

**By-Laws of the Board of Directors
for the
Northeast Wisconsin Family Care District**

The following are by-laws of the Northeast Wisconsin Family Care District (“District”), a Long Term Care District created by resolutions duly adopted by Marinette County, Oconto County, Menominee County, Shawano County, Brown County, Kewaunee County and Door County pursuant to Wis. Stats. § 46.2895.

**ARTICLE I
Board of Directors**

Section 1.01 Powers. The powers granted to the Board of Directors (“Board”) shall be exercised in accordance with the applicable provisions of Wis. Stats. Chap. 46, these By-Laws, any policies and/or resolutions adopted by the Board and the terms of the contract with Wisconsin Department of Health Services, Division of Long Term Care (“Department”).

Section 1.02 Interpretation of By-laws. All words, terms and provisions of these By-Laws shall be interpreted in a manner consistent with the enabling resolutions of the counties, applicable provisions of Wis. Stats. Chap. 46, and the contract with the Department.

**ARTICLE II
Administration**

Section 2.01 Principal Office. The principal office of the Northeast Wisconsin Family Care District is at such location or locations within the geographical area served by the Northeast Wisconsin Family Care District as determined by the Board. The Board may establish additional offices as necessary.

Section 2.02 Board Composition. The Northeast Wisconsin Family Care District shall be governed by the Board. The Board shall initially consist of twelve (12) members (each referred to as a “Board Member”) comprised and appointed in the following manner:

- a. County Appointees. Each county that formed the District shall appoint one (1) Board Member from among the residents of that county according to the then-prevailing process for appointing members to county committees or commissions. The initial County Appointees shall be appointed in accordance with the county resolutions.
- b. At-Large Appointees. There shall be two (2) Board Members that are at-large representatives of the District. Each At-Large Appointee shall be appointed by the Board of Directors. Each At-Large Appointee shall be a resident of the geographic region the District serves and have relevant expertise helpful to the District. The initial At-Large Appointees shall be appointed by the Board.
- c. Consumer Appointees. There shall be three (3) Board Members that are representative of the client group or groups whom it is the District’s primary purpose to serve, or those clients’ family members, guardians or other advocates. No two (2) Consumer Appointees shall reside in the same county. Each of these Consumer Appointees shall be appointed by the Board of Directors. The initial Consumer Appointees shall be appointed by the participating counties.

Section 2.03 Conditions to Appointment. Every individual or entity authorized to appoint a Board Member hereunder shall make such appointments in a manner consistent with Wis. Stat. § 46.2895, as many be amended from time to time, and such Board Member shall serve at the pleasure of the appointing authority.

Section 2.04 Term. The initial terms of all Board Members shall be established by resolution of the counties forming the District. Following the initial term, Board Members shall serve for staggered three (3) year terms. Following the initial term, in order to achieve the staggered effect, there shall be: two (2) County Appointees, one (1) At-Large Appointee and one (1) Consumer Appointee that shall serve one-year terms; two (2) County Appointees, one (1) At-Large Appointee and one (1) Consumer Appointee that shall serve two-year terms; and three (3) County Appointees and one (1) Consumer Appointee that shall serve three-year terms. The particular Board seats to which the foregoing terms apply shall be established by the Board and communicated to the appropriate appointing authority. Thereafter, all terms are for a period of three (3) years. Terms begin at the Board meeting first following appointment of a Board Member if a Board Member is appointed by a county and at the Board meeting making the appointment if a Board Member is appointed by the Board. Unless terminated early as provided herein, terms expire upon a successor taking his or her seat on the Board. Successors shall be appointed in April of each year following expiration of the initial term. Upon expiration of a Board Member's term, the authority appointing the Board Member shall appoint a successor and provide the Board's Secretary with notice of the appointment at least 15 days prior to the next scheduled Board meeting. There are no term limits for Board Members and nothing herein shall be construed as prohibiting or otherwise limiting an appointing authority from appointing an incumbent as a successor Board Member. The Board shall establish a process for the staggering of the initial terms.

Section 2.05 Vacancies. Any vacancy on the Board shall be filled by appointment of the authority having the power to appoint the particular Board Member in which the vacancy occurred for the balance of the unexpired term. The appointing authority shall provide the Secretary of the Board with notice of the appointment at least 15 days prior to the next Board meeting.

Section 2.06 Compensation. Board Members shall receive no compensation for the performance of their duties provided, however, that the Board may create a policy relating to the reimbursement of reasonable business expenses Board members may incur.

Section 2.07 Annual Business Meetings. The Board shall conduct an annual business meeting at a location rotated amongst each of the counties it serves for at least the first four (4) years of operation. The Annual Business Meetings shall be held in May of each year, beginning the year after it begins operating a Managed Care Organization. At each Annual Business Meeting, the Board shall receive the audit report, elect officers and receive new Board Members that are replacing Board Members whose terms have expired, in addition to any other business properly before the Board. The Board shall adopt a policy that establishes, among other things, a procedure for providing notice of the Annual Business Meetings to people receiving services from the District that is designed to encourage full participation from those individuals. The Annual Business Meeting may be held in conjunction with any Annual Public Hearing scheduled under Section 2.08.

Section 2.08 Public Hearings The Board may conduct Public Hearings at its discretion for purposes of soliciting input on the operations of the Managed Care Organization. The Board shall adopt a policy that establishes, among other things, a procedure for providing notice of the Public Hearings to people receiving services from the District that is designed to encourage full participation from those individuals. The Board may schedule a Public Hearing to coincide with any regular meeting under Section 2.09 or an Annual Business Meeting under Section 2.07. Each

Public Hearing shall offer ample opportunity for public and consumer feedback. Notice of Public Hearings shall be conspicuously published and posted.

Section 2.09 Regular Meetings. Regular meetings of the Board shall be held pursuant to a schedule approved by the Board. The Board shall meet at least six (6) times per year.

Section 2.10 Budget. Each year, the Board shall adopt an annual budget relating to the operations of the Northeast Wisconsin Family Care District.

Section 2.11 Special Meetings. Special meetings of the Board may be called by the Chair or any three members of the Board.

Section 2.12 Open Meetings Law. All meetings of the Board shall be conducted in accordance with the Wisconsin Open Meetings Law, Wisconsin Statute Chapter 19, Subchapter V.

Section 2.13 Quorum. A majority of the Board Members appointed and serving shall be required to constitute a quorum for the transaction of business at any Board meeting. A majority of the members of any committee established by the Board shall be required to constitute a quorum for the transaction of business at any committee meeting.

Section 2.14 Voting. The Board shall act by a majority vote at a meeting at which a quorum is present. Neither the Board nor any Board Member may engage in proxy voting.

Section 2.15 Attendance. Board Members are expected to attend all scheduled Board meetings unless excused by the Chair. Three (3) unexcused absences may result in dismissal from the Board as provided in Section 2.19.

Section 2.16 Attendance by Remote Communication. Subject to any guidelines and procedures adopted by the Board, Board Members not physically present at a meeting of the Board may participate in the meeting by means of remote communication and are considered present in person for all relevant purposes and may vote at the meeting.

Section 2.17 Powers of the Board. In addition to exercising all powers granted herein and by virtue of the county resolutions and applicable statutes, the Board is authorized to exercise all powers on behalf of the Northeast Wisconsin Family Care District as set forth in Wis. Stat. Chap. 46 and any contract with the Department. The Board shall be responsible for performing all duties of the Board as set forth in Wis. Stat. § 46.2895.

Section 2.18 Order of Business. Unless otherwise specified herein, all meetings of the Board and committees shall be conducted in accordance with the latest edition of Robert's Rules of Order.

Section 2.19 Removal of Board Member. Any Board Member may be removed at the pleasure of the authority appointing a Board Member. In instances where a Board Member is appointed by a county, the Board may by majority vote submit a written request to a county to remove a Board Member.

ARTICLE III Officers

Section 3.01 Officers and Duties. The Board shall elect a Chair, Vice Chair and Secretary and any other officers as the Board may determine. Such officers shall have such authority and shall perform such duties as prescribed in the By-Laws. The term of the Chair shall be three (3) years with no more than two (2) consecutive terms. The term of the Vice Chair shall be three (3) years

with no more than two (2) consecutive terms. The term of the Secretary shall be one (1) year with no limit on consecutive terms. The initial officers shall be elected by the Board on or before May 1, 2011, and such officers shall serve until the terms of the Initial Board Members expire as set forth in a resolution passed by each of the counties forming the District.

Section 3.02 Qualifications. Officers of the Board shall be selected from among the Board Members and shall be appointed by majority vote of the Board Members then serving the Board. The Board may, from time to time, adopt a policy governing the conduct and procedure of elections.

Section 3.03 Duties of Officers. The Officers of the Board shall perform such duties and functions as shall be assigned to him or her from time to time by the Board.

It shall be the duty of the Chair to preside at all meetings of the Board, to arrange for preparation and distribution of Board meeting agendas prior to the next regular/special meeting, appoint ad hoc committees not otherwise provided for and perform such other duties as may be incidental to the office or which shall be required of the Chair at meetings or by the Board. The Chair shall sign all resolutions and any other documents of any kind requiring a signature on behalf of the Board; alternately, the Chair may designate one or more other Board members as signatories if the Chair and Vice Chair are not available. The Chair can sign regular business documents when no one who is so empowered is available.

It shall be the duty of the Vice Chair to perform all of the duties and have all of the powers of the Chair in the absence of the Chair.

It shall be the duty of the Secretary to keep a record of the proceedings of the Board, and to distribute minutes to Board members prior to the next regular/special meeting. The Secretary shall be responsible for posting and publishing all notices of meetings in compliance with the Wisconsin Open Meetings Law, Wisconsin Statute Chapter 19, Subchapter V. The Secretary is the designated custodian under the Wisconsin Public Records Law, Wisconsin Statute Chapter 19, Subchapter II. The Secretary shall be permitted to delegate duties and functions to staff as needed.

Section 3.04 Compensation of Officers. No officer of the Board shall be compensated for the performance of services for the Board but may be reimbursed for expenses incurred on behalf of the Board upon the same terms and conditions as required for the reimbursement of expenses of members of the Board.

Section 3.05 Election, Resignation, Removal. An officer of the Board shall hold office for the term for which he or she is elected and until his or her successor is elected and qualified, or until his or her resignation or removal. An officer of the Board may be removed from office by a 2/3 vote of the entire Board and removal shall be effective immediately after an affirmative vote. An officer of the Board may resign from office by written notice to the Board. The resignation is effective on its receipt by the Board or at a subsequent time specified in the notice of the resignation.

Section 3.06 Vacancies. The Board may fill the unexpired term of any vacancy in any office occurring for whatever reason by majority vote provided, however, that the vacancy shall be filled by an individual currently serving as a member of the Board.

ARTICLE IV Chief Executive Officer

Section 4.01 Chief Executive Officer. The Board shall select and retain a chief executive officer, who shall act as director of the Northeast Wisconsin Family Care District as that term is used in the applicable statutes. The chief executive officer shall be selected by a majority of Board members and in a manner otherwise consistent with the applicable statutory provisions.

Section 4.02 Powers, Duties and Compensation. The chief executive officer shall perform the duties set forth in Wis. Stat. § 46.2895 and as otherwise established by the Board. The Board may compensate the chief executive officer and may assign such other duties and powers as the Board from time to time deems appropriate. The chief executive officer shall serve at the pleasure of the Board provided, however, that the Board may enter into a written employment agreement with the chief executive officer that limits the Board's termination powers.

Section 4.03 Stakeholder Advisory Committee. Within thirty (30) days of the Managed Care Organization enrolling its first member, the chief executive officer shall appoint an advisory committee to provide input on Managed Care Organization performance. Among other appointments to the committee to be made by the chief executive officer, membership shall include representatives from groups such as: providers, advocates and consumers receiving the Family Care benefit (specifically the frail elderly and people with disabilities).

ARTICLE V Committees

Section 5.01 Executive Committee. The Chair, Vice Chair and Secretary will serve as the executive committee. The executive committee shall have full authority to act on behalf of the Board between Board meetings only when necessary, but does not have the authority to elect officers or to declare or fill any vacancy on the Board. All actions of the executive committee shall be reported and duly ratified at the next regularly scheduled meeting of the Board of Directors. The Board may adopt policies relating to what may be considered necessary for calling a meeting of the executive committee and in addition, may define the duties and authorities delegated to the executive committee by the Board.

Section 5.02 Governance Committee. The purpose of this committee shall be: to recommend candidates to the Board, as directed by the Board, to serve as officers and directors, as provided in Articles II and III; to assist the board in periodically updating the By-Laws; to assist the Board in developing Board policies; to develop and oversee a process of board orientation and training; and to provide periodic assessment of board performance to include participation, conflict of interest and confidentiality. The Governance Committee shall consist of at least three (3) Board Members appointed by the Chair and confirmed by the Board of Directors.

Section 5.03 Other Committees. The Board shall determine other standing and ad hoc committees as needed or as required by applicable statute or contract.

Section 5.04 Committee Membership. Unless otherwise indicated, committees shall consist of at least two Board Members and shall be chaired by a Board Member. Other members of committees may include members of the community served or individuals who can provide expertise or advisement needed to conduct the business of the committee. District staff may provide input at the request of the committee, but are not committee members. The Chair shall appoint members to committees subject to Board confirmation.

Section 5.05 Compensation. Members of the committees shall serve without compensation provided, however, that the Board may create a policy relating to the reimbursement of reasonable business expenses Board Members or other committee members may incur associated

to attendance to committee business. Such policy shall be used consistently for members of any committees formed.

Section 5.06 Meetings. Members of the committees shall meet as often as determined by the Board and/or committee members.

Section 5.07 Open Meetings Law. All meetings of any committees established under this section shall be conducted in accordance with the Wisconsin Open Meetings Law, Wisconsin Statute Chapter 19, Subchapter V.

Article VI Budget, Audit and Powers Reserved

Section 6.01 Fiscal Year. The Northeast Wisconsin Family Care District's fiscal year is January 1st to December 31st.

Section 6.02 Budget. The Board shall adopt an annual budget. The budget shall meet all requirements imposed by the State of Wisconsin for purposes of conducting the affairs of the District.

Section 6.03 Audit. Once the District is certified to operate a Managed Care Organization, the Board shall cause an annual financial audit of the District's accounts and records with respect to all receipts, disbursements, other transactions and entries. The chief executive officer is responsible for ordering the audit subject to Board approval of the identity of the auditor. The chief executive officer shall report to the Board the process for selecting the auditor each year. A report of all audits shall be provided to the Board at the annual meeting(s).

Section 6.04 Powers Reserved. The Board shall undertake all powers and duties mandated by the applicable Wisconsin Statutes, Administrative Code and contract(s) with the State of Wisconsin. Unless otherwise provided herein, the Board may take any action upon majority vote of the Board, with the exception of the following actions, which require two-thirds (2/3) approval of all Board Members:

- a. Modifications to service area for the District.
- b. Admission of additional members to the Board, provided that the Board establishes the prerequisites for the addition of Board member(s) and any county added to the District's service area shall be required to comply with Wis. Stat. § 46.2895(1)(a).
- c. Pledge of District assets as collateral.

ARTICLE VII Conflict of Interest

Section 7.01 Ethics and Conflicts of Interest. The Board may adopt ethics and conflict of interest policies governing the conduct of Board members, officer appointees, and employees in accordance with Wis. Stat. § 46.2895(3)(c) and Wis. Stat. § 19.59.

ARTICLE VIII Indemnification

Section 8.01 Indemnification. To the extent permitted by law, the Board shall indemnify the Board members, officers and committee members of the Board for expenses and costs (including reasonable attorney's fees) actually and necessarily incurred in connection with any claim asserted against such person by action in court or otherwise by reason of said person's being or having been a member, officer, or committee member of the Board, except in relation to matters as to which said person shall have been adjudged guilty of intentional, wanton or willful misconduct with respect to the matter to which the indemnity is sought; provided, that the indemnification provided for by this article shall not be construed as a waiver of any governmental immunity the Board, its officers or committee members has by statute or as modified by Court decisions which shall be asserted to the maximum extent permissible. The Board is specifically empowered to purchase a policy or policies of insurance in relation to the indemnification requirements set forth herein.

ARTICLE IX Amendments

Section 9.01 Amendments. The by-laws may be altered, amended, or repealed, or new by-laws may be adopted by the Board by 2/3 approval of all Board members, provided that notice of a Board meeting at which an amendment to these by-laws is to be acted upon shall include notice of the proposed amendment, alteration, or repeal. The notice of a change, along with the proposed language, shall be received by board members at least ten (10) days prior to the meeting at which any such amendment(s) is considered.

ARTICLE X Withdrawal of Member County and Dissolution

Section 10.01 Withdrawal. Subject to any requirements contained within Wis. Stat. § 46.2895 and the contract between the District and the Department, any member county desiring to withdraw from the District following the District's entry into a contract with DHS related to operation of the MCO may do so only upon written notice to the District at least 18 months prior to the expiration of the then-current contract with the Department provided, however, that any withdrawal shall be effective on the December 31 first following the expiration of the 18 month notice term. Any member county withdrawing from the Northeast Wisconsin Family Care District shall forfeit its right, if any, to any and all assets of the Northeast Wisconsin Family Care District. Any member county withdrawing from the Northeast Wisconsin Family Care District shall forfeit its right to appoint members to the Board of Directors and otherwise participate in the governance of the Northeast Wisconsin Family Care District, effective immediately upon delivery of the notice required herein. A county failing to pass all resolutions within the timeframe established by the Board necessary to finalize formation of the District shall immediately forfeit its right to appoint a member to the Board of Directors and otherwise participate in the governance of the District. The Board may establish further procedures related to the withdrawal of a member county. Depending upon the circumstances of the withdrawal, certain provisions set forth in these By-Laws may need to be amended in order to comply with Wis. Stat. § 46.2895, which amendments shall be enacted consistent with Article IX provided, however, that the Board shall be empowered to fill any vacancies on the Board created by the withdrawal in order to ensure compliance with Wis. Stat. § 46.2895.

Section 10.02 Dissolution. Subject to any requirements contained within Wis. Stat. § 46.2895 and the contract between the District and the Department, the District may be dissolved only upon a 2/3 vote of the Board of Directors and ratification of the dissolution vote by at least 2/3 of the counties that created the District. Once a 2/3 vote has been established and ratified, the assets and liabilities of the Northeast Wisconsin Family Care District shall be disposed of by the Board in

accordance with applicable state and federal law, unless an alternative disposition is required pursuant to a contract between the District and the Department.