

**Minutes  
NorthernBridges  
Board of Directors Meeting  
September 6, 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:** Board Consultant Don Percy, NorthernBridges Staff Jaime Harris, Kristin Clemmer, Sarah Hamilton, Tysa Froemel, Denise Olsen and Lori Betz.

Bruce Minea, Nicole Sear, John Kolar and Doug Breiland of Tradewinds Residence. Rick and Deanna Peterson of Cedar Ridge Assisted Living & Memory Care, Butch & Pam Clark and Alex & Sharon Kotter of Harmony House I & II, Shirley Johnson of Harmony House I, Marilyn Hautamaki & Cheryl TePoel of Country Companions, Gregory Swanson of Northern Residence, Gregory Date of Stardusk House, Dennis Liphart of Pathways to Independence, Joe Wasek of DSI and Robert Plunkett.

**1. Call to Order**

Chair Dave Willingham called the meeting to order at 9:05 a.m.

**2. Roll Call**

All members present.

**3. Public Comment**

**Bruce Minea of Tradewinds Residence**

- Understands we are working within fiscal constraints
- Mental health and chemical dependency issues are not adequately addressed by rate setting tool
- Tool more subjective than objective – person completing the tool can vary the score dramatically

**Sharon Kotter of Harmony House**

- What is actually done for residents is not able to be captured on paper
- Everyone is telling providers how to run their business
  - Federal government, State, NorthernBridges
- No raise for providers in 6 years
- Want to keep things going in a more positive direction; want to work together with NB
- Brought the Douglas County Board Resolution with regard to rate changes
- Will be attending October meeting with DHS staff in Madison and attended Superior Days and on agenda with Secretary Smith

**Pam Clark of Harmony House**

- Has issue with Rate Setting Methodology – no provider input was sought
- Providers cannot absorb 30%-50% rate cuts
- Providers are available and have suggestions to aid NorthernBridges in the saving of monies

**Greg Date of Stardusk House**

- Thinks providers should have bed hold fees because the statutes require providers to give a 30 day notice

- Does not feel that the process can work without a bed hold
- Not certain what Stardusk will be able to do without bed hold fees

#### **Greg Swanson of Northern Residence**

- Uncertainty of rates
  - Has made it difficult to open a new home in Solon Springs
  - Purchased home on suggestion by NB that more beds would be needed after rollout
  - Residents are like family and will not be easily discharged if rates aren't adequate

#### **Deanna Peterson of Cedar Ridge**

- Transportation (Medical & Social) is a hardship for providers
  - Staff accompaniment for dementia members is also an additional cost
  - Requesting a change of the contract to allow for members' families to contribute and pay for necessary transportation services
- Rate assessment tools need to be completed with care managers and RN staff and providers at the homes to ensure capture of all necessary services
- Add behaviors for dementia specifically
- Fall risk, blindness and chemical dependency should be populations of their own.

#### **Cheryl TePoel of County Companions (Brule & Lake Nebagamon)**

- Present as an advocate for residents
- Have had resident in their care for many years, they become like family.

Chair Willingham asked the providers to submit any written notes they had for our record and on behalf of the Board assured the providers that the Board is very aware of and concerned about all of the services that are provided through our many providers. Dave stated that many of the provider's concerns are concerns that we have shared as individual board members in our communities. It is the policy of NorthernBridges that the contractual arrangements and negotiations are conducted between NorthernBridges management staff and the providers. There is a meeting scheduled for September 27, 2011 with CEO McMahon, NB management staff and the Douglas County providers represented here today for the express purpose of reviewing these concerns. CEO McMahon will be reporting back to the board at the October board meeting with the results and progress of that meeting.

#### **4. Approval of Minutes from August 1 & 2, 2011**

Dave Markert moved to approve the August 1 & 2, 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 item # 8 will be scheduled for 1:00 this afternoon when Mark Meeks of M3 will join us. At approximately 10:30 we will discuss agenda item #9 with NB Human Resources Manager Janelle Gruetzmacher.

NorthernBridges new staff introduced themselves to the Board.

