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☞ Details: Department of Health and Family Services Update and Long Term Care. Hearing held in Madison, Wisconsin on October 17, 2006.

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or Joint)

Select Committee on Health Care Reform...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (August 2012)



The Wisconsin Partnership Program:

**A Proven Integrated Model of
Primary, Acute and Long-Term Care**

WPP Overall Program Objectives



- Integrated Health and Long-Term Care
 - **Reduce fragmentation**
- Improved Access to Community Care
 - **Improve ability to live at home**
- Increased Consumer Responsiveness
- Efficient Use of Resources
- Improved Quality and Outcomes

WPP Operating Principles



- **INTEGRATION OF FUNDING AND SERVICES** reduces gaps in fragmented systems and maximizes flexibility to organize and purchase needed services
- **MULTIDISCIPLINARY TEAM** provides intensive care management to assist enrollee better manage their complex health and long-term care needs
- **EARLY PREVENTION & INTERVENTION** results in better health outcomes for consumer and lower costs
- **MEMBER-CENTERED APPROACH** puts enrollee at center of care planning approach

Eligibility Requirements



- **Elders (age 65+)**
- **Adults with Physical Disabilities (ages 18-65)**
- **Live in the service area**
- **Functional Eligibility**
 - Nursing Home certifiable (ICF, SNF)
- **Financial Eligibility**
 - Medicaid eligible (dual eligibility in most)
 - HCBW Waiver eligible (COP)

WPP Enrollee Characteristics

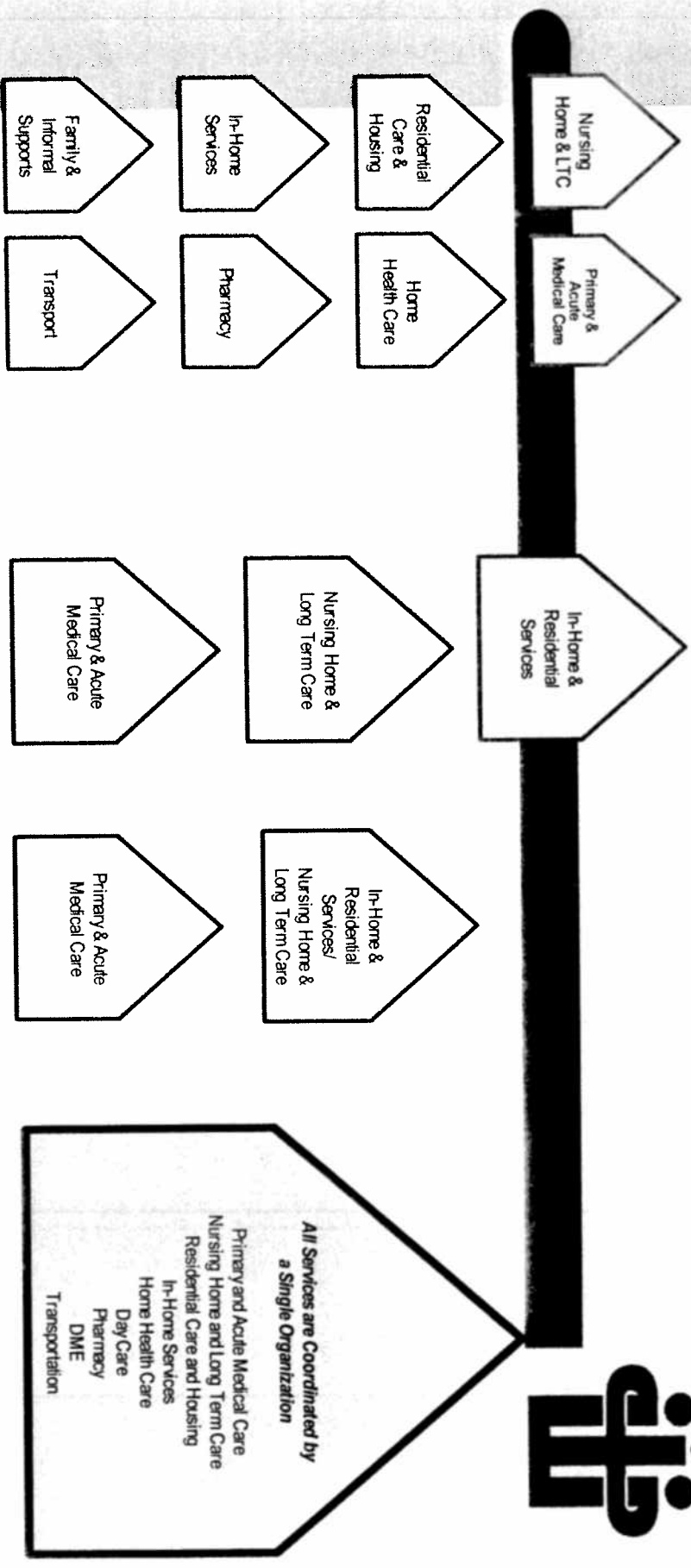


- 100% are **Special Needs** enrollees who are frail and/or have multiple chronic care conditions
- All are at nursing home level of care
- All are Medicaid eligible
- Average over 17 diagnoses per member
- 95% of frail elderly enrollees are dually eligible
- 66% of physically disabled adults enrollees are dually eligible
- 2609 enrollees across 4 programs in Wisconsin (as of February, 2006)

WPP Products and Services



- **ONE STOP:** Enrollees access all health and long-term care through a single provider, including the following:
 - All services provided by Medicare, including hospital, lab, x-ray, physician
 - All services provided by Medical Assistance, including pharmacy, home health, therapies, dental, DME/DMS, nursing home
 - All long-term care services such as personal/supportive home care, transportation, respite care, and home modifications



