

PrimeWest Health

ANNUAL REPORT 2008

PRIMEWEST HEALTH

PrimeWest Health is a County-based Purchasing (CBP) health plan. This means we are a Minnesota Health Care Programs (MHCP) health plan operated and governed by the counties we serve. The governing body of PrimeWest Health is called the Joint Powers Board (JPB). The JPB includes two county commissioners from each PrimeWest Health county.

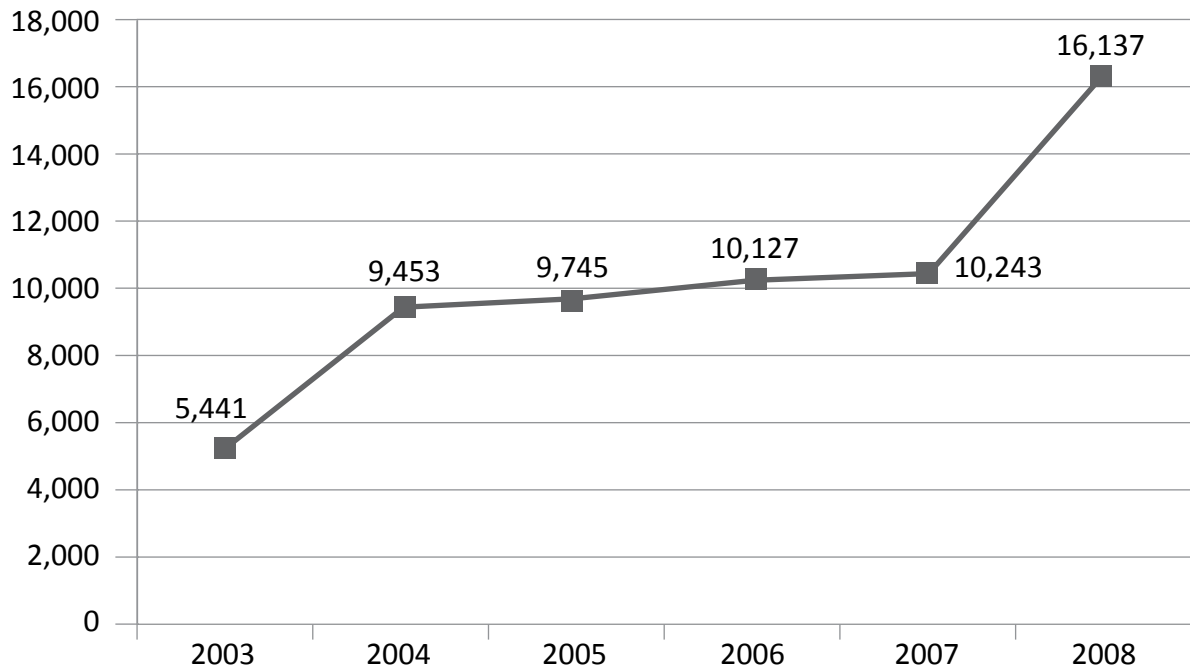
PrimeWest Health provides health coverage under contracts with the Minnesota Department of Human Services (DHS) and the federal Centers for Medicare & Medicaid Services (CMS). We work closely with our counties' Social/Human/Family Services departments to determine eligibility and enroll members in one of several State and/or federally funded health programs. Members with Medicaid who wish to have PrimeWest Health manage their Medicare benefits may contact PrimeWest Health directly for enrollment in MSHO or SNBC. The programs we offer are as follows:

- **Medical Assistance (MA)**
For children under age 21, parents or relative caretakers of dependent children, pregnant women, and people who have a certified disability
- **General Assistance Medical Care (GAMC)**
For adults without children
- **Minnesota Senior Care Plus (MSC+)**
For people age 65 or over
- **Minnesota Senior Health Options (MSHO)**
For people age 65 or over who have Medicare
- **MinnesotaCare**
For children, parents or relative caretakers of dependent children, and some adults without children who are just outside Medical Assistance eligibility and can afford to pay a small premium directly to the State
- **Special Needs BasicCare (SNBC)**
For people who have a certified disability, are ages 18 – 64, and may or may not have Medicare

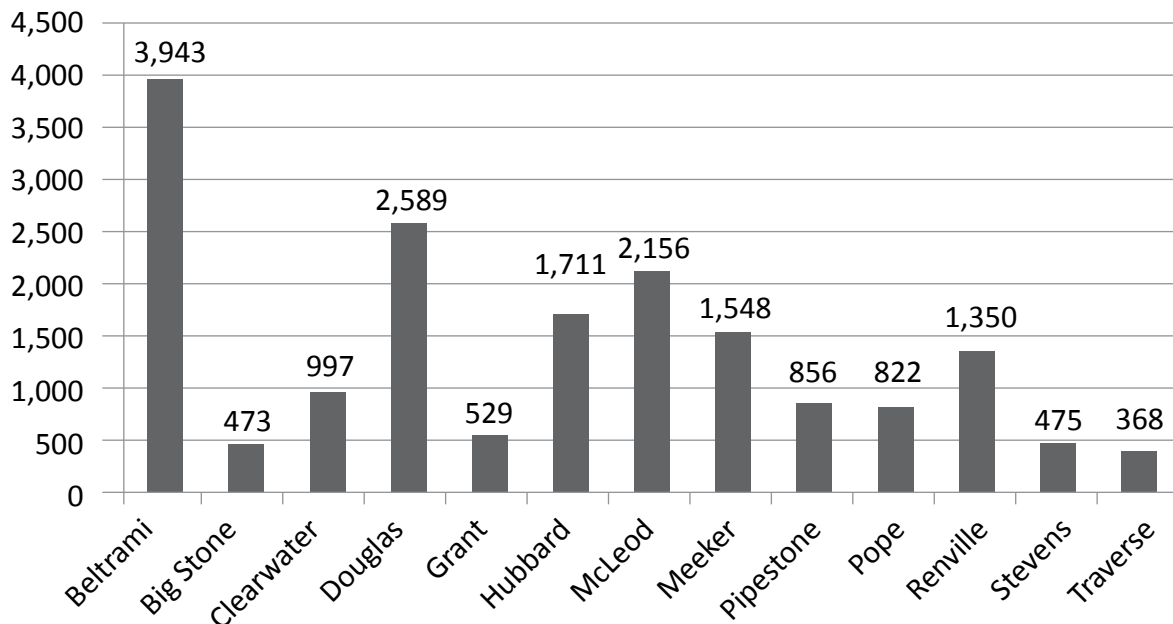
GROWTH

For PrimeWest Health, 2008 was our fifth year of operations. In this time, we have had much growth and success. In July 2003, PrimeWest Health began serving members in the MA, GAMC, and MSC+ programs in 10 counties. These counties were Big Stone, Douglas, Grant, McLeod, Meeker, Pipestone, Pope, Renville, Stevens, and Traverse. We added MinnesotaCare and MSHO in 2005 and SNBC in 2008. In March 2008, we expanded and began serving MA, GAMC, MSC+, and MinnesotaCare members in Beltrami, Clearwater, and Hubbard counties. The charts below show PrimeWest Health's growth since 2003 and county enrollment in each program at the end of 2008. Note, because membership varies each month, the chart reflects the average number of members each year.

Average Members per Year



Total Enrollment by County, December 2008



SUCCESS

Over our first five years, PrimeWest Health has enjoyed success on many levels while pursuing our mission:

To improve the health of our local communities by integrating publicly funded health and social services and private health care services to create a quality system that emphasizes prevention and early identification of risks while allowing clients maximum choice by assuring access to local providers

PrimeWest Health is one of nine health plans that serve MHCP participants. The Minnesota Department of Health (MDH), DHS, and CMS conduct regular audits of these health plans to ensure that MHCP participants have good access to quality health care and services. These audits placed PrimeWest Health as the top ranked health plan among the nine MCHP health plans in Minnesota. The charts that follow highlight these results.

2007 Annual Technical Report – Minnesota Department of Human Services (DHS)

Enrollee Satisfaction and Performance Measures			
Managed Care Organization	Performance Measures	CAHPS*	Total Score
PrimeWest Health	31.1	45	76.1
UCare	26.7	45	71.7
IMCare	24.5	45	69.5
Metropolitan Health Plan (MHP)	22.2	45	67.2
First Plan	22.2	45	67.2
Medica	20.0	45	65.0
Blue Plus	20.0	45	65.0
South Country Health Alliance (SCHA)	15.6	45	60.6
HealthPartners	26.7	30	56.7

*Consumer Assessment of Healthcare Providers and Systems

Aggregate Summary of Managed Care Organization (MCO) Strengths and Weaknesses (Quality, Access, and Timeliness)		
Managed Care Organization	Summary	
	Strength	Weakness
PrimeWest Health	8	1
MHP	8	10
FirstPlan	8	15
SCHA	7	16
IMCare	5	18
Blue Plus	4	21
Medica	2	4
UCare	2	14
HealthPartners	1	14

2008 Minnesota Department of Health (MDH) Quality Assurance Examination*

Managed Care Organization	Number of Deficiencies
PrimeWest Health	2
UCare	4
MHP	5
SCHA	6
FirstPlan	6
HealthPartners	7
Medica	10
IMCare	11
Blue Plus	12

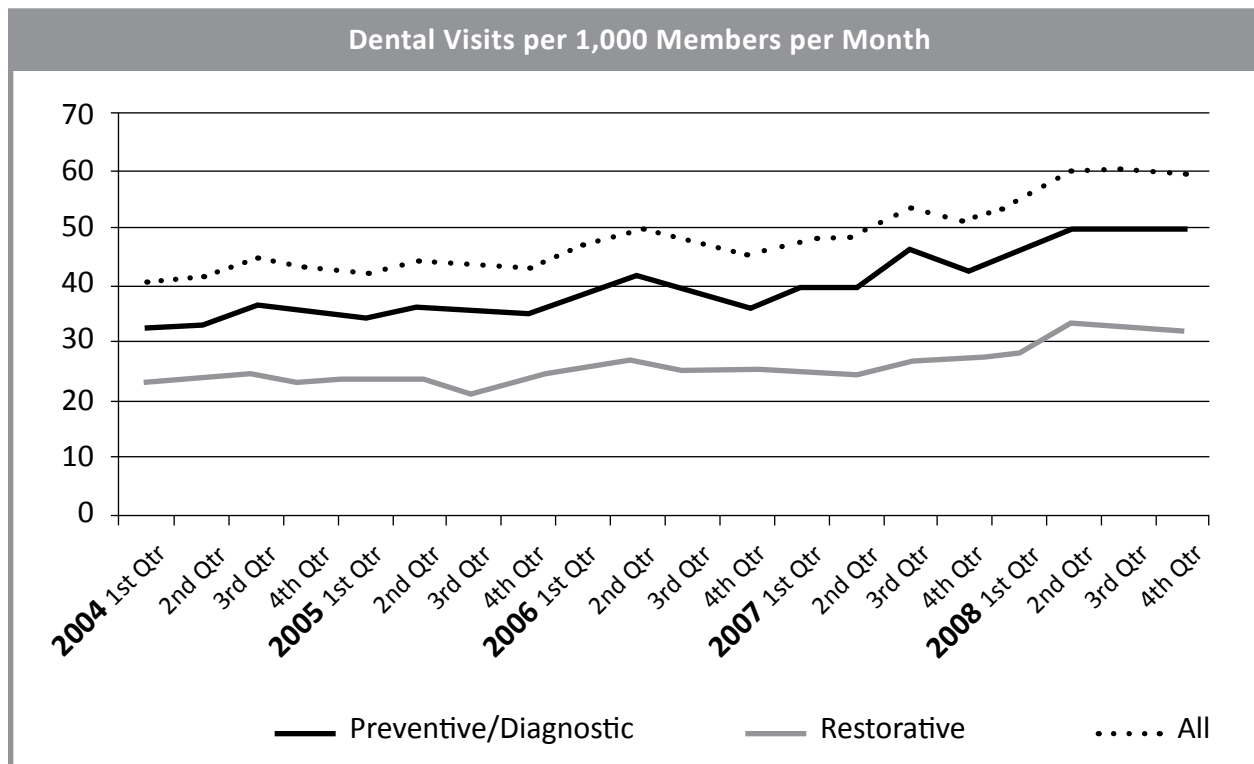
*Source: MDH website – March 2009

2008 Medicare Advantage Prescription Drug Plan Consumer Survey

	National Average	Minnesota Mean	PrimeWest Health Mean
Overall Health Plan Ratings	Highest Possible Score: 10		
Health Plan Overall	8.47	8.64	8.88
Care Received Overall	8.42	8.68	8.66
Personal Doctor	8.98	9.07	9.05
Specialist	8.81	8.92	8.86
Health Plan Composite Measures	Highest Possible Score: 4		
Getting Needed Care	3.52	3.61	3.63
Getting Care Quickly	3.22	3.40	3.43
Doctors Who Communicate Well	3.68	3.72	3.68
Health Plan Customer Service	3.61	3.68	3.74

In addition to these audits, PrimeWest Health also enjoyed success in the following areas:

1. *Network Choice and Access* – The PrimeWest Health provider network (contracted providers) includes nearly every health care provider of covered services in and around our current 13 counties. This includes medical, behavioral, human/social service, 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. PrimeWest Health has over 6,200 providers and over 1,600 facilities under contract to serve our members. While dental access continues to challenge PrimeWest Health, our dental provider network has grown from three dental providers in 2003 to over 60 today. PrimeWest Health also helped fund new dental clinics in Alexandria and Bemidji. These clinics primarily serve MHCP members. As a result, access to dental care has steadily increased for PrimeWest Health members. This is shown in the graph on page 5.



2. *Generic Drug Use* – PrimeWest Health is committed to promoting generic drug use as a way to reduce health care costs. Working to educate both members and providers about the benefits of generics, we have seen a steady increase in members’ use of generics over time. This has saved thousands of dollars.
3. *Behavioral Health Access* – PrimeWest Health’s rural counties often lack local access to mental health services. To help address this, PrimeWest Health developed an integrated mental health/primary care program called Integrated/Shared Care. This program allows members to access mental health services through their primary care provider. It does this by either locating mental health professionals in the primary care clinics or providing video conference links to off-site providers.
4. *Wellness and Prevention* – A 2008 report by America’s Health Insurance Plans (AHIP, the national association for health plans) named PrimeWest Health’s PrimeFitness program as one of the top wellness programs in the nation. PrimeFitness is unique because it uses existing health and community resources to increase physical activity, exercise, and healthy living for our members. PrimeFitness offers help to members who leave a clinical setting and return to the community where they may not have access to health guidance.
5. *Community Reinvestment Grants* – Since 2006, PrimeWest Health has awarded over \$5 million in grants to improve health care services and access for our members. These include grants to improve or develop the following:
 - Access to dental care
 - Access to and delivery of mental health services
 - Access to transportation services for the elderly and people with disabilities
 - Electronic health records and care management infrastructure
 - Prevention and wellness services
 - Chronic disease management capacity and services
 - Long-term care quality
 - Health care service delivery
 - Access to interpreter services
 - Personal Care Assistant (PCA) service quality

SUMMARY OF FINANCIAL STATEMENTS, JANUARY – DECEMBER 2008

This is an overview of PrimeWest Health's financial position and performance for calendar year 2008. 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 revenues increased 35 percent from 2007 to 2008 as a result of expanded enrollment and programs. A 5 percent net loss was realized in 2008, based in part on one-time costs of service area expansion, bringing claims and other administrative services in-house, and making several million dollars in grants to improve access to and quality of care for our members. PrimeWest Health's primary revenues are premiums paid by DHS and CMS on behalf of health program members. The primary expenses are for hospital, physician, pharmacy, dental, and other health care and social services used by PrimeWest Health members. Health care expenses (see chart below) represented 89 percent of total revenues in 2008. As of December 31, 2008, PrimeWest Health is in compliance with the statutory net worth requirement under MN Stat. sec. 62N.28.

FINANCIALS

Balance Sheet	
Assets	\$ 32,870,449
Liabilities	\$ 20,531,936
Statutorily Required Net Worth	\$ 12,338,513
Statement of Revenues and Expenses	
Revenues	\$ 123,507,871
Health Care Expenses	
Hospital and Skilled Nursing Facility Services	\$ 48,787,606
Physician and Allied Health Services	\$ 46,896,669
Pharmacy	\$ 10,962,565
Dental Services	\$ 3,535,260
Other Expenses	
Claims Adjustment and Cost Containment	\$ 13,504,723
Administrative Services	\$ 5,951,505
Total Expenses	\$ 129,638,328
Net gain (loss)	\$ (6,130,457)

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 2008. We also include some that we are working on for 2009.

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

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

QUALITY INITIATIVES *(continued)*

Coordination Committee (QCCC). They are approved by the JPB. Some things included in the Work Plan are as follows:

- Performance Improvement Projects (PIPs) – projects that focus on improving member outcomes for a specific health concern
- Focus studies
- Surveys

These activities focus on improving and building on already-existing best practices.

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.

PIPs

- Three PIPs were completed and retired in the spring of 2009:
 - Asthma
 - Hypertension
 - Statins
- Current projects include:
 - HPV Vaccination – Promotes the HPV (human papillomavirus) vaccine for members 11 and 12 years old to protect against cervical cancer; started January 1, 2008
 - Aspirin – Asks members to talk to their health care providers about using aspirin therapy to reduce the risk of a heart attack or stroke; started January 1, 2008
 - Preventive Care – Promotes preventive visits to a primary care provider for members newly enrolled in PrimeWest Health; started January 1, 2009

Focus Studies

- End of Life Quality Measure
- Effectiveness of Member Incentives
- Benchmarking of Appeals and Grievances

Surveys

- Member satisfaction – The Consumer Assessment of Healthcare Providers and Systems (CAHPS)
- Provider satisfaction and availability
- Health Effectiveness Data Information Set (HEDIS)

Working Together

PrimeWest Health works with our county partners to assess member health care needs. We work together to develop goals for improvement. For example:

- In 2008, PrimeWest Health continued to work with Public Health and Human Services departments in our 13 counties to provide chronic disease management training to county case managers
- We worked to increase access and treatment options for mental health services
- We worked with our county partners to decrease the risk of poor birth outcomes and high-risk pregnancies

Member Services 1-866-431-0801

Attention. If you want free help translating this information, call the above number.

Atención. Si desea recibir asistencia gratuita para traducir esta información, llame al número que aparece más arriba.

Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjama dda macluumaadkani oo lacag la'aan ah, wac lambarka kore.

ملاحظة: إذا أردت مساعدة مجانية في ترجمة هذه المعلومات، فاتصل على الرقم الموجود أعلاه.

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Pažnja. Ako vam je potrebna besplatna pomoć za prevod ove informacije, nazovite gornji broj.

Ceeb toom. Yog koj xav tau kev pab txhais cov xov no dawb, thov hu rau tus xov tooj saud.

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Hubaddhu. Yoo akka odeeffannoon kun sii hiikamu gargaarsa tolaa feeta ta'e, lakkoofsa armaa olii bilbili.

Внимание. Если вам нужна бесплатная помощь в переводе этой информации, позвоните по указанному выше телефону.

Chú Ý. Nếu quý vị cần dịch thông tin này miễn phí, xin gọi số nêu trên.

This information is available in other forms to people with disabilities by calling Member Services at **1-866-431-0801** (toll free voice), **1-800-627-3529** or **711** (toll free TTY), or through the Minnesota Relay Service at **1-877-627-3848** (toll free speech-to-speech relay service).

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