

2014 PrimeWest Health ANNUAL REPORT

PrimeWest Health is a County-Based Purchasing (CBP) health plan. This means we are allowed to purchase health care services through Minnesota Health Care Programs (MHCP) for eligible residents of the counties we serve. The governing body of PrimeWest Health is called the Joint Powers Board (JPB). The JPB includes 2 county commissioners (1 voting and 1 alternate) from each PrimeWest Health county.

PrimeWest Health provides health coverage under contracts with the Minnesota Department of Human Services (DHS) and the Federal Centers for Medicare & Medicaid Services (CMS). The health coverage programs we offer are as follows:

- **Prepaid Medical Assistance Program (PMAP)**
For children under age 21, parents or relative caretakers of dependent children, and pregnant women who have Medical Assistance
- **MinnesotaCare**
For adults without children, parents or relative caretakers of dependent children, and children who are eligible for the State MinnesotaCare program. Members pay a monthly premium to the State.
- **Minnesota Senior Care Plus (MSC+)**
For people age 65 or over who have Medical Assistance

- **Special Needs BasicCare (SNBC)**

For people who have a certified disability, are ages 18 – 64, and have Medical Assistance but do not have Medicare through PrimeWest Health

- **PrimeWest Senior Health Complete (HMO SNP)**

For people age 65 or over who have both Medical Assistance and Medicare through PrimeWest Health (*a Minnesota Senior Health Options [MSHO] program*)

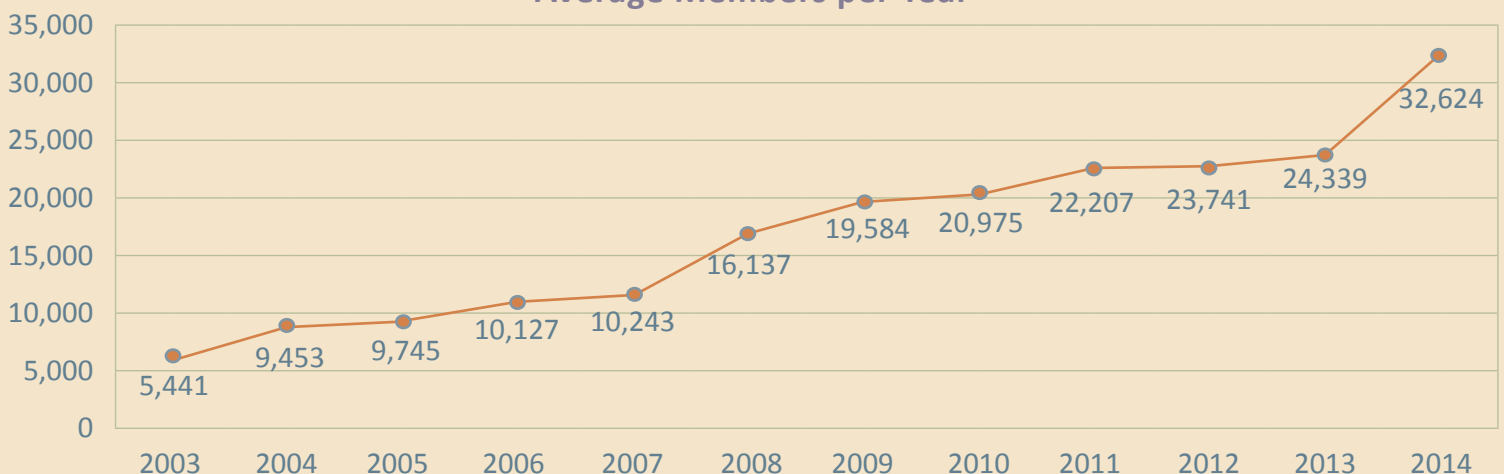
- **Prime Health Complete (HMO SNP)**

For people who have a certified disability, are ages 18 – 64, and have both Medical Assistance and Medicare through PrimeWest Health (*an SNBC program*)

GROWTH

2014 was PrimeWest Health's 11th year of operations and we marked it by moving to a new office in Alexandria, MN. Before that, our 160+ employees were located in two separate offices. Being in one building gives us the opportunity to operate more efficiently and effectively. Also in 2014, the Affordable Care Act went into effect. This increased the number of people who qualify for MHCP, so PrimeWest Health membership rose accordingly. The chart below shows PrimeWest Health's growth since 2003. The chart shows the average number of members enrolled each month during each year.

Average Members per Year



In July 2003, PrimeWest Health began serving members in Big Stone, Douglas, Grant, McLeod, Meeker, Pipestone, Pope, Renville, Stevens, and Traverse counties. In March 2008, we expanded and began serving members in Beltrami, Clearwater, and Hubbard counties.

ACCESS

PrimeWest Health has more than 10,000 providers and over 3,900 facilities contracted to serve our members. This large provider network ensures our members have optimal access to health care services and a choice of health care providers. The PrimeWest Health provider network includes nearly every health care provider of covered services in and around our 13 counties. This includes medical, behavioral, social/human/family services, and allied health care providers. Our network also includes a full range of specialists and facilities in all metropolitan areas in Minnesota and eastern North Dakota and South Dakota.

Over the past several years, PrimeWest Health has worked hard to improve access to dental care for our members. Our dental provider network has grown from 3 dental providers in 2003 to more than 200 dentists and 92 dental clinics today. PrimeWest Health has helped fund new dental clinics for MHCP members in Alexandria and Bemidji. We have also promoted the use of dental outreach clinics to serve rural communities and Allied Oral Health Professionals to provide services that don't require a dentist. As a result, access to dental care has steadily increased for PrimeWest Health members.

FINANCIALS

SUMMARY OF FINANCIAL STATEMENTS, JANUARY – DECEMBER 2014

This is an overview of PrimeWest Health's financial position and performance for calendar year 2014. It is published in accordance with the requirements of MN Stat. sec. 62D.09, subd. 3. This is not a full financial statement, but a summary provided for our members' information.

PrimeWest Health's primary expenses are for hospital, physician, pharmacy, dental, and other health care and social services used by PrimeWest Health members. Our primary revenues are premiums paid by DHS (State) and CMS (Federal) on behalf of our members.

A net gain of 1.8 percent of total revenue was realized in 2014. This is compared to 2.7 percent in 2013. The average net gain for 2007 – 2014 is 2.5 percent. The favorable results in 2014 are due to positive trends for medical expenses and administrative efficiencies. PrimeWest Health revenues went up 29.6 percent from 2013 – 2014 primarily as a result of a 33.5 percent increase in enrollment. Total health care expenses increased 31.2 percent from 2013 – 2014, also mainly due to higher enrollment. Average health care expenses per member per month went down 1.7 percent from 2013 – 2014 because of the change in enrollment mix and plan cost management initiatives. As of December 31, 2014, PrimeWest Health is in compliance with statutory net worth requirements under MN Stat. Chap. 62D and 60A.60 – 696.

Balance Sheet as of December 31, 2014

Assets	\$ 123,385,343
Liabilities	\$ 73,380,022
Statutorily Required Net Worth	\$ 50,005,321

2014 Statement of Revenues and Expenses

Revenues	\$ 240,750,528
Expenses	
Hospital and Skilled Nursing Facility Services	\$ 85,277,941
Physician and Allied Health Services	\$ 95,977,440
Pharmacy	\$ 28,831,729
Dental Services	\$ 5,551,041
Claims Adjustment and Cost Containment	\$ 8,816,332
Non-Claim Expenses	\$ 11,944,592
Total Expenses	\$ 236,399,075
Net gain (loss)	\$ 4,351,453

QUALITY INITIATIVES

PrimeWest Health is here to meet the needs of our members and health care partners. We strive to meet the highest quality and safety standards. To reach this goal, we follow standards developed by the National Committee for Quality Assurance (NCQA). NCQA requires us to tell our members and health care providers each year about our work to improve quality. Below we describe our quality improvement activities for 2014. We also include some initiatives that we are working on for 2015.

Quality Objectives

- To improve the health status of PrimeWest Health members
- To ensure access to high quality and safe health care services in the PrimeWest Health service area
- To operate PrimeWest Health as a model business while embracing and fulfilling the public service responsibilities of a government agency

Quality Improvement Activities

Quality improvement activities aim to improve any of the following:

- Clinical components
- Organizational components – aspects of PrimeWest Health that affect accessibility, availability, comprehensiveness, and continuity of health care
- Member components – members' perceptions about the quality of PrimeWest Health's services

PrimeWest Health staff members who specialize in each area are in charge of the activity.

Quality Plan and Work Plan

PrimeWest Health has a Quality Plan to help us meet our objectives. We also have an annual Work Plan to help us carry out each year's quality improvement activities. These plans are designed by the Quality and Care Coordination Committee (QCCC). They are approved by the JPB. The activities focus on improving and building on already-existing best practices. Some of the activities included in the Work Plan are as follows:

- **Performance Improvement Projects (PIPs)** – projects that focus on improving member health outcomes or business processes for member service initiatives
- **Member and Provider Surveys**
- **Healthcare Effectiveness Data and Information Set (HEDIS)** – one of the most widely used health care performance measures in the United States

PIPs

Current PIPs include:

- **Medication Reconciliation**

Designed to increase medication reconciliation post-discharge (MRP), which should, in turn, reduce hospital readmissions. Started January 2013 and still in progress. The goal of the project is to improve the current MRP HEDIS rate by 6 percent by the end of the 3-year project. This project was started for PrimeWest Senior Health Complete (PWSHC) and Prime Health Complete (PHC) members. This year, DHS also requested that we include Special Needs BasicCare (SNBC) members who have only Medical Assistance (MA) through PrimeWest Health.

Population	Baseline	Measurement 1	Measurement 2
PWSHC	18.98%	36.39%	Available 2 nd quarter 2015
PHC	0%	11.43%	Available 2 nd quarter 2015
SNBC MA-only	0%	2.46%	Available 2 nd quarter 2015

Including SNBC MA-only members in our data set was new for this year. This is a difficult rate to measure because PrimeWest Health does not get all of the claims data for these members. We have not yet met the 6 percent improvement goal for SNBC MA-only members. It is hard to know if this is because our action plan needs to change or because we don't have enough data.

- **Antidepressant Medication Management with a Special Focus on Racial/Ethnic Disparities**

The goal of the project is to increase the percentage of members with depression who stay on their antidepressant medication for at least 6 months by 6 percentage points over the starting rate of 35.89 percent. The measurements will be updated during the 2nd quarter of each year as required by HEDIS. This project started in the 4th quarter of 2014 and is still in progress. Measurement 1 data will be available in the 2nd quarter of 2015.

Surveys

- **Member Satisfaction – The Consumer Assessment of Healthcare Providers and Systems (CAHPS)**

The 2014 CAHPS survey showed that PrimeWest

Health has both strengths and opportunities for improvement. Some strengths are as follows:

- Personal doctor listened carefully
- Getting care/test/treatments needed
- Being treated with courtesy and respect by our Member Services representatives

Some areas that will be a focus for continued improvement are as follows:

- Doctor talked about reasons you may want to take a medication and involved member in decisions as much as member wanted
- Doctor discussed tobacco cessation methods/strategies
- Had flu shot on/after July 1 of the measurement year
- Written materials on the internet usually or always provided needed information on how health plan works

To follow up on the feedback received from this survey, PrimeWest Health is taking the following actions in 2015:

- Encourage use of shared decision-making tools/models among our providers and research the availability of online tools
- Encourage providers to share tobacco cessation methods with members through newsletter articles and email communications
- Address smoking cessation in member outreach calls and monitor whether providers are discussing with members through health record reviews
- Encourage members to get needed vaccines through member incentive programs
- Perform website testing in member meetings and invite feedback for improvements
- Share results of member surveys on the website and in print publications

• **Health Outcomes Survey (HOS)**

Members' perception that providers were discussing and addressing certain problems with them showed mixed results from 2011 – 2013.

PrimeWest Health continues to encourage providers to discuss and address the following topics with members:

- Fall risk management
- Urinary incontinence
- Osteoporosis testing
- Physical activity in older adults

• **County Case Manager Satisfaction Surveys**

PWSHC/MSHC+/PHC/SNBC Satisfaction Surveys:

In 2014, this survey was administered by phone only. The goal was to successfully complete the survey and maintain or improve the response rate from the previous year. The return rate for PWSHC went from 36 percent in 2013 to 67 percent in 2014. The return rate for MSHC+ went from 27 percent in 2013 to 76 percent in 2014. The return rate for PHC and SNBC went from 32 percent in 2013 to 29 percent in 2014. Although response rates did increase for PWSHC and MSHC+ members, we need to increase the number of members surveyed to reach a statistically significant sample size. Members remain satisfied with services case managers are providing.

• **Disease Management/Chronic Care Improvement Program (DM/CCIP) Satisfaction Surveys**

The goal was to successfully complete the DM/CCIP survey and maintain or improve the response rate from the previous year. The response rate decreased from 2013 – 2014, but results show members are satisfied with the DM/CCIP program overall. The 2 rates that PrimeWest Health will focus on improving are sending members new information about their diseases and encouraging members to complete their action plans.

HEDIS Performance Measures

HEDIS rates are available on our website. Our goal is to remain at or above the national mean. Because improvements are needed in several areas, PrimeWest Health now offers member incentives to encourage members to get needed preventive care. Initiatives currently included in our Member Action Program (MAP) are the following:

- Child & Teen checkups (C&TC) for children under 15 months
 - Earn \$25 per visit, maximum of 7
- Combination of 10 immunizations completed before age 2
 - Earn \$100, maximum 1 per child
- C&TC for children ages 3 – 6
 - Earn \$25 per visit, maximum 1 per year
- C&TC for youth ages 12 – 17
 - Earn \$25 per visit, maximum 1 per year
- C&TC for members ages 18 – 21
 - Earn \$25 per visit, maximum 1 per year
- Diabetic screening for members ages 18 – 75
 - Earn \$50 per screening, maximum 1 per year
- Diabetic retinal exam for members ages 18 – 75
 - Earn \$50 per exam, maximum 1 per year

- Chlamydia screening for female members ages 21 – 24
 - Earn \$50 per screening, maximum 1 per year
- Mammogram screening for female members ages 50 – 74
 - Earn \$100 per screening, maximum 1 per year

As always, PrimeWest Health wants your feedback about how we can improve. Please call Member Services at **1-866-431-0801** (toll free) to share your ideas with us or get more information on HEDIS or any of our Quality Programs.

Working Together

PrimeWest Health works with our county partners to assess member health care needs. We work together to develop goals for improvement of the overall health of our members and communities. All of our members in MSC+, PWSHC, and PHC have a county case manager to help them meet their health care goals, if they choose.

In 2014, we continued to work with Public Health and Social/Human/Family Services departments in our 13 counties to improve health outcomes in the following areas:

- **Decrease effects of chronic disease** by increasing participation in DM programs by 5 percent. The 2013 rate was 46.76 percent and the 2014 rate was 37.15 percent. Interventions to encourage participation continue.
- **Combat obesity** by increasing the percentage of providers who document and address body mass index (BMI) with patients as measured in medical record reviews. The 2013 rate was 76 percent, which held steady in 2014 at 76 percent.
- **Reduce tobacco use** by ensuring that 100 percent of providers have access to approved smoking cessation guidelines. This goal has been met.
- **Increase C&TCs** among adolescents as measured through the Adolescent Well Care (AWC) HEDIS measure. The HEDIS 2013 Medicaid rate was 39.42 percent. This improved to 40.63 percent for 2014.
- **Ensure that our members are assessed for exposure to violence** by verifying that 100 percent of contracted clinics include this assessment in their protocols. This goal has been met.

Member Information Available on the PrimeWest Health Website

PrimeWest Health would like to remind you about our website (www.primewest.org). There are many helpful items to read on our website. You can view and/or download information about the following topics on the website.

- Information about PrimeWest Health's Quality Improvement Program including goals, processes, and outcomes related to care and service
- Information about PrimeWest Health's Case Management Program and how you or your caregiver can self-refer to the program
- Information about PrimeWest Health's Disease Management Programs and how you can self-refer to the programs
- Information about how to contact staff if you have questions about how we manage care and services (this is called "utilization management" or "UM") and the toll-free number to call to contact staff
- The availability of TTY services
- PrimeWest Health's policy prohibiting financial incentives for UM decision-makers
- A description of the availability of an independent external Appeals process for UM decisions made by PrimeWest Health
- PrimeWest Health's member rights and responsibilities statement
- Information about benefits and services included in, and excluded from, coverage
- Information about our pharmacy procedures and coverage of drugs, including copays
- PrimeWest Health's drug list along with restrictions and preferences
- How to use our pharmacy procedures, including an explanation of limits and quotas
- How to receive coverage for non-formulary drugs and an explanation of how practitioners can provide information to support an exception
- PrimeWest Health's processes for generic substitution, therapeutic interchange, and step therapy
- Information about copays and other charges for which you are responsible
- Information about restrictions on benefits that apply to services obtained outside PrimeWest Health's system or service area



- Information about how you can get language assistance to talk with us about how we manage care and services or to get information about benefits, access to services, and other issues
- Information about how you can submit a claim for covered services, if applicable
- Information about how you can get information about network practitioners and the professional qualifications of primary care and specialty care providers, including medical school attended, residency completed, and board certification status
- How you can get primary care services, including how to choose and access a primary care provider
- How you can get specialty care and behavioral health services and hospital services
- How you can get care after normal office hours
- How you can get emergency care, including PrimeWest Health's policy on when to directly access emergency care or use 911 services
- How you can get care and coverage when you are out of PrimeWest Health's service area
- How you can voice a complaint
- How you can Appeal a decision that adversely affects coverage, benefits, or your relationship with PrimeWest Health
- How PrimeWest Health evaluates new technology for inclusion as a covered benefit
- PrimeWest Health's *Notice of Privacy Practices* and confidentiality policies, including what a "routine consent" is and how it allows PrimeWest Health to use and disclose information about you
- How PrimeWest Health uses authorizations and your right to approve the release of personal health information not covered by the "routine consent"
- How you can request restrictions on the use or disclosure of personal health information, amendments to personal health information, access to your personal health information, or an accounting of disclosures of personal health information
- PrimeWest Health's commitment to protect your privacy in all settings and PrimeWest Health's policy on sharing personal health information with plan sponsors and employers
- Information about PrimeWest Health's Compliance Hotline and how to report activity related to known or suspected non-compliance or fraud, waste, and abuse

- Information about PrimeWest Health's Code of Conduct
- Member Fraud Awareness tools to help protect yourself from fraudulent schemes

There is other information about PrimeWest Health and our services on the website that is useful to know.

Our *Provider Directories* give you information to help you select a physician or hospital that best meets your needs. You can search for a physician by specific characteristics such as gender or language spoken. You can search for a hospital by location and name.

You can manage your health on our website. A personal health assessment is available for you to use. It can help you assess your current health and determine risks. It also allows you to track your progress in improving behaviors and lets you know when to get preventive services.

Our website also contains information and interesting tools to help you better understand what you can do to improve your health.

If you would like more information about these items, please call Member Services at **1-866-431-0801** (toll free). The most recent information about PrimeWest Health, our services, and coverage of drugs is always available on our website.