Fee For Service/Private Pay
Non-Integrated Care

COP/Waivers
Partially Integrated Care

Family Care
Partially Integrated Care

Wisconsin Partnership Program
Fully Integrated Care

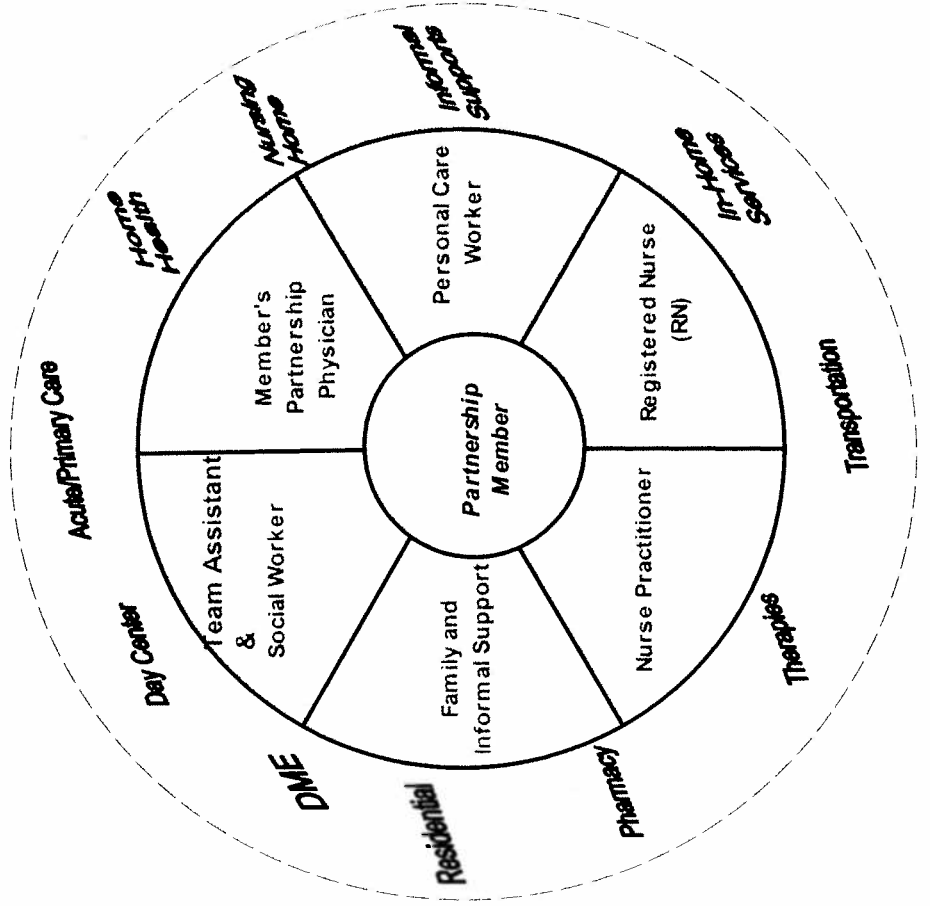
The Team is the Heart ♥



Choice

Integration

Coordination



Successes



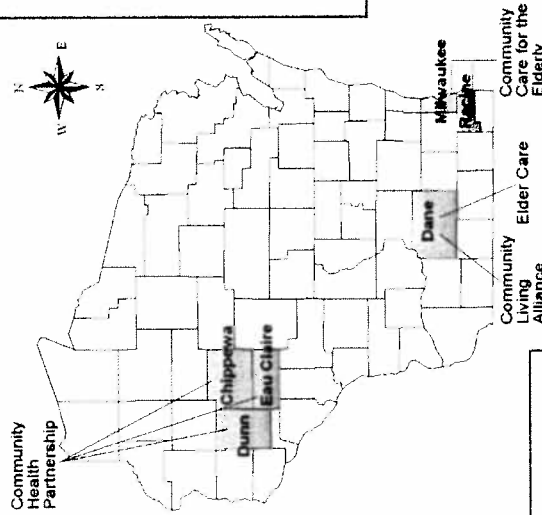
- Reducing Polypharmacy *(Pharmacist)*
- Controlling hospitalization
- Controlling nursing home stays
- Increasing immunization rates
- Improving Dental Services
- High member satisfaction
- Keeping members in the community
- Cost savings

Wisconsin Partnership Program Counties and Organizations



Community Health Partnership

- 969 Members (9/06)
- Eau Claire, Dunn, and Chippewa Counties
- Frail elderly and people with physical disabilities
- Age 18 or older
- Began enrolling members in May 1997



Community Care

- 173 Partnership in Milwaukee County (9/06)
- 733 PACE in Milwaukee County (9/06)
- Frail elderly age 55 and older
- Began enrolling members in 1996
- Racine County (began 7/02)
- 99 Members (9/06)

Community Living Alliance

- 322 Members (9/06)
- Dane County
- People with physical disabilities
- Between the ages of 18 and 64
- Began enrolling members in May 1996

Elder Care of Wisconsin

- 598 Members (9/06)
- Dane County
- Frail elderly age 55 and older
- Began enrolling members in December 1995



The Wisconsin Partnership Program Organizations: Answering the call for Medicaid Long-Term Care Reform

☀ We have developed *care management expertise*:

- ✓ By meeting the needs of elders and the physically disabled with 80 years of combined service as four non-profit, community-based agencies in Wisconsin
- ✓ As **home grown, Wisconsin-based**, licensed non-profit HMOs
- ✓ Assuming **100% of the risk** for **all** Medicare and Medicaid services
- ✓ Operating an integrated, interdisciplinary model of primary, acute, and long-term care
- ✓ Operating an integrated model for Medicare, Medicaid, and home and community-based waiver services
- ✓ Becoming Special Needs Programs (SNP) to demonstrate new models and approaches to care
- ✓ By maintaining health through **prevention**

