



2010 Annual Report



you matter

# everyday [h]eroes

Trisha is a single mom with three kids – two boys and a girl, all under the age of 11. Having health coverage through CareSource gives Trisha peace of mind.

“My two boys are always getting into something and getting hurt,” says Trisha. “You know how boys are.”

Trisha’s sons, ages 7 and 3, also have asthma.

“We have to go to the doctor a lot for asthma medication and breathing treatments. And in the

summer time, their asthma gets worse. I don’t know what I would do without CareSource.”

Trisha says she’s especially grateful for CareSource 24, our 24-hour nurse line, and uses it frequently to help her determine when she should take her children to the doctor. “My kids always seem to be sick – whether it’s a sore throat, a rash or the flu – I just never know. It’s a huge help to have the nurses available to me

24 hours a day. We both want to keep my kids out of the ER unless it’s a true emergency.”

As a single mom, she knows the challenges of raising three kids. But she also knows what it feels like to have comfort knowing her children have health coverage when they need it most.

“CareSource has my back. Every person there takes the time to understand my situation and get me the help I need. Those CareSource folks – they are truly a blessing.”



Kalynn

Trisha

## OUR MISSION

To make a difference in the lives of underserved people by improving their health care.

## PHILOSOPHY

To foster meaningful collaboration which creates strong partnerships – a combination of passion, knowledge and vision – creating positive and long-lasting change.

## What Really Matters

In 2010, CareSource provided health care coverage to more than 875,000 members, many of which were first time enrollees. As Ohio and Michigan faced double-digit unemployment numbers, the states' Medicaid rolls grew to record levels. While unprecedented unemployment plagued our states, CareSource provided a valuable safety net for those who lost their jobs and their health care coverage.

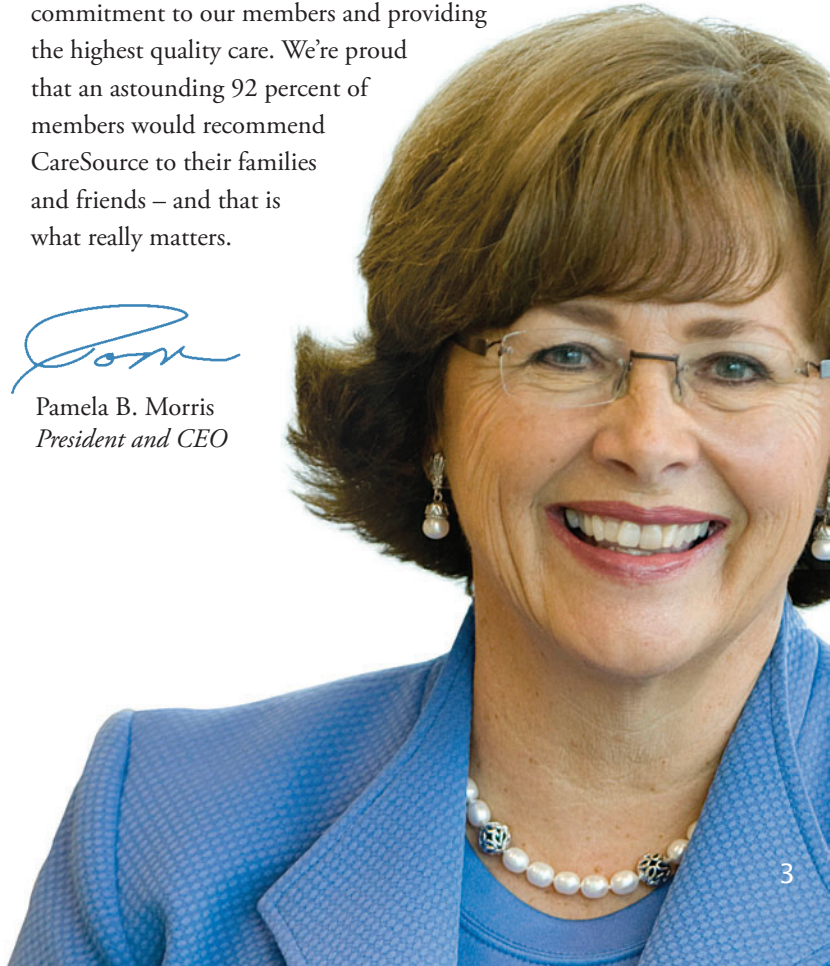
This past year once again proved the value of the care coordination. As one of the nation's largest managed care plans, we know that coordinated care improves health care and most importantly, leads to better outcomes. Through our strong network of providers, innovative care programs and over 1,000 employees, we work with our members to help them stay well.

