Board to be considered employees for tax purposes only.

- **Employee Grievance Policy for Terminations, Discipline & Workplace Safety**

The board previously approved the section that has to do with the board's role with regards to appeals. This document shows the tracked changes since that meeting. The policy has been cleaned up with some language changes and eliminated items that do not pertain to NB. Mike Hamm inquired about the impartial hearing officer (IHO) and just how impartial it would be to have another MCO HR Manager as the IHO. CEO McMahon stated that we've taken that input and currently, if we had something happen today, our default would be to have an agreement with other MCOs but we plan to research and look at other options such as the Wisconsin Employment Relations Commission (WERC) hearing officers. We are told they offer that service, but we need to verify that, along with looking at other options. John commented that he also thinks that the perception of an HR Manager from another MCO does not have the appearance of impartiality. Dee Kittleson mentioned that the counties are still working on the impartial hearing officer also. Chair Willingham commented that since the grievant has to pay part of the fee for the IHO, should they not have some choice of who the IHO will be. John McMahon stated that the intent here is to not have any frivolous appeals. Beth Meyers asked if the cost for the IHO would be paid up front. Suggestions were made to set the fee for the IHO in the policy. Dave Willingham reminded the Board that we will have to make some changes in the board's overall policies as we are now saying we will take on the appeals process role, which is currently against our board policy of not being involved in any employee appeal.

- **Financial Statement Report**

CFO Jason Kohl reviewed the 8.31.11 Financial Statement Report.

Income Statement:

Revenue: (Reduction)/Increase:

- 20 enrollments and 29 disenrollments in August -9
- 15 enrollments and 22 disenrollments through September -7

- Cost Share Revenue – 309 members in the amount of \$85k
- Non-NH level of Care Capitation – 63 members - \$44.6k
- 7 fewer members than budgeted for August
- August 2011 Retro Acuity Adjustment accrued - \$263k
- 2011 Retro Acuity Adjustment accrued - \$2.63M
- August 2011 Surplus/(Deficit) - \$116k
- 2011 Surplus/(Deficit) - \$1.2M

Operating Expenses:

- August service costs estimated at \$5.7M (\$2,724.60 PMPM)
- 2010 IBNR - \$550k
- 2011 IBNR - \$7.83M

#### **10. 2012 3-Year Business Plan**

CEO McMahon informed the Board that NB is working to complete the 2012 Business Plan to be ready to submit to the state by October 15, 2011. CFO Jason Kohl & CEO John McMahon gave an overview of the 2012 Budget along with some high level detail. We are looking to continue to improve our Care Management practice areas such as assessments and member centered plans, additional training of our employees, improve our quality of our services, grow our ability to do the analytical abilities to look at what is driving our costs and how that affects our financial performance and quality and being able to achieve better cost effectiveness. We need to continually look at the provider network and the rates we pay, and incorporate more market driven rates. We know that our previous costs for member services were 16% higher than our capitation rate and we have reduced that to between 7% and 8%. We have initiatives to become more cost effective next year in several areas. The challenge now is that our cap rate for 2012 has been reduced by over 7%. We have a tentative meeting with DHS on Monday, November 21, 2011 to get feedback on the 2012 Business Plan.

Mike Hamm moved to approve the 2012 3-Year Business Plan Budget. Joe Wolf seconded. Motion was carried by voice vote without negative vote.

#### **11. CEO Report (Continued)**

- **Follow Up on Douglas County Provider Meeting**

CEO McMahon summarized the meeting between NB and some Douglas County residential providers on Tuesday, 9.27.11 by telling the Board that there was a good turnout at the meeting with 14 people representing residential providers attending. The agenda was put together mutually. We spelled out our answers to their questions in written form. One of the main issues for them is they do not understand our residential rate setting tool. They don't understand how their rate and our proposed rate can be so far apart. Their rate is based upon their facility model. Our rate is built on acuity of the member based on the Long Term Care Functional Screen and Member Assessment. That difference is a real source of worry for the providers and they don't know how to plan for their business going into 2012. When counties contracted with residential providers it was based on the unit rate for the facility and the counties did not have a lot of negotiating ability. Approximately one half of the providers will get a rate increase based on the methodology. The providers want to know what rates will be and we told them we can provide that to them no later than December 1, 2011 and possibly sooner. Some providers don't see the value in having RNs in Family Care. They feel they should be paid for bed holds and this is not an allowable cost according to federal rules. There are plans to get together with these providers again in the next month or so. We did briefly discuss a Provider Advisory Committee. The providers felt the meeting was worthwhile and helpful. John stated we can post the written answers to their questions if the Board would like to see them.

- **MCO-DHS Updates**

The state has launched a new website on Medicaid savings. They are looking at a Virtual PACE program. Currently there are two PACE programs in two counties in Wisconsin that manage all acute and primary

health care and community based services for people over 55 that are dual eligible for Medicare and Medicaid. The state wants to expand that program for the Family Care eligible population – ages 18 and up. They would like to implement three to four pilots beginning in July and want to target 20,000 people. The intent of the Virtual PACE program is to integrate Medicare and Medicaid funding and service delivery to improve care and reduce costs. There will be some town hall meetings across the state before they issue the RFP.

If anyone would like a printed copy of the response from DHS to the Family Care audit please let us know. This has been posted on the Board of Directors page in Sharepoint.

Meeting was recessed at 2:55 p.m. to allow for the Member Relations Policy Monitoring Committee meeting.

### **October 4, 2011 CONTINUATION OF THE BOARD MEETING**

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

All members present with the exception of Sue Reinardy, Beth Meyers and Ken Mosentine who were absent and excused. Larry Main was also absent.