☀ We have proven *financial effectiveness*:

- ✓ Through **financial viability** and **solvency**
- ✓ By predicting Medicaid costs for the state through a capitation rate based on **95%** of the fee-for-service nursing home and community-based costs of an equivalent population
- ✓ Evolving our business experience and systems
- ✓ Requiring **no new infrastructure costs** as we expand
- ✓ Thanks to solid relationships with local Economic Support Services (ESS) staff
- ✓ By investing in **robust information systems** to meet care needs and data requirements
- ✓ Maximizing all public dollars through effective integration of resources to serve the member

☀ We provide *quality outcomes*:

- ✓ With **95%** of our members rating our services excellent and very good
- ✓ With less than **5%** of our members disenrolling for reasons other than death or relocation
- ✓ Reducing hospitalizations for physically disabled and nursing home placements for elders members
- ✓ By overseeing the quality of nursing home, group home and assisted living services for our members

☀ We *collaborate*:

- ✓ **Not being bound by county lines** we are able to successfully **regionalize** within, among, and between counties
- ✓ Sharing positive working relationship with **DHFS, counties, providers, and advocates**
- ✓ As mission-driven organizations with the member as the center of our care planning and delivery
- ✓ Subscribing to the DHFS long-term care principles of
 - ☀ **Access** ☀ **Choice** ☀ **Quality** ☀ **Cost Effectiveness** ☀
- ✓ Willing to serve “safety net” populations with county partners

☀ We assure *access to*:

- ✓ Qualified **mental health, transportation, and dental services**.
- ✓ Well-developed **provider networks** that can be expanded geographically or to meet the needs of new populations
- ✓ Nursing homes, group homes, and assisted-living facilities
- ✓ **Medications** as a part of our service package, reducing confusion from Medicare Part D implementation
- ✓ Care provided in the member’s home

**Summary Benefit Packages
of
Wisconsin Partnership Program, COP-W/CIP II, and Family Care**

	Partnership	Family Care	COP-W CIP II
*Medicare (Title 18) Services	X		
Primary and Acute Health Care	X		
Physician Services	X		
Emergency Hospitalization	X		
Prescriptions	X		
Dental Care	X		
Podiatry	X		
Vision (including eye glasses)	X		
Mental health or Drug and Alcohol Treatment or services provided by MD)	X		
Home Health or Personal Care	X	X*	
Hospice	X	X*	
Nursing Home	X	X*	
Physical, Speech or Occupational Therapy	X	X*	
Durable Medical Equipment (i.e., wheelchair)	X	X*	
Disposable Medical Supplies (i.e., diapers, gloves)	X	X	X
Service Coordination	X	X	X
Supportive Home Care	X	X	X
Residential Care and Housing	X	X	X
Adult Day or Respite Care	X	X	X
Home Delivered Meals	X	X	X
Home Modifications	X	X	X
Transportation	X	X	X

*Federal law requires that private insurance and Medicare (Title 18) are billed prior to Medicaid (Title 19). NOTE: In managed care programs (Family Care, PACE/Partnership, and iCare), most services require prior authorization and must be obtained through contracted providers.

**WISCONSIN PARTNERSHIP PROGRAM ORGANIZATIONS
CONTACT LIST**

COMMUNITY CARE, INC.

Paul F. Soczynski, Chief Operating Officer
1555 South Layton Blvd.
Milwaukee, WI 53215
(414) 902-2363

www.cco-cce.org

COMMUNITY HEALTH PARTNERSHIP, INC.

Karen Bullock, Chief Executive Officer
2240 East Ridge Center
Eau Claire, WI 54701
(715) 838-2901
(800) 242-1814

www.chp-wpp.org

COMMUNITY LIVING ALLIANCE, INC.

Owen McCusker, Chief Executive Officer
1414 MacArthur Road
PO Box 8028
Madison, WI 53708-8028
(608) 242-8335

www.cla-madison.org

ELDER CARE OF WISCONSIN, INC.

Karen Musser, Chief Executive Officer
2802 International Lane
Madison, WI 53704
(608) 240-0020

www.elderc.org

Wisconsin Department of Health and Family Services

Division of Disability and Elder Services
Cecelia Chathas
1 West Wilson
Madison, WI 53701
(608) 267-2923



October 2006

Objective: To provide a solution to Long Term Care Reform in the state; county-by-county. We hope to accomplish this by partnering with the DHFS, counties and other private agencies to bring our experience and success to implement reform of health care and long-term support for frail elders, and to adults with developmental and physical disabilities.

Experience:

- Private, non-profit organization, founded in 1977 by Kirby Shoaf, current CEO and President
- Operating since 1990, the PACE (Program of All Inclusive Care for the Elderly) as of October 2006 we are caring for 703 people. Operating since 1996, our Wisconsin Partnership program as of October 2006 serves 302 people. Currently we have 7 locations in Milwaukee County, one location in Racine County and we serve the School Sisters of Notre Dame in Waukesha County.
- Contracted since 1991 with Manitowoc County to provide case management services 311 elderly and disabled persons as of September 2006. Contracted since 2002 with Kenosha County to provide these same services to 368 persons as of September 2006.
- Contracted with Milwaukee County since 1993 as a Care Management Unit for Family Care program serving 358 elders as of September 2006 and to provide Quality Monitoring of Family Care program since 2002.
- United Way funding since 1989 for in-home and community based service program. As of September 2006 we were serving 26 clients.