#### **6. Executive Committee Report**

The Executive Committee met on August 22, 2011 at NB headquarters and minutes from that meeting were posted on Sharepoint on August 31, 2011. The committee discussed at length a presentation that our policy consultant Don Percy will be making to the board today which is a board review of our compliance with Section III Policies on the Board and CEO relationship. There was also discussion on the role of the Board and CEO with regard to Board and Provider relations and we'll broaden that discussion for a future board meeting. The EC reviewed the draft Grievance Policy for Terminations, Discipline & Workplace Safety which is on today's agenda along with reviewing the agenda for today's meeting.

**7. BES Seminar Paper 6.1: Board Review of its Compliance with Section III Policies on Board/CEO Relationships**

Board Consultant Don Percy spoke to the public that was present at the Board meeting about how the NB board assesses their own performance. The NB board is unusual as it has its own education and self improvement process with the Board Education Seminar Series. This a policy governance oversight function. Each board agenda includes a Board Education Seminar Series and a review and findings of Policy Compliance Monitoring Reports.

The board was asked to review BES Paper 6.1-Board 2011 Review Matrix for Board Policy Book Section II (Board/CEO Relationships) which is a summary of what constitutes due diligence and areas we need to work on. Consultant Percy asked the board if any of them had further notes they wished to discuss with regard to the Core Policy Statements and Subsidiary Policy Statements. Jack Sweeney inquired about page 4 - CEO compensation will be based on MCO performance against stated outcomes and the market for executives with similar responsibilities and authority. Don stated that we did request information from other MCO's on CEO compensation but did not receive responses from any of them and we will try to do this again the next time around. Bob Kopisch commented that B.3.7 – Protection of Assets and Management of Risk are on today's agenda.

Howard Johnson moved to record in the September Board meeting minutes that the Board has read and evaluated BES 6.1: Board Review of its Compliance with Section III Policies on Board/CEO Relationships and had the opportunity to discuss and is in compliance with section III. Tom Innes seconded. Motion was carried by voice vote without negative vote.

**8. Board Discussion of Draft Grievance Policy for Terminations, Discipline & Workplace Safety & Approval of Board Involvement in Appeal Process**

Human Resource Manager Janelle Gruetzmacher joined the meeting and distributed a revised draft of the Grievance Policy for Terminations, Discipline & Workplace Safety. NorthernBridges currently has an Employee Issues and Concerns policy that is in compliance with one of the management limitations policies. Wisconsin Act 10 has a requirement that is identified in Statue 66.0509 that states that local units of government must establish a grievance system no later than October 1, 2011. Three requirements of this grievance system are to have a written document of the process, that there is a hearing before an impartial hearing officer, and an appeal process. They have had several conversations with Andy regarding this policy. An MOU has been drafted by five MCOs regarding the Impartial Hearing Officer and that will be the HR Manager from a different MCO. Mike Hamm inquired if the grievant will know ahead of time what the cost of the Impartial Hearing would be, since the grievant will need to split the cost with the MCO. CEO McMahon stated we would give them the best information on any costs that we have at that time. The Board suggested some editorial changes to the draft policy. The policy will incorporate some of today's recommended changes and be brought to legal counsel again before October 1, 2011. We'll explore other options for the Impartial Hearing Officer and roll out the new grievance policy to all NB employees during October. The board will receive the final draft with tracked changes.

Bob Kopisch moved to approve board involvement in the grievance policy and to amend any management limitations policies that are affected by this statutory requirement. Dave Markert seconded. Motion was carried by voice vote without negative vote.

**9. Board Discussion on Risk Tolerance**

CEO McMahon introduced Mark Meeks of M3 Insurance. Mark has worked with other MCOs and has worked with CEO McMahon over the years in providing the right level of coverage for NB. This issue is about establishing the level of the Board's risk tolerance. Mark indicated that his purpose at today's meeting is to give the board a clear understanding of the different types of insurance coverage NorthernBridges has. He reminded the Board, that as members of the board, their personal assets can be at risk. Mark reviewed the current insurance coverage which includes Worker's Compensation, General Liability, Hired & Non-owned Auto Liability,

Directors & Officers, Employment Practices Liability, Fiduciary Liability, Errors & Omissions and Cyber Liability. Dave Willingham suggested that we could require NB staff to show proof that their insurance carrier is aware they use their vehicle for business purposes. Dale Schleeter strongly agrees that we should require this of all NB staff.

Ken Mosentine moved to approve the current insurance coverage as meeting or exceeding board risk tolerance. Dave Markert seconded. Larry Main moved to amend the motion to define the board's risk tolerance as presented in the Coverage Analysis by Mark Meeks of M3 at the September 6, 2011 Board meeting. Tom Innes seconded. Motion to amend was carried by voice vote without negative vote.

Main motion as amended was carried by voice vote without negative vote.

## 10. CEO Report

- **Informational Report – Human Resources**

Human Resource Manager Janelle Gruetzmacher presented the HR in Review for January through June of 2011 to the Board which included progress in support of Board Policies that pertain to HR. The policies are II.B.3 – Treatment of Employees, II.B.5 – Compensation & Benefits, and II.B.16.1 – Attract & Retain Quality Staff.

- **NorthernBridges Employment Policies & Practices & Board Directors Designation As Employees for Per Diem Expense**

CEO McMahon reminded the Board that Board directors are classified as employees for per diem reimbursements and we need to be in compliance with the legal requirements for hiring. There are a number of forms that must be completed including the W4, WT-4, Form I9-Employment Eligibility and Background Disclosure Information. Mike Hamm commented that he feels some of the information is not pertinent to Board Directors such as caregiver background checks as the Board does not have access to members served. CEO McMahon stated that all NB employees have the background disclosure checks and many do not have access to members we serve. Sue Reinardy stated she believed that it was good policy for NB to require all employees to have a Caregiver Background check. She did question whether the policy should apply to the Board of Directors. Chair Willingham suggested consultation with legal counsel Andy Phillips. John McMahon will follow up with Andy Phillips and bring this back to the October Board meeting.

- **Financial Statement Report**

**Income Statement:**

Revenue: (Reduction)/Increase:

- 42 enrollments and 26 disenrollments in July +16
- 20 enrollments and 26 disenrollments through August -6
- Cost Share Revenue – 284 members in the amount of \$91k
- Non-NH Level of Care Capitation – 57 members - \$40k
- 25 more members than budgeted for July
- 2011 Retro Acuity Adjustment accrued - \$2.36M
- July 2011 Profit (Loss) - \$305k
- 2011 Profit (Loss) - \$1.1M

Operating Expenses

- 2010 IBNR - \$619k
- 2011 IBNR - \$7.06M
- July service costs estimated at \$5.7M
- 2010 Service expenses paid through July of \$6.1M
- 2011 Service expenses paid through July of \$30.5M

**11. Findings of the Financial Management Policy Monitoring Committee & Approval of CEO Policy Compliance Monitoring Reports**  
**This agenda item was deferred to the October, 2011 Board Meeting**

**12. CEO Report (continued)**  
**The remainder of this agenda item was deferred to the October, 2011 Board Meeting**

- 2010 MCO Cost Matrix
- 2012 Business Plan
- Business Systems Update
- MCO-DHS Updates

**13. Strategic Leadership Workgroup Update**  
**This agenda item was deferred to the October, 2011 Board Meeting**

**14. Public Comments**

Joe Wasek of DSI stated that they have had a wonderful experience with our care managers and nurses and if there is ever anything they can help with they'd be happy to.

**15. Correspondence**

The Board was given a copy of the letter from Barbara Peterson, Regional Director of the ADRC of The North, thanking NorthernBridges for meeting with them at the August, 2011 NB Board meeting.

**16. Meeting Review & Discussion**

This month's monitors were Ken Mosentine and Tom Innes.

Tom Innes rated all characteristics as satisfactory. He commented that there was a lot on the agenda for a one day meeting and that the public comment portion took up a lot of time. This was a lot of information for one day.

Ken Mosentine also rated all characteristics as satisfactory. He felt the discussion on the draft grievance policy was good but got a little lengthy. We made it through some tough discussions. He agreed that it was a lot of information to comprehend on one day. Ken suggested we hold the policy monitoring committee meetings at 8:00 or 8:30 before the board meetings.

Next month's monitors are Howard Johnson & Mike Hamm.

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

October 3 & 4, 2011. Agenda items will include a review of the residential rate setting methodology and how it works and the state statute regarding the bed hold policy.

**18. Adjourn**

Dave Markert moved to adjourn the meeting at 4:12 p.m. Dale Schleeter seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen