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2013 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:

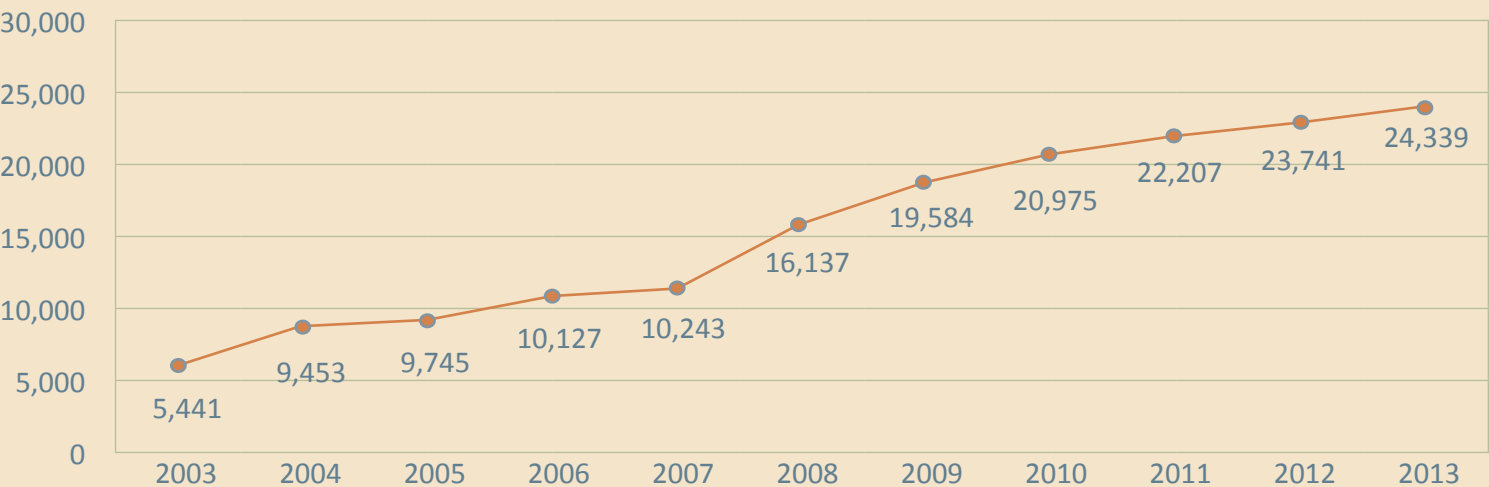
- **Prepaid Medical Assistance Program (PMAP)**
For children under age 21, parents or relative caretakers of dependent children, and pregnant women who have Medical Assistance
- **MinnesotaCare**
For adults without children, parents or relative caretakers of dependent children, and children who are eligible 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

In 2013, PrimeWest Health marked its tenth year of operations. 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. The chart below shows PrimeWest Health’s growth since 2003. Because membership varies each month, the chart reflects the average number of members enrolled each month throughout the year.

Average Members per Year



ACCESS

PrimeWest Health has more than 9,200 providers and over 2,000 facilities under contract 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 credentialed dentists and 92 dental clinics under contract 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 2013

This is an overview of PrimeWest Health's financial position and performance for calendar year 2013. 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 health plan members.

A 2.7 percent of total revenue net gain was realized in 2013, the same result as in 2012. The average net gain for 2007 – 2013 is also 2.7 percent. The favorable results in 2013 are due to positive trends for medical expenses and administrative efficiencies. PrimeWest Health revenues increased 1.3 percent from 2012 – 2013 as a result of increased enrollment. Total health care expenses increased 2.2 percent from 2012 – 2013, primarily as a result of a 2.6 percent increase in enrollment. Average health care expenses per member per month decreased 0.4 percent from 2012 – 2013, due primarily to a change in the enrollment mix and plan cost management initiatives. As of December 31, 2013, PrimeWest Health is in compliance with statutory net worth requirements under MN Stat. Chap. 62D.

Balance Sheet as of December 31, 2013

Assets	\$ 82,558,326
Liabilities	\$ 36,397,414
Statutorily Required Net Worth	\$ 46,160,912

2013 Statement of Revenues and Expenses

Revenues	\$ 185,782,687
Expenses	
Hospital and Skilled Nursing Facility Services	\$ 68,885,867
Physician and Allied Health Services	\$ 71,643,261
Pharmacy	\$ 19,801,421
Dental Services	\$ 3,985,987
Claims Adjustment and Cost Containment	\$ 8,847,194
Non-Claim Expenses	\$ 7,686,710
Total Expenses	\$ 180,850,440
Net gain (loss)	\$ 4,932,247

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 2013. We also include some initiatives that we are working on for 2014.

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 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
- Focus studies
- Member and Provider Surveys

PIPs

Current PIPs include:

- Blood Pressure Control for Members with Diabetes – Designed to increase the number of members with diabetes who achieve a blood pressure goal of less than 140/90 mm Hg. Started January 2010 and ended December 2013.
- Post-Discharge Member Follow-Up – Designed to increase timely coordination and information sharing with the “focus” hospitals in our network. The purpose of this is to improve the outcomes of discharge planning for members and to reduce readmissions. Started February 2011 and ended December 2013.
- Cholesterol Screening among Members with Diabetes – Designed to increase the number of members with diabetes who receive a Low-Density Lipoprotein Cholesterol (LDL-C) screening annually. Started February 2011 and ended December 2013.
- Colorectal Cancer Screening – Designed to increase the number of members ages 50 – 75 who receive a colorectal cancer screening. Started January 2012 and ended December 2013.
- Human Papillomavirus (HPV) for Males – Designed to increase the number of male members ages 11 – 12 who receive the HPV vaccine. Started January 2013 and ended December 2013.
- Medication Reconciliation – Designed to increase medication reconciliation post-discharge, which should, in turn, reduce hospital readmissions. Started January 2013 and still in progress.

Focus Studies

- Chiropractor Utilization
- Dental Member Calls
- Infusion Pumps
- Health Care Directive



Surveys

- Member Satisfaction – The Consumer Assessment of Healthcare Providers and Systems (CAHPS)
The 2013 CAHPS survey showed that PrimeWest Health has both strengths and opportunities for improvement. Some areas of high member satisfaction are as follows:
 - Personal doctor listened carefully
 - Getting referrals to and appointments with specialists when needed
 - Being treated with courtesy and respect by our Member Services representatives

Some areas that will be the focus for continued efforts to improve are as follows:

- Doctor discussed tobacco cessation methods/ strategies
- Received an appointment for routine care as soon as needed
- 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 2014:

- Encourage providers to share tobacco cessation methods with members through newsletter articles and email communications
- Address smoking cessation in member outreach calls
- Monitor wait times for routine care through provider surveys and secret shopper calls
- Perform website testing in Member Advisory Committee meetings and invite feedback for improvements
- Share results of member surveys on the website and in print publications

- Health Outcomes Survey (HOS)
Results reflect a decline from 2010 to 2012 in members' perception that providers were discussing with them and addressing certain problems. PrimeWest Health continues to encourage providers to discuss and address fall risk management, urinary incontinence, osteoporosis testing, and physical activity in older adults.
- Provider Satisfaction, Availability, and Accessibility, including physical accessibility factors
- County Case Manager Satisfaction Surveys
- Disease Management Provider and Member Satisfaction Surveys

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.

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+, PrimeWest Senior Health Complete, and Prime West Health Complete have a county case manager to help them meet their health care goals, if they choose.

In 2013, 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:

- Increase immunization rates, including routine childhood immunizations and seasonal influenza vaccine
- Provide education about obesity prevention
- Provide education about tobacco cessation programs and the prevention of tobacco use
- Improve members' nutrition and activity levels
- Improved disease management outcomes for members
- Assess families for signs/symptoms of interpersonal violence during public health interventions
- Improve the seamless transition of care across health settings
- Promote Health Care Directive planning for special needs members
- Increase Child and Teen Checkup (C&TC) rates among adolescents