Organizational Facts:

- Operating budget of \$62 million in 2006.
- Proven financial viability and solvency. Licensed HMO.
- 500 dedicated employees in 9 locations
- State of the Art Electronic Medical Record and claims adjudication systems.
- Together with Total Longterm Care a PACE provider in Denver Colorado established Total Community Care in 2003 to operate the PACE program in Albuquerque, New Mexico.
- In 2004, Total Community Care (TCC) assumed PACE provider status of the Albuquerque site. Currently, TCC employs 70 staff that serves 293 people in Albuquerque. The TCC operating budget in 2006 is \$14.5 million.
- Provider of Technical Assistance services known as Integrated Care Strategies (ICS) with Total Longterm Care in Denver. Currently we are working with 20 organizations across the country to provide financial, operational, marketing and legislative analysis for parties interested in developing integrated care models.

Over please

PACE & Partnership Facts:

- 83% of our participants continue to live in their community
- Over 96% of our participants have voluntarily remained in our PACE and Partnership programs since 2000.
- 72.5 years – average age of our participants.
- 98% of 140,000 van rides in 2005 were provided by our own fleet of vans.
- Over 100,000 meals provided in 2005.
- Behavioral Health team established in 2004.
- 2 dental operatories opened in 2005.
- Full service pharmacy opened in August 2006.
- Bid on expansion of Partnership and Family Care in Racine and Kenosha Counties.

Accomplishments, Affiliations & Awards:

- July 2005 – Licensed HMO in the State of Wisconsin
- Member of the National PACE Association. Community Care was established as one of the first 4 PACE sites in the nation. Currently, there are 40 PACE sites nationally.
- Member of the National Health Policy Group
- 2005 – successful in relocating 28 sisters from a nursing home back to their community (and our newly established clinic) at the Notre Dame motherhouse in Elm Grove, Wisconsin.
- 2003 - End of Life Care Leadership Award from Froedert Hospital and the Medical College of Wisconsin recognizing the outstanding work of our End of Life Committee.
- 2003 – Layton Corridor Project. We are one of the primary partner organizations with Milwaukee County working with a grant from the Robert Wood Johnson foundation to develop a corridor of excellence and an “elder friendly neighborhood”.
- Since 1997 we have served the residents of the Lapham Park HUD building in Milwaukee County. We partnered with the Lapham Park Venture Group to establish a program for community- based healthcare. This venture has been the recipient of numerous awards.
- January 2006 – Medicare Part D Provider
- January 2006 – Special Needs/Medicare Advantage Provider

Community Care brings:

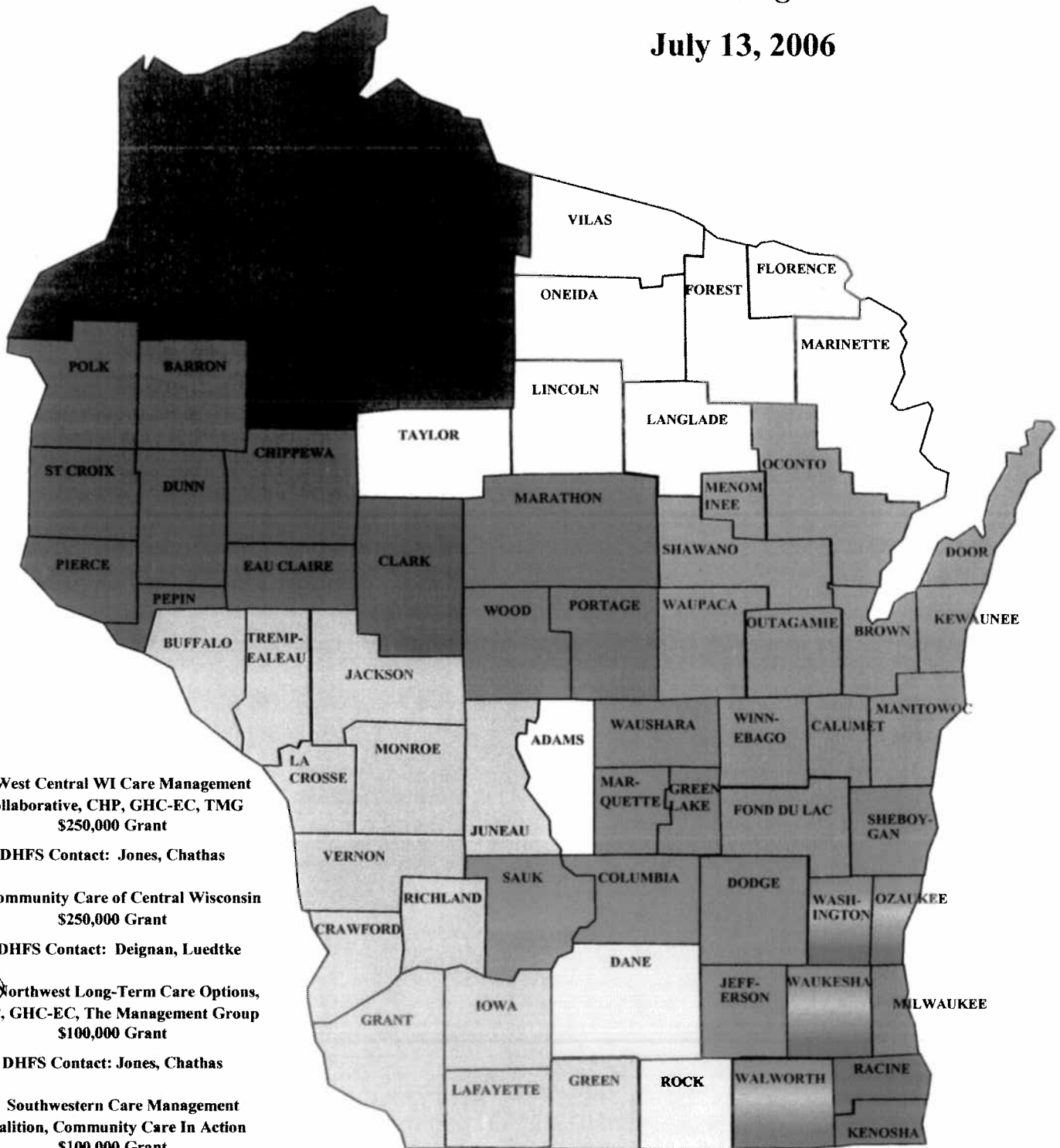
- Care management and healthcare provider expertise
- Financial Effectiveness
- Quality Outcomes
- Collaborative spirit
- Accessibility for underserved populations