Our mission to serve the underserved is at the heart of everything we do. We recognize that our members face daunting challenges and we believe that receiving quality health care shouldn't be one of them.

For more than 20 years CareSource has thrived because of our focus on our members. As we continue to grow and seize new opportunities in managed care, we will remain steadfast in our commitment to our members and providing the highest quality care. We're proud that an astounding 92 percent of members would recommend CareSource to their families and friends – and that is what really matters.



Pamela B. Morris  
*President and CEO*



# the [ b ] e s t is yet to come...

## New CareSource Initiatives

With CareSource leading the way with bold new initiatives adopted to serve more members more effectively, the coming year promises to be brighter indeed.

### Health Care Reform

Passed by Congress on March 23, 2010, health care reform (Patient Protection and Affordable Care Act) included many provisions that will be critical to our mission of improving health care for the underserved. The new law incorporates a significant expansion of the Medicaid program, giving access to health coverage to an additional 16 million uninsured Americans. In Ohio, alone, close to one million individuals are expected

to become eligible for Medicaid coverage and will potentially have the option of choosing CareSource as their health plan in 2014.



### Montgomery County Care

To strengthen the health care safety net for the county's most vulnerable populations, Montgomery County Care – a partnership program with CareSource, Montgomery County and Community Health Centers of Greater Dayton – plans an expansion that will help members

manage chronic diseases more effectively. With a system that includes primary care through the Community Health Centers and access to specialists, the program provides cost-effective health care for the county's underserved adults. Projections indicate that the expansion will also help reduce reliance on emergency services and inpatient hospital admissions.

### Health Care Home Collaboration Expands

Working closely with providers throughout Ohio, CareSource is stepping up efforts to achieve truly integrated care. Our patient-centered medical home program, Health Care Home, has increased its partnerships with our Health Care Home providers, putting processes and best practices into place that will ensure better health outcomes for even more of our members. Through the assignment of “champions” at each Health Care Home provider office and a case manager for each practice, we are seeing transformational changes and our increased HEDIS\* scores indicate continued improvement in care, service and quality.

### Facts About Montgomery County Care Members:

- 20% suffer from hypertension
- 9% have diabetes
- 7% have asthma
- More than two-thirds are in their 40s or 50s
- 80% live in the city of Dayton

\* The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service.



wish to express our sincere appreciation to CareSource and its staff for the assistance with hospital visits, radiation, chemo, medicine and routine office visits for our son Brian. He was a stage IV cancer patient and recently passed away. We are so thankful for the hassle-free assistance we received.

**Dave and Sherry**  
*Eaton, OH*



## Care Transitions Program

Throughout 2010, many CareSource Care Transitions program activities were expanded and enhanced in Ohio and Michigan. Serving as the overarching program for several key care management programs, the Care Transitions program is focused on one goal: to improve communication with key stakeholders – which will, in turn, improve care coordination for all members. The result is improved care, better outcomes and a greatly reduced number of avoidable emergency room visits and inpatient admissions.

To assist in achieving this goal, partnerships have been developed with numerous community-based outreach and safety-net organizations focusing on behavioral health, prenatal and well child care, and emergency services.

## CareSource Advantage® – Special Needs Plan Expansion

CareSource Advantage® is a plan for members who are eligible for Medicare and Medicaid. In 2010, the Special Needs Plan (SNP) service area expanded into Southeast Michigan to serve major metropolitan areas, including Wayne, Oakland and Macomb counties. Currently, we provide access to members in 10 counties throughout Michigan. In Ohio, we expanded to an additional 37 counties, for a total of 54.

## Bridge to Home – Michigan

Ensuring a member's post-discharge needs are fully met, the Bridge to Home discharge planning program arranges timely and appropriate discharge to the next level of care.

CareSource Michigan case managers assist each hospital-bound member with coordination of all transitional needs and appropriate outpatient services. The member's medical home is also involved with each phase of the transition. Our case managers ensure that the member will have access to necessary medication upon

discharge and transportation to follow-up appointments with the medical home.

In this first year of the program, the Bridge to Home team decreased readmission rates by 13 percent.

## Partnership with text4baby™

CareSource partnered with *text4baby*, offering expectant and new moms a convenient way to help care for their newborns. *Text4baby* delivers free health information to mobile phones. Topics include immunizations, breastfeeding, safety, car seats, developmental milestones, nutrition and more.

The National Healthy Mothers, Healthy Babies Coalition launched this educational program to provide women with the accurate information they need during pregnancy and throughout their child's first year. Together, CareSource and *text4baby* will help them care for their own health – and give their babies the best possible start in life.





he service was incredible. The person I spoke with was very nice. I am satisfied with everyone at CareSource and I have already recommended CareSource to my friends. Thank you!





## Fiscal Facts: The Big Picture

With new money-saving processes and savvy investment in infrastructure, 2010 saw CareSource operating at peak efficiency – while continuing to deliver top-notch care and service to our members.

Total enrollment for the year increased more than 9.2 percent over 2009. Our total revenue for Ohio and Michigan last year was \$2.5 billion, while our total net income was \$102 million or 4 percent of revenue.

Medical cost reduction initiatives in areas such as code editing and improved contracting helped us save more than \$75.1 million.

## We're Growing Stronger...and Better!

To keep up with demand for service in 2010, we added 86 new employees and we're now operating with our current total of 1,015 team members. This growth is great news – not just internally but also for our community and membership, since it means improvement in care and service at every level.

## Learning Through Research

CareSource conducted 900 interviews from both Medicaid consumers and consumers who may qualify for an exchange plan under health reform in Ohio. We asked a variety of questions related to brand attributes, health plan satisfaction, brand recognition, desired health plan benefits and services, and preferred communication methods.

We gained some important insights from this research, which include:

- **Brand awareness:** 73 percent of all Medicaid consumers were aware of CareSource, but only 58 percent were aware of any of the other plans
- **Likelihood to recommend your health plan:** 92 percent of CareSource members would recommend us
- **Health plan selection influence:** 30 percent stated that recommendations from a family member, friend, or doctor were key in deciding to choose CareSource

Research proved that CareSource is the most well-known, most likely to be recommended, and had the highest satisfaction level of any Medicaid plan.

## The Membership Weighs In

According to the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey, member satisfaction remained strong in 2010. Once again, CareSource was named one of the highest-rated Medicaid health plans in Ohio.

### 2010 Financial Statistics (Ohio and Michigan):

- Enrollment: 877,228
- Revenue: \$2,457,000,000
- Net Income: \$101,967,000
- Total Net Worth: \$306,824,000

## 2010 Scores

### Ohio Consumer Satisfaction Scores

Overall member satisfaction with CareSource:

- 2.41 (Covered Families and Children)\*
- 2.40 (Aged, Blind and Disabled)\*

\*New in 2010, the member satisfaction survey was reported by the Ohio Department of Job and Family Services (ODJFS) on a 3-point scale for both member populations.

### Ohio HEDIS Scores\*

- Access to Care – Adults Access to Preventive Health Services age 20-44 – All Genders – 75th percentile
- Access to Care – Adults Access to Preventive Health Services age 45-64 – All Genders – 75th percentile
- Annual Dental Visit (total ages 2-21 years of age) – 75th percentile

### Michigan HEDIS Scores\*

- Well controlled diabetics HbA1c<7% – 75th percentile
- Blood Lead Screening in Children – 75th percentile
- Persistence of Beta-Blocker after a heart attack – 75th percentile

\*HEDIS scores are based on comparing the health plan's results to a national benchmark (the 90th percentile of national results) and to regional and national thresholds (the 75th, 50th and 25th percentiles).



**Monique**  
Cleveland, OH

“ have been going through a lot dealing with my health and I know there aren't too many things in life that are free, but I appreciate my health insurance.”

## Recent Honors and Awards

### CareSource University Named #78, *Training Magazine's* Top 125 List

Listed at #78, CareSource ranks among some of America's largest and most successful companies including Microsoft Corp, McDonalds USA, LLC, Verizon, and Bank of America. *Training Magazine* annually selects 125 global and national organizations that exhibit best training practices, evaluation methods and outstanding training initiatives.

### Call Center Award

CareSource received Honorable Mention in the category of Best Performance Leveraging Customer Feedback presented by the International Quality & Productivity Committee (IQPC). With its on-site program for call center and service training, CareSource also receives real-time feedback from its members by supplying surveys to ensure maximum satisfaction.

### Ranked #3 by the *Dayton Business Journal*, Top 100 Local Businesses

The *Dayton Business Journal* ranked CareSource #3 on their Dayton-Area Top 100 Companies List, as well as #9 on the Fastest Growing Companies List and #11 for the Dayton-Area Grant-Awarding Foundations with \$870,000 awarded in grants.



### Pinnacle Award

CareSource was one of only seven health plans in the state to win a 2010 Pinnacle Award from the Michigan Association of Health Plans (MAHP). Recognized for improving member and provider satisfaction with new efficiencies in call center protocol, including:

- Post-call surveys to members and providers
- Automated member eligibility verification system
- Web-based functions to allow more flexible "self-service" for members and providers
- Outbound calls to new members that explain benefits and reduce questions or confusion

## CareSource and Community – A Powerful Partnership

### CareSource Foundation

The CareSource Foundation devotes its resources to non-profit organizations dedicated to enhancing the lives of the underserved in Ohio and Michigan by improving the quality of health care and delivery services. The Foundation also coordinates opportunities for community outreach, medical

expertise, strategic community partnerships and volunteerism. Since 2006, the Foundation has given over \$3.3 million to communities to improve the quality of health care.

In 2010, the Foundation gave \$870,000 to 87 non-profit organizations in Ohio and Michigan.

In 2010, CareSource and its employees gave \$174,504 to the United Way annual campaign; a 9 percent increase over the 2009 total.

### Foundation Signature Grants

#### **American Academy of Pediatrics:**

\$75,000 was awarded to the Ohio Chapter of the American Academy of Pediatrics for a high-impact, statewide children's asthma pilot project.

#### **GetUp Montgomery County:**

In 2009, \$175,000 was awarded to Public Health to support a regional childhood obesity initiative. Already in year two, GetUp Montgomery County has made significant progress with over 100 partners and organizations who influence children and families.

#### **Montgomery County Care:**

\$210,000 was awarded for a partnership program with CareSource, Montgomery County and Community Health Centers of Greater Dayton that provides cost-effective primary care for low-income, uninsured adults.

**Poverty Simulation:** \$65,000 was awarded to Think Tank, Inc. to create a series of poverty simulations for community leaders, influencers and legislators across Ohio for the next two years.



Thank you so very much for the insurance that you gave to me and for taking good care of my health.

**Paula**  
Caledonia, OH

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