



2016 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) (PWSHC)**

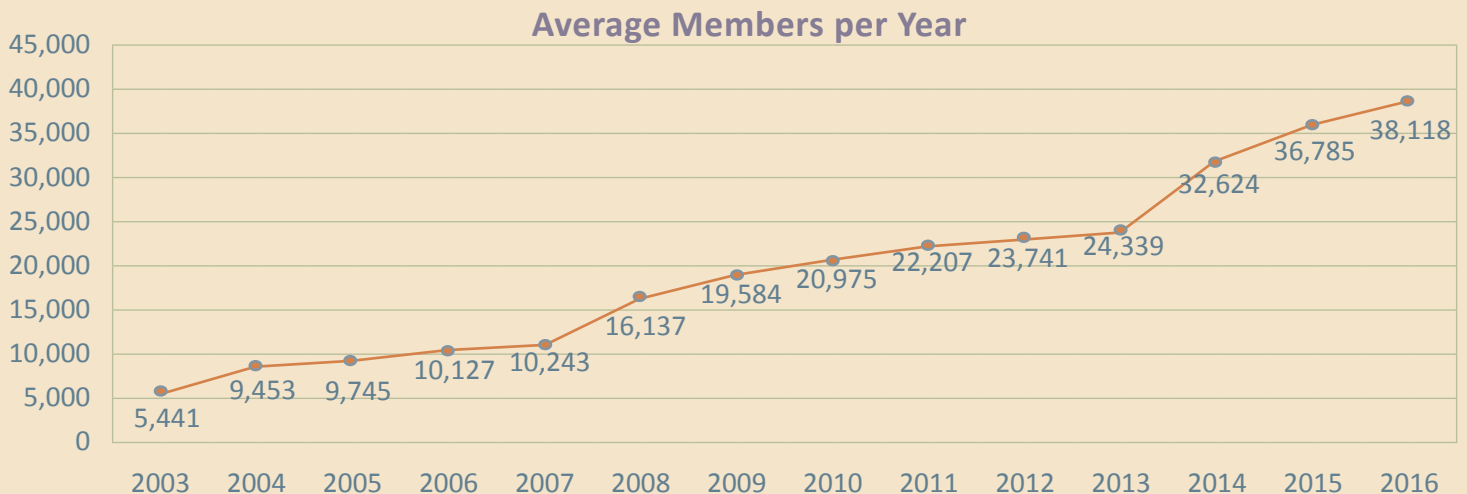
For people age 65 or over who have both Medical Assistance and Medicare through PrimeWest Health (*a Minnesota Senior Health Options [MSHO] program*)

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

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

2016 was PrimeWest Health's 13th year of operations. By the end of the year, 60 percent of our members were getting health care services at one of our 5 Accountable Rural Community Health (ARCH) facilities. ARCH is our approach for meeting Federal and State mandates to improve health care, improve individual and population health, and reduce health care spending. We also reached record highs in monthly enrollment in 2016. The following chart shows the average monthly enrollment each year since 2003.



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.



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SUMMARY OF FINANCIAL STATEMENTS, JANUARY – DECEMBER 2016

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 providers. Our 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.

PrimeWest Health has worked hard to improve access to dental care for our members. Our dental provider network has grown from 3 providers in 2003 to more than 215 providers and 122 clinics today. This is an increase of more than 25 providers and 30 clinics from 2014. PrimeWest Health has helped fund new dental clinics and upgraded equipment for MHCP members in Alexandria, Bemidji, Montevideo, and Hutchinson. We have also promoted dental outreach clinics to serve rural communities and allied oral health professionals for services that don't require a dentist.

This is an overview of PrimeWest Health's financial position and performance for calendar year 2016. 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 loss of 0.3 percent of total revenue was realized in 2016, compared to a net gain of 5.4 percent in 2015. The average net gain for 2007 – 2016 is 2.5 percent. The unfavorable results in 2016 are due to negative trends for risk-adjusted revenue from State programs and medical expense trends greater than projected. PrimeWest Health revenues increased 0.7 percent from 2015 to 2016 primarily as a result of a 3.8 percent increase in enrollment. Total health care expenses increased 10.4 percent from 2015 to 2016. Average health care expenses per member per month increased 6.4 percent from 2015 to 2016. Reserves for health contracts, established when projected future expenses are greater than projected future revenues, decreased by 66 percent. As of December 31, 2016, PrimeWest Health is in compliance with statutory net worth requirements under MN Stat. Chap. 62D and MN Stat. secs. 60A.60 – 696.

FINANCIALS

Balance Sheet as of December 31, 2016	
Assets	\$ 119,126,878
Liabilities	\$ 56,264,058
Statutorily Required Net Worth	\$ 62,862,820
2016 Statement of Revenues and Expenses	
Revenues	\$ 263,522,388
Expenses	
Hospital and Skilled Nursing Facility Services	\$ 106,576,263
Physician and Allied Health Services	\$ 98,197,967
Pharmacy	\$ 33,892,123
Dental Services	\$ 7,323,962
Claims Adjustment and Cost Containment	\$ 10,359,263
Non-Claim Expenses	\$ 10,520,210
Total Expenses	\$ 266,869,788
Change in Reserves for Health Contracts	\$ (2,672,003)
Net Gain (Loss)	\$ (675,397)

QUALITY INITIATIVES

PrimeWest Health strives to meet the highest quality and safety standards. We follow standards developed by the National Committee for Quality Assurance (NCQA). NCQA requires us to tell our members each year about our work to improve quality. Below we describe our quality improvement activities for 2016 and some initiatives that we are working on for 2017.

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 and 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) and approved by the JPB. 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
- **Healthcare Effectiveness Data and Information Set (HEDIS®)¹** – the measurement tool used by the nation's health plans to evaluate their clinical quality and customer service
- **Member and provider surveys**

PIPs

Current PIPs include:

- **Antidepressant Medication Management with a Special Focus on Racial/Ethnic Disparities**
Goal: Increase the percentage of PMAP 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. Measurement 1 was 37.17 percent for PMAP and 40 percent for MinnesotaCare. Measurements are updated in the 2nd quarter of each year.
- **Antidepressant Medication Management**
Goal: Increase the percentage of PWSHC and PHC members with depression who stay on their antidepressant medication for at least 6 months. Our aim is a 5 percent increase for PWSHC members (over a starting rate of 74.62 percent) and a 6 percent increase for PHC members (over a starting rate of 56.25 percent). The project began in the 1st quarter of 2016. Measurement 1 data will be available in the 2nd quarter of 2017.

HEDIS Performance Measures

HEDIS rates are available on our website. Our goal is to remain at or above the national mean. During 2016, PrimeWest Health offered member incentives for the following to encourage members to get needed preventive care:

- Diabetic screening for members ages 18 – 75; \$50 per screening, maximum 1 per year
- Diabetic retinal exam for members ages 18 – 75; \$50 per exam, maximum 1 per year
- Mammogram for female members ages 50 – 74; \$100 per screening, maximum 1 per year

Surveys

- **Member Satisfaction – The Consumer Assessment of Healthcare Providers and Systems (CAHPS®)²**
The 2016 CAHPS data were not finalized at the time of this report, so 2015 data are reported here. Results show that PrimeWest Health has both strengths and opportunities for improvement. Some strengths are as follows:
 - Personal doctor listened carefully
 - Getting care/tests/treatment needed
 - Getting care/tests/treatment as quickly as needed

¹HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA)

²CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ)

Some areas 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
- Continued decline in survey response rates

To follow up on the feedback received from this survey, PrimeWest Health took the following actions in 2016:

- Encouraged the use of shared decision-making tools/models among our providers
- Encouraged providers to share tobacco cessation methods with members
- Addressed smoking cessation in member outreach calls and monitored whether providers are discussing it with members
- Educated members about the reason for surveys to encourage responses
- Shared results of member surveys on our website and in print publications

- **Health Outcomes Survey (HOS)**

Members' perception that providers discussed and addressed certain problems with them showed mixed results from 2012 – 2015, and very little changed in 2016. 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
- Depression screening

- **County Case Manager Satisfaction Surveys**

PWSHC/MSC+/PHC/SNBC Satisfaction Surveys: Surveys were mailed, and the response rate was 35 percent. For 2017, the surveys will be revised to allow for more flexibility in responses.

- **Disease Management/Chronic Care Improvement Program (DM/CCIP) Satisfaction Survey**

The survey was mailed to 1,192 members, with a response rate of 22.65 percent. This was a slight increase from 2015. The results continue to show that members are satisfied with the DM/CCIP program overall.

PrimeWest Health wants your feedback to help us 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+, PWSHC, and PHC have a county case manager to help them meet their health care goals, if they choose.

In 2016, 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/CCIP programs by 5 percent. The 2016 rate was 44.73 percent. The 2015 rate was 53.14 percent.
- **Combat obesity** by increasing the percentage of providers who document and address body mass index (BMI) with patients. The 2016 rate was 85 percent. The 2015 rate was just below 88 percent.
- **Reduce tobacco use** by ensuring that 100 percent of providers have access to approved smoking cessation guidelines. This goal has been met.
- **Increase Child and Teen Checkups (C&TCs)** among adolescents. The HEDIS 2016 Medicaid rate was 32.12 percent. The 2015 rate was 34.06 percent.
- **Ensure that our members are assessed for exposure to violence.** We verify that 100 percent of contracted clinics include this assessment in their protocols. We also ensure that 100 percent of Public Health agencies assess families for signs/symptoms of interpersonal violence during interventions. This goal has been met.
- **Reduce the incidence of low birth weight** by ensuring that 100 percent of Public Health agencies assess and educate families about low birth weight during interventions. This goal has been met.
- **Increase mental health screenings** 3 – 5 percent for children ages 0 – 21. Encourage providers to use the appropriate billing code.
- **Ensure collaboration plans are developed and used** by Public Health agencies 100 percent of the time.