For more information please contact:

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414-406-8843 (cell)
psoczynski@cco-ccc.org

LTC Planning Grants

July 13, 2006



- West Central WI Care Management Collaborative, CHP, GHC-EC, TMG \$250,000 Grant
DHFS Contact: Jones, Chathas
- Community Care of Central Wisconsin \$250,000 Grant
DHFS Contact: Deignan, Luedtke
- Northwest Long-Term Care Options, CHP, GHC-EC, The Management Group \$100,000 Grant
DHFS Contact: Jones, Chathas
- Southwestern Care Management Coalition, Community Care In Action \$100,000 Grant
DHFS Contact: Smith, Deignan
- Southeast Wisconsin Care Management Organization, Community Care, Inc., LSS, TMG \$100,000 Grant
DHFS Contact: Frye, Wilhelm
- Dane and Rock Counties, Community Living Alliance, Elder Care of Wisconsin \$100,000 Grant to Dane, \$30,000 Grant to Rock
DHFS Contract: Linak, Luedtke

- ■ Family Partnership Care Management Organization, LSS, Community Care, Inc., Community Living Alliance, The Management Group, Elder Care of Wisconsin \$100,000 Grant
DHFS Contact: Proppom, Deignan
- ■ Milwaukee County, Community Care, Inc., iCare \$150,000 Grant
DHFS Contact: Luedtke, Frye

- West Central Consortium for Long-Term Support and Health Care Reform, GHC-EC \$100,000 Grant
DHFS Contact: Deignan, Wroblewski
- ■ Northeast Wisconsin Long-Term Care Consortium, Community Care, Inc., CHP, Community Care in Action, The Management Group \$100,000 Grant
DHFS Contact: Wilhelm, Linak

leading
the way

Community Care
1555 South Layton Blvd



2005 Annual Report

Recent stories on the national news talk about teams of doctors, nurses and social workers "turning the delivery of health care upside down" by making house calls to frail patients. Community Care has been doing this and much more since 1977.

We are proud to be a national leader in developing alternatives to nursing home care. Our long-term care model enables the frail and disabled to continue living in their homes while enjoying comprehensive health care services. Long-term care initiatives across the nation have replicated our programs.

Over the past 10 years, we have experienced an average annual growth of 19% and an average revenue increase of more than \$5 million per year. In 2005, Community Care revenues totaled \$56.2 million, an increase of \$6 million or 12% over 2004. At the same time, interest and enrollment in our programs are growing.

Our goal is to optimize both the quality of life and the allocation of community resources as we lead the innovative development of quality community-based programs for at-risk adults. We will also continue to be a progressive employer, offering a work atmosphere, compensation and benefits that attract and retain our hardworking, talented and caring employees.



Chief Executive Officer

Community Care senior leaders tea



Pictured (from front to back): Kirby Shorff, Chief Executive Officer; Mary Parish Gavinski MD, Chief Medical Officer - Chris Corcoran, Director Clinical and Support Services - Catherine Moe, Director of Operations, North Region - Lore Borth, Director of Human Resources - Jeanne Prochnow, Director of Quality Improvement - Barbara Moore, Director of Operations, Case Management - Linda Murphy, Director of Operations, South Region - Paul F. Sorezynski, Chief Operating Officer - Lawrence J Papilham, Chief Financial Officer

Ann Kiekhof is an amazingly positive woman.



In 2005, Community Care formalized plans to establish an in-house pharmacy that will be launched in 2006.

Pharmacist Richard Mueller says the new pharmacy will offer numerous benefits: a streamlined medication delivery process, the ability to purchase medications with better pricing due to our nonprofit status and a more efficient use of staff time. Most importantly, pharmacists will be in direct, regular contact with a participant's physician and interdisciplinary team, allowing the pharmacy to be more responsive to the participant's changing needs. Community Care has invested in the latest technologies available to ensure safety in filling medications, including electronic transmission of prescriptions, barcode technology and workflow process evaluation.

Community Care provides access to medication therapy through Medicare Part D, and takes the confusion out of the program's enrollment process when they enroll in Community Care.



*Rich
Pharmacist*



In 2005, Community Care helped 29 Sisters of the Notre Dame religious community come home.

With Community Care available to meet their long-term care needs, these nuns could leave nursing homes to return to their motherhouse.

Among them is Sr. Valentine Marie Zajdel. She describes her homecoming as a joyous occasion. "They were all waiting for me," she says. They ushered her into a reception in the foyer. To her delight, they had a set of drums waiting. They knew the drummer for the Polka Dots would be happiest with drumsticks in her hands.

These days Sr. Valentine plays in the Chime Choir. "I still have my zip," she confesses.

Community Care is a private, nonprofit organization that integrates health, home and community services to meet the wider range of help that frail adults need.

We are a national leader in administering the renowned Program of All-Inclusive Care (PACE), a model that provides a full range of integrated long-term, primary, acute and preventive care delivered through interdisciplinary teams. We fully integrate all Medicare and Medicaid covered institutional and community-based expenses. We also offer the Wisconsin Partnership Program in Milwaukee and Racine counties, which is much like the PACE program but offers participants the opportunity to choose a community-based physician from a list of selected health providers.

In addition to our primary programs, we continue to operate Total Community Care (TCC) in Albuquerque, NM, in partnership with Total Longterm Care of

Denver, CO. TCC offers New Mexico's first PACE program. We also continue to operate Integrated Care Strategies (ICS), a consulting partnership we sponsor with Total Longterm Care of Denver. ICS offers a full range of services related to feasibility, program implementation, marketing, financial, operational and legislative analysis for organizations interested in developing integrated care models or organizations interested in innovatively expanding delivery systems.

We continue to contract with Milwaukee, Kenosha and Manitowoc counties to provide case management services to over 1,000 frail adults.

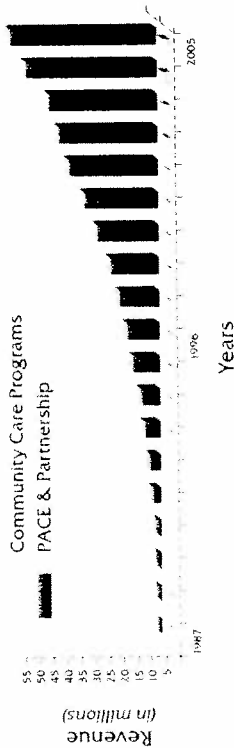


When nurse and nurse manager Kelly Carter first visited Community Care, she saw a unique way of taking care of older adults, markedly better than anything she had ever seen before. People are encouraged to do things for themselves. The whole person is cared for. She knew if she worked here, she would make a difference in people's lives.

"It broadened my view and made me realize being well is more than the absence of illness; it is about being happy and satisfied with life, making the most of what's in front of you," says Kelly.

Two promotions later, Kelly is site administrator at Community Care's Adult Day Center - Fond du Lac Avenue. She appreciates her employer for allowing her to think independently, problem solve and truly practice her profession. "Community Care is leading the way, doing things differently and getting results."

Community Care Revenue Growth *(From 1987 to 2005)*



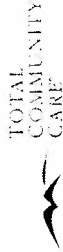
FINANCIAL REPORT (Statement of Activity) *(For the year ended December 31, 2005)*

	2004	2005
Revenue & Support		
Capitation	\$46,636,147	\$52,071,348
Grants & Reimbursement	3,011,495	3,017,384
Client Service Fees	126,137	141,882
Investment & Other	375,520	959,849
Total Revenue & Support	\$50,149,299	\$56,190,463
Expenses		
Salaries & Benefits	\$18,479,648	\$20,778,128
Contract Client Costs	20,616,346	24,384,735
Other Direct Expenses	2,537,039	3,499,960
Support Services	5,404,629	5,987,678
Interest & Depreciation	755,797	956,030
Total Expenses	\$47,793,459	\$55,606,531
Increase (Decrease) In Net Assets	\$2,355,840	\$583,932

BALANCE SHEET

Assets		
Current Assets	\$7,832,338	\$12,714,308
Net Building & Equipment	4,306,473	3,842,748
Risk Reserve	3,278,928	839,918
Total Assets	\$15,417,739	\$17,396,974
Liabilities & Net Assets		
Current Liabilities	\$4,880,364	\$6,408,455
Long term Debt	982,177	849,389
Net Assets	9,555,198	10,139,130
Total Liabilities & Net Assets	\$15,417,739	\$17,396,974

Total Community Care PACE Program Revenue Growth *(From 2003 to 2005)*



FINANCIAL REPORT (Statement of Activity) *(For the year ended December 31, 2005)*

	2004	2005
Revenue & Support		
Capitation	\$9,555,854	\$12,470,215
Client Service Fees	89,630	60,077
Technical Consulting	4,779	204,557
Donations & Interest	—	20,212
Total Revenue & Support	\$9,650,263	\$12,755,061
Expenses		
Salaries & Benefits	\$3,209,343	\$3,808,304
Contract Client Costs	4,799,779	5,791,326
Other Direct Expenses	1,566,884	2,417,506
Interest & Depreciation	4,049	118,695
Total Expenses	\$9,580,055	\$12,135,831
Increase (Decrease) In Net Assets	\$70,208	\$619,230

BALANCE SHEET

Assets		
Current Assets	\$2,422,647	\$1,785,504
Net Building & Equipment	124,580	172,588
Total Assets	\$2,547,227	\$1,958,092
Liabilities & Net Assets		
Current Liabilities	\$2,562,399	\$1,354,034
Members' Equity (Deficit)	(15,172)	604,058
Total Liabilities & Net Assets	\$2,547,227	\$1,958,092

COMMUNITY HEALTH PARTNERSHIP



Positive

Effects



2005 REPORT

Community
Health Partnership, Inc.

A message from Karen Bullock...

Imagine the following scenario. You are 54 years old and due to several ongoing acute medical complications, you have been hospitalized numerous times during the past year. You have been unable to work, you have exhausted your savings, and have no health insurance.

Your health has now deteriorated to the point where you are no longer mobile without assistance. After your most recent stay in the hospital, the recommendation is that you be placed in a nursing home. You are intent, however, in being able to stay in your own home if at all possible.

Now imagine you are a senior citizen dealing with arthritis, diabetes, and heart problems. These medical conditions make it very difficult for you to get around. Your family wants to help, but they simply do not have the financial resources to do so. You are reliant on Medicare and Medicaid, and as much as you would like to remain in your home, the prospect of entering a nursing home is very much becoming a reality.