- **Residential Rate System**

Provider Network Manager Krista Love updated the Board on the Residential rate system tool and validation process. Krista distributed the rate setting tool which has changes since the Board last reviewed. The tool started being utilized in July for new placements. The member or provider can request a re-assessment if the member's condition changes. We looked at 5 rate setting tools before deciding on what would work best for NB and our members. Many that we looked at did not have behavioral or supervision elements. NB plans to validate the rates by the end of October and meet with the providers in November to give them the rates to be effective January 1, 2012.

Krista also spoke to the issue of bed holds. She attended a MCO Provider Network Workgroup meeting and NB is currently the only MCO still paying bed holds. Providers have had to adapt to this and we will be looking at this moving forward.

Krista commented on transportation services and informed that Board that that the State Family Care Contract does not allow for providers to charge members, or members to pay for, any costs over and above what the Family Care Program pays.

Mike Hamm left the meeting at 10:35 a.m.

- **2011 Member Satisfaction Survey Report**

Quality Manager Sarah Benson reviewed the summary of results from the 2011 Member Satisfaction Survey. We conducted this year's Member Satisfaction Survey in July and randomly pulled 25%, or 500 surveys. We received 184 returned surveys for a response rate of 38%, just slightly above the statewide response rate of 36%. Sarah is meeting with CEO McMahon and COO Rita Mueller to discuss how we can improve upon our member services. Turnover of Care Managers is one of the main things members are unhappy about. The members also had the opportunity to speak to a Member Rights Specialists if they had issues or concerns.

- **2011 Annual Quality Review Report**

Quality Manager Sarah Benson summarized the results of our Annual Quality Review. DHS authorizes MetaStar to conduct external quality review for the MCOs in the State of Wisconsin and NB's was conducted in April of 2011. The final report with NB's results was sent to us on July 7, 2011. Though the AQR did not

yield any immediate health and safety concerns, there were several concerns noted through a follow-up letter from DHS dated August 24<sup>th</sup>. These areas of concerns needing remediation and monitoring of were as follows: Caregiver Background Check Verifications, Protection of Member Information, Resource Allocation Decision Making (RAD) Policy, Addressing Member Risk, Service Coordination and Notice of Action. NB has until November 1, 2011 to submit our plan to DHS outlining how we will rectify the concerns. In addition, based upon the results of our AQR, NB will be subject to more frequent mini-Care Management Reviews. The first mini-review occurred on September 21<sup>st</sup>, with additional reviews scheduled for October 19<sup>th</sup> and November 16<sup>th</sup>.

## **12. Strategic Leadership Workgroup Report**

SLWG member Howard Johnson summarized Chair Sue Reinardy's report on the progress and status of the SLWG meetings. The SLWG met on August 1<sup>st</sup> and September 6<sup>th</sup>. The top three areas that the SLWG has identified as priority are: #1 Trusted Entity – Identify strategies that will result in NB being a recognized and trusted entity to potential and current members to allow them to make informed decisions when they are eligible for Family Care services and select a program of their choice, #2 Enrollment – Develop plans to address enrollment caps and/or decreasing enrollments, and #3 Service Offerings – With Medicaid funding cutbacks at state and national level, develop strategies for how to cope, what leeway on service range and scope are available under DHS contract and federal requirements. Howard reviewed the objectives, potential strategies and potential evaluations and measurements for each topic. Chair Reinardy recommends having a full board discussion of these items at the November, 2011 Board meeting.

## **13. QMPMC Update (from September) & MRPMC Update**

QMPMC - At the September QMPMC meeting, Quality Manager Sarah Benson gave a status update on the 2011 Quality Management Plan and the Performance Improvement Project (PIP) .

MRPMC - Chair Willingham commented for MRPMC Chair Mike Hamm who had to leave the meeting. The committee reviewed the Member Satisfaction Survey results and the Annual Quality Report that was shared with the Board this morning. The also had a discussion on the role, goals and objectives of the MRPMC and will get their comments and suggestions to Don Percy for his assessment tool. The self assessment of the PMCs has been deferred to the 1<sup>st</sup> quarter and Don Percy will be conducting those at that time. The MRPMC is attending the Member Advisory Council meeting on November 9, 2011 held at NB headquarters.

## **14. Public Comments**

None.

## **15. Correspondence**

Wisconsin Health News interview with Secretary Dennis Smith, DHS Website Announcement and DHS memo to the MCOs regarding MCO and County meetings on CSP, Crisis Prevention & Response for Family Care members with Mental Health Concerns.

## **16. Meeting Review & Discussion**

This month's monitors were Howard Johnson and Mike Hamm.

Howard rated all characteristics of the monitoring checklist satisfactory. Good discussion on FMPMC and the budget. Good presentation on rate setting with very good Board interaction and questions. We did start to wander a bit. He looked at the minutes from September's Board meeting and there were a couple of directives from that meeting for this meeting and they were covered. We might consider time frames for agenda items. A technique he used previously was to assign someone at the meeting to note when the timeframe is met. Heavy agenda and very appropriate.

Dave Willingham spoke to Mike Hamm's comments in his absence. Mike rated all characteristics of the monitoring checklist as satisfactory with a comment on the Grievance Policy discussion – did we maintain clear distinction between board role and staff role – the Board started getting into day to day operations during the discussion and Don Percy provided a teaching moment and had us re-focus on the Board's role. John did a good job informing us of the Douglas County residential provider meeting and explaining the operations of the Provider Network department. Excellent discussion on rate setting and areas to improve relations with the providers – incentive to do what is right for the member.

Next month's monitors are Jack Sweeney and Mike Linton.

**17. November Board Meeting Date & Agenda Items**

November 7 & 8, 2011. FMPMC is scheduled to meet on November 7<sup>th</sup>.

**18. Adjourn**

Mike Linton moved to adjourn the meeting at 12:06 p.m. Tom Innes seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen