

**Minutes
NorthernBridges
Board of Directors Meeting
January 3 & 4, 2012
Flat Creek Inn, Hayward**

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

Others in Attendance: NorthernBridges Staff Amanda Barnes.

1. Call to Order

Chair Dave Willingham called the meeting to order at 9:07 a.m.

2. Roll Call

All members present with the exception of Larry Main who was absent and excused. Jack Sweeney was also absent.

3. Public Comment

None.

4. Approval of Minutes from December 5 & 6, 2011

Mike Hamm moved to approve the December 5 & 6, 2011 Board meeting minutes. Beth Meyers seconded. Motion was carried by voice vote without negative vote.

5. Approval of the Order of the Agenda

Agenda approved. Closed session will be held at approximately 10:00 a.m. Agenda was approved.

6. Executive Committee Report

The Executive Committee met on 12.19.11 at Rivers Edge and these minutes were posted on 12.27.11. The committee approved the October 2011 EC minutes. There was no November EC meeting. FMPMC Chair Bob Kopisch and member Sue Reinardy had a meeting with the auditors and Bob will give a report at today's meeting. Terri Stone reported that she, Dave Willingham and Ken Mosentine are involved with the NW CEP which recently had personal care workers training and they have applied for another grant. The people that monitor and administer this grant have been very pleased with the success. The EC reviewed the December board meeting and discussions and Chair Willingham urged the members to review that portion of the EC minutes. The committee reviewed an updated draft of Board Process Memorandum #4 on public comments and the possibility of having further meetings with the ADRCs to discuss enrollments for 2012. The next Executive Committee meeting is scheduled for January 16, 2012 at 1:00 pm at the Rivers Edge office in Hayward.

NorthernBridges new staff Amanda Barnes, Social Service Care Manager located at the Spooner hub introduced herself.

7. Board Process Memorandum: Agenda-Scheduled, De Novo and Public Comment Period Policy Issues

Board Consultant Don Percy created the Board Process Memorandum #4 which was reviewed at a previous meeting. The new public comments signage for the board meetings is an outcome of this BPM. A Compliance Guide on the Wisconsin Open Meetings Law is included in the document. Howard Johnson moved to approve Board Process Memorandum #4. Dave Markert seconded. Motion was carried by voice vote without negative vote.

8. **2011 Audit Update & Discussion**

FMPMC Chair Bob Kopisch distributed notes from his meeting with the auditors on December 13, 2011 to discuss NB Board input to the 2011 audit. Sue Reinardy was also in attendance. The meeting lasted about 1 hour and 45 minutes. Clifton Gunderson's plan is to conduct the audit the week of 3.5.12. Financial Statements will be prepared by NB staff so that by mid-April the MD&A can be prepared. The audit results along with the MD&A will be available for the May Board meeting to be presented by CG for Board review and approval. The final audit needs to be to the state by May 31, 2012. They discussed the level of progress made with regard to the IBNR and Acuity Adjustment and the views of the Board and views about the risks of fraud. Bob referred to II.B.2.2 and the Provider Integrity Program which included an interpretation statement and evidence regarding fraud, particularly provider fraud. Deb Welch of Clifton Gunderson inquired if NB had a fraud hotline and we do not have anything at this time. Bob tried to get the entire FMPMC involved in the meeting, but due to the late notice it was difficult to get everyone together. Next year we will try to get the entire FMPMC involved in this meeting with the auditors. CEO McMahon informed that Board that we do have a process for reporting suspected fraud in which a Care Manager completes a Provider Integrity Report and these are reviewed by the Provider Network department.

9. **CEO Report**

- **Virtual PACE Initiative**

CEO McMahon informed the Board that the Virtual PACE Program focuses on serving dual eligibles which are people who are both Medicaid and Medicare eligible. These systems are different in terms of rules and requirements. When you look at the population who are dual eligible they tend to be more chronically ill. The Virtual PACE Program (Program for All Inclusive Care for the Elderly) staff is made up of primary physicians, nurse and social service care managers. People come to the program for support during the day and integration into the community and managing their health care. Employees are contracted by the PACE program themselves to form a team for that member. It works best in an urban area as there are more people and administrative support and it can be more cost effective. One of the challenges of moving into the rural areas is that most people want to keep their same health care provider. The PACE Program will have a capitation assigned to it. Virtual PACE's benefit package includes all services and supports within the Family Care Benefit package and acute and primary healthcare services as well.

The state intended to release RFPs in January to select three or four sites to do demonstrations for six months, but this won't be happening as the state does not have the data necessary (how many people, what the costs are, etc.). Wisconsin is one of fifteen states selected to do the demonstrations. Terri Stone asked if the PACE program would be similar to the Partnership Program and if it would affect our cap rate. John stated it would not affect our cap rate, but we could potentially lose members to the PACE program. We have asked DHS to facilitate meetings with MCOs and health plans about the project. The difference between Virtual PACE and traditional PACE is that it's intended for those 18 years and older. We don't know enough at this time to know if a demonstration could be a consideration. The state could entertain proposals from anyone. NB will stay involved and provide updates to the Board.

10. **The Board will consider a motion to convene in closed session** for purposes of conferring with Legal Counsel about matters relating to negotiation strategies regarding the 2012 Business Plan, 2012 Budget and 2012 NorthernBridges/State Contract, under Sec. 19.85(1)(g), Wis. Stats. conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. § 19.85(1)(g), Wis. Stats.

Tom Innes moved to convene in closed session at 10:35 a.m. Ken Mosentine seconded. Roll call vote was unanimous.

11. Motion to return to open session and act on any closed session items.

Beth Meyers moved to return to open session at 11:53 a.m. Joe Wolf seconded. Steve Sather moved to postpone a decision on the matter from the closed session until tomorrow morning. Bob Kopisch seconded. Motion was carried by voice vote without negative vote.

CEO Report (continued)

- **2012 Business Plan Update**

This was discussed under CEO Report - 2012 Performance Expectations/Operational Plan.

- **Monthly Financial Summary**

CFO Jason Kohl reviewed the financial statement report for the eleven months ending November 30, 2011. These figures are estimates as November Financial Statements have not been fully reconciled and completed.

Income Statement:

Revenue:

- 32 enrollments and 30 disenrollments in November (+2)
- 20 enrollments and 15 disenrollments in December (+5)
- November Cost Share Revenue – 327 members in the amount of \$96k
- November Non-NH Level of Care Capitation – 60 members - \$42.5k
- 2011 Retro Acuity Adjustment accrued - \$3.2M – **Estimate**
- November 2011 Surplus/(Deficit) - \$360k – **Estimate**
- 2011 Surplus/(Deficit) - \$2.34M – **Estimate**

Operating Expenses:

- November direct member service costs estimate at \$5.3M (\$2,629 PMPM).

Balance Sheet:

Assets:

- Risk Reserve Fund - \$1.6M
- Solvency Fund - \$750k

Liabilities:

- 2010 IBNR - \$144k – Reduced \$946k (13.6%) from initial estimate of \$6,942,153.
- 2011 IBNR - \$8.0M

- **2011 Performance Expectations/Operational Plan Results**

COO Rita Mueller reviewed the 2011-Performance Expectations/Operational Plan Report. During 2011, NB implemented its first operational plan. The operational plan was designed to provide a blueprint for operations during the year. The plan contained 18 specific activities. For each activity, it outlined major deliverables, assigned accountability for deliverables (who, what, when) and tracked progress and completion of deliverables. The report outlined the current status of each of the 2011 Operational Plan Activities. Significant progress was made in each Operational Plan activity area in 2011, with specific deliverables achieved for most activities. All performance expectations were met.

- **2012 Performance Expectations/Operational Plan**

COO Rita Mueller stated that the 2012 Operational Plan is currently being finalized. Department-specific and organization-wide activities have been identified to support achievement of the strategic initiatives included in the 2012 Business Plan. The activities build upon progress made in the 2011 Operational Plan and still align with each of the key activities identified at the beginning of the report: achieving excellence in care management, establishing a comprehensive, cost effective provider network, assuring

quality for members, assuring that NB remains a value-driven organization with committed employees, developing approaches and tools to support understanding of utilization costs in care management, and assuring a robust IT infrastructure to support program operations.

- **2012 Marketing Plan**

COO Rita Mueller reviewed the NB 2012 Marketing & Communications Strategic Plan and Marketing & Communications Coordinator Position Description. There are two areas of focus within the plan and those are external marketing and communications and internal marketing and communications. The policy outlines the goals and procedures associated with both of these venues.

Meeting was recessed at 2:46 p.m. to allow for the Member Relations Policy Monitoring Committee meeting.

January 4, 2012 CONTINUATION OF THE BOARD MEETING

Chair Dave Willingham called the 2nd day of the meeting to order at 9:14 a.m.

All members present with the exception of Larry Main and Steve Sather who were absent and excused. Jack Sweeney was also absent.

Continuation of actions from Monday's Closed Session

The Board further discussed the contents of the communication with DHS. John will also request that DHS attend the February Board meeting.

Sue Reinardy suggested we start working on a draft position description and John stated that he's had that conversation with one of the NB DHS oversight team members. John McMahon will put a follow up to the response from DHS on the January Executive Committee meeting agenda.

Howard Johnson moved to approve communication with DHS. Dave Markert seconded. Motion was carried by voice vote without negative vote.

12. Approval of 2012 Family Care Contract

Bob Kopisch move to postpone final approval of the NorthernBridges 2012 Family Care Contract until the February Board meeting or until the Strategic Planning Director matter is resolved. Dave Markert seconded. Motion was carried by voice vote without negative vote.

CEO Report (continued)

- **Member Handbook**

The Board received a copy of the NorthernBridges 2012 Member Handbook.

- **MCO-DHS Updates**

CEO McMahon stated that NB continues to work with DHS on the new residential rates that we've implemented. We have met with providers and reviewed rates for members that they requested we review. DHS did attend some of our provider meetings. Many of the provider contracts with new rates have been signed and returned to us. John followed up with Fox 21 in Duluth on the story they did with providers regarding rate cuts in that area. John spoke with Representative Nick Milroy who attended the meeting. Some providers are still deciding if they will accept the new rate or not.

- **Quality Report: 3rd Quarter Critical Incidents & Grievances & Appeals**

Quality Manager Sarah Benson summarized the 3rd Quarter Critical Incidents & Grievances and Appeals Reports for the Board.

- **Critical Incidents**

The 3rd quarter Critical Incident Report shows the number of incidents by incident type and by target group. There was a total of 92 Critical Incidents reported during the 3rd quarter of 2011. Of the 92, there were 17 Physically Disabled, 39 Frail Elder and 36 Developmentally Disabled. Sarah defined elopement as a member who leaves their residence. All critical incidents are investigated to include: identification of the root cause, interventions to prevent a reoccurrence and enforcement of systemic changes for providers when warranted. Dale Schleeter suggested identifying abuse/assault by a member or by staff. Sarah stated that for DHS purposes they are all combined and this is determined by DHS so we are following their requirements for reporting.

- **Appeals & Grievances**

There were 364 total Notice of Actions sent in the 3rd quarter indicating a reduction or termination of a service or item, and there were only 15 total appeals, of which 7 (46.7%) went to local formal hearings, 3 (20%) went to DHS for review, and 5 (33.3%) went to a State Fair Hearing. Of the 15 appeals, 6 (40%) were withdrawn, 4 (26.7%) were MCO upheld, 3 (20%) were Member upheld, and 2 (13.3%) were MetaStar unresolved. Target group identification of the 15 appeals: 4 (26.7%) were DD, 10 (66.6%) were PD, and 1 (6.7%) was FE. It was requested to have further break down of the specifics on appeals MCO upheld and Member upheld for future reports.

CEO McMahon suggested having one or two members of the NB Grievance and Appeals Committee attend a future Board meeting.

13. MRPMC Update

Chair Mike Hamm stated that one of the agenda items for yesterday's meeting was a discussion on the role and purpose of the MRPMC. The committee suggested having 3 year anniversaries for the hubs and inviting members. The MRPMC then asked the Board to approve this idea and asked CEO McMahon to come back in February with a plan. Chair Willingham stated that these anniversary open houses would be a celebratory event to socialize and have open communication. Beth Meyers commented that this is also a public awareness event, not just a member gathering, but a community gathering. Dave Willingham reminded the Board that Board Consultant Don Percy is working on Policy Monitoring Committee assessments and these should help clarify the purpose of all of the PMCs.

Mike Linton moved to approve the 3 year anniversary event plan. Dave Markert seconded. Motion was carried by voice vote without negative vote.

The MRPMC will meet on February 6th in place of the regularly scheduled FMPMC meeting as the FMPMC has no specific business to address next month.

14. Strategic Leadership Work Group Update

Chair Sue Reinardy informed the Board that the work group reviewed the List of 2011 Strategic Issues and Rankings and they will be focusing on Competition, Market share, Partnering, and with the enrollment cap coming off we need to look at the possibility of expanding into other counties. The work group proposed to John that they meet with the Marketing & Communications Coordinator. They would like to focus on what the Board's direction is for the next two to three years and give John some guidance on what we want to explore or not explore. They would also like to help keep some strategic focus of the board. Sue Reinardy asked the Board members to send any "good thought" articles to her in order to help trigger ideas and keep the work group on top of board or strategic trends and that could be useful to fellow Board members. The SLWG's next meeting will be Tuesday, February 7th, at 7:30 a.m. at Flat Creek.

15. Public Comments

None.

16. Correspondence

Don Percy forwarded information regarding the Medicaid shortfall. CEO McMahon distributed a Summary of Family Care Wait List & Enrollment Cap Data.

17. Meeting Review & Discussion

This month's monitors were Bob Kopisch and Dave Markert.

Bob Kopisch checked all nine characteristics as satisfactory. He felt it was a good meeting and some difficult issues were discussed with good participation. Bob liked the additional financial report from CFO Jason Kohl. He felt the meeting seemed to move along pretty well and the presentation materials were good. Bob stated that the meetings should start promptly at 9:00 a.m. providing a quorum is present.

Dave Markert also marked all characteristics as satisfactory. He thought the Board proceeded with due speed and efficiency and the PACE discussion was good but a little unwieldy. Dave felt the closed session discussion was good and meaty and lengthy but it warranted the extra time. The marketing discussion was somewhat disjointed but informative. Dave thought the Critical Incidents and Grievance and Appeals reports were handled well and there were very good questions and concerns expressed by the Board.

18. February Board Meeting Date & Agenda Items

February 6th & 7th. SLWG at 7:30 on February 7th and MRPMC not earlier than 2:30 p.m. on February 6th.

19. Adjourn

Dave Markert moved to adjourn the meeting at 11:17 a.m. Ken Mosentine seconded. Motion was carried by voice vote without negative vote.

Recorder,

Colleen Dressen