Thanks to Community Health Partnership (CHP), individuals faced with these and other situations have more options than they may realize. One of four Medicare/Medicaid demonstration projects in the state of Wisconsin, CHP utilizes a team approach with a mission-driven heart to provide and honor members' choices and encourage independence. At the same time, we work with our members to help them manage complex chronic diseases.

As a model integrated health and long-term care program, CHP's holistic approach not only meets the present needs of area individuals, but recognizes its responsibility in maintaining the health of the community well into the future. At CHP, we believe "managed caring" does work!

CHP has demonstrated many successes, including controlling hospital and nursing home admissions/days, increasing prevention and maintenance strategies, improving access to dental services, and coordination of drug therapies resulting in cost savings. All this has been done while preserving high quality and member satisfaction.

We are pleased to provide you with a snapshot of our progress and success during this past year and hope you will learn more about how we are "empowering people to live independently."



Karen Bullock, Chief Executive Officer

The CHP Difference

Community Health Partnership, Inc. (CHP) provides coverage for primary, acute, and long-term care, as well as pharmacy services for frail elderly and physically disabled adults. CHP also covers long-term care for all its members as a contracted Medicaid HMO. **UNIQUE MANAGED CARE**

combines all Medicare, Medicaid, and Home/Community-based Waiver Services into a single health plan, with coordinated coverage to obtain assistance that could have been accessed through these three separate sources. Our coverage encompasses all health care, physician and hospital services, pharmacy, dental, and eye care services, and personal/supportive home care.

Care management and service delivery are coordinated by interdisciplinary teams consisting of medical and social service professionals, in partnership with the member, primary care physicians, the member's family, caregivers, and informal supports. On-staff registered pharmacists provide medication therapy management services. While our pharmacists consult with staff and members about their medications, they do not dispense drugs or medications.

CHP members often present a combination of health conditions, including physical disabilities and chronic health issues such as diabetes, multiple sclerosis, and heart or lung diseases. Our one-stop approach helps members with chronic conditions and/or frailty maneuver through the maze of meeting their health and long-term care needs. This arrangement allows our members to maximize their independence and ability to remain in their homes and the community.

CHP services are funded by Medicaid and Medicare. Payments are "capitated," which means they are equal to a fixed amount, per member per month. These capitated payments are less than the amount that would be paid to care for people with similar conditions in a fee-for-service environment. Payments also cover some services that would not ordinarily be covered through Medicare and Medicaid. **FLEXIBLE, BLENDED FUNDING**

CHP controls costs by providing excellent primary and preventive care. These efforts reduce the need for hospitalization, nursing home placement, and other costly interventions. Ultimately, we work with members to coordinate the "right service, at the right time, in the right amount!"



COMMUNITY HEALTH PARTNERSHIP

VISION

Leading the revolution for excellence in managed care, serving people with complex needs, one unique life at a time.

MISSION

Through creative teamwork, facilitates quality choices that empower people to live as independently as possible.

CORE VALUES

CARING

CREATIVITY

COMPETENCE

HONESTY

RESPECT

TEAMWORK

CHP

Positive Effects

CHP MEMBER PROFILE

69% frail elderly
(Age 65 & over)

31% physically disabled
(Ages 18 - 64)

69% women

31% men

Average Age:
frail elderly - 79
physically disabled - 52

94% of members live in a
non-institutionalized
setting

81% of members live in
their own home

Who is eligible for Community Health Partnership?

Members must be:

- a frail elder or physically disabled adult over age 18
- Medicaid-eligible
- certified at a nursing home level of care
- a resident of Chippewa, Dunn, or Eau Claire County

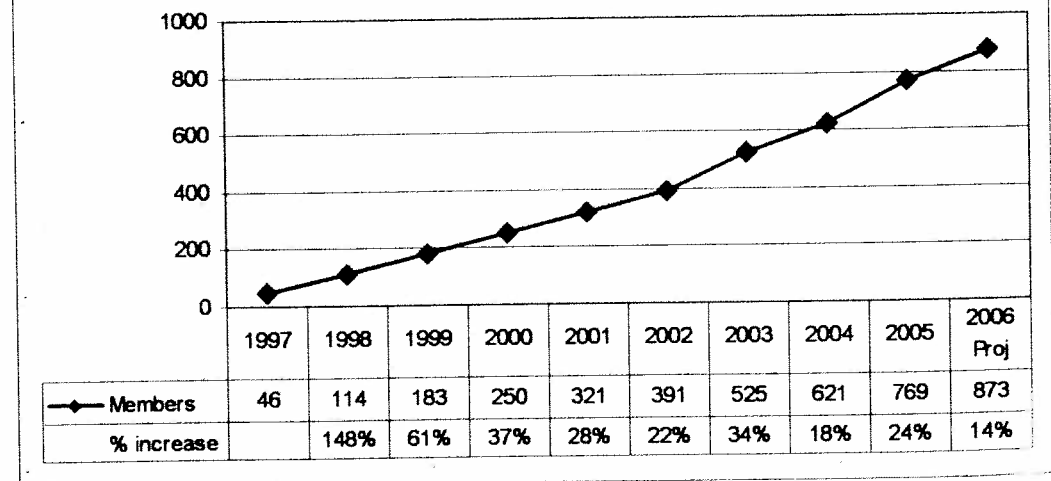
Enrollment and participation with CHP are voluntary and members may disenroll at any time.

CHP FACT

In 2005, sixteen CHP members were relocated from nursing homes to non-institutional community residences including: private residences, apartments, or community-based residential facilities.



MEMBER GROWTH



Since its inception, CHP has remained true to its mission by helping elderly and physically disabled adults live independently at home and in their communities for as long as possible. Over 275 health professionals, direct care workers, support staff, and volunteers are serving nearly 800 members.

Certificate of Authority for HMO Issued by OCI

September 16, 2005, was a significant date in Community Health Partnership history. On this day, the Wisconsin Office of the Commissioner of Insurance (OCI) issued a Certificate of Authority for Health Maintenance Organization to Partnership Health Plan, Inc. (PHP).

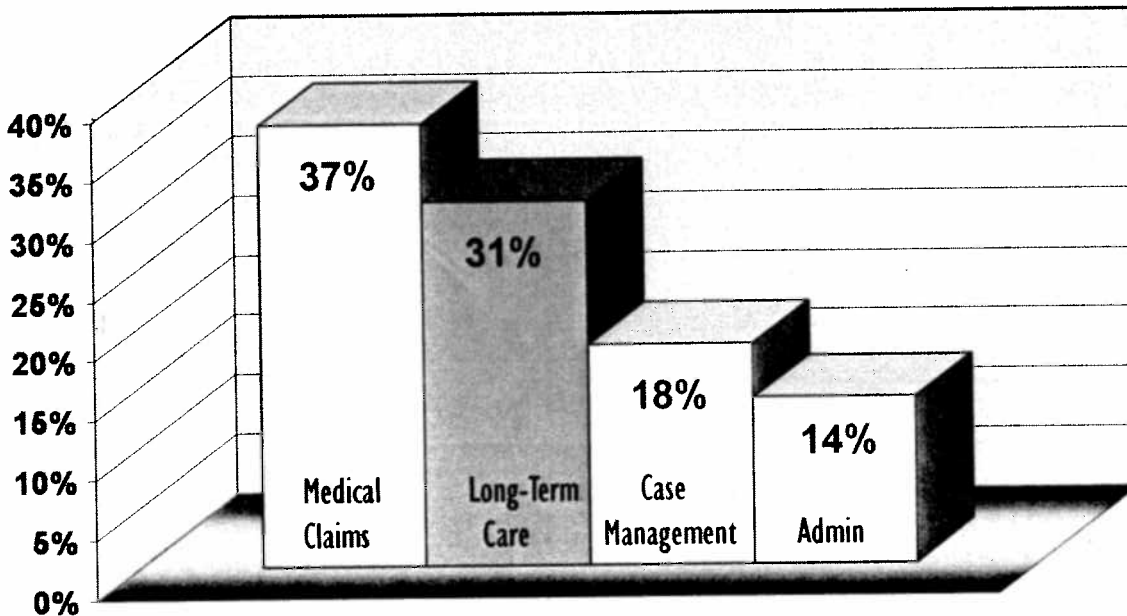
Partnership Health Plan, Inc., a separate legal entity created by Community Health Partnership, Inc. (CHP) was organized to fulfill statutory requirements. A legal service agreement allows for operations to continue through CHP.

The licensure process was one of several steps allowing CHP to move from a *demonstration program* to permanent provider status. As CHP has continued to grow and operate under many similar requirements as an HMO, it became evident that compliancy to various regulations would be made easier by obtaining the HMO certification. In addition, the licensure helped CHP meet Medicare Advantage Plan (MA) requirements.

On June 27, 2005, OCI officially issued Certification of Incorporation for Partnership Health Plan, Inc. to begin operations as of January 1, 2006.



2005 USE OF FUNDS



- - Inpatient Hospital
- Physician
- Other Primary Acute Services

- - Teams
- Clinical Support

- - Nursing Home
- Assisted Living
- Other Long-Term Care Services
- Personal Care (CHP & Contracted)

- - Administrative Wages
- General & Administrative

"I NEVER KNEW THE SECURITY IN THE MEDICAL FIELD UNTIL CHP TOOK MY HAND."

- CHP Member



CHP members often present a combination of conditions including multiple diagnoses, degenerative disabilities, and chronic health conditions such as diabetes, and heart and lung diseases.

Average number of diagnoses	Frail Elderly	Physical Disability	CHP Average
	28	27	26
12+ diagnoses	81%	73%	79%
15+ diagnoses	72%	64%	70%
20+ diagnoses	53%	49%	51%

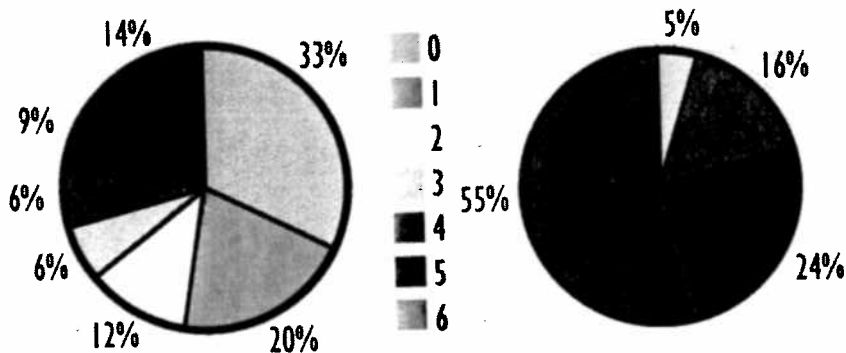


CHP FACT

Total # of personal and supportive home care hours in 2005: 112,882

Total # of member visits in 2005: 19,201

Member ADL & IADL Needs



Activities of Daily Living (ADL)
Includes bathing, dressing, eating, mobility in home, toileting, and transferring.

Instrumental Activities of Daily Living (IADL)
Includes meal preparation, medication management, money management, laundry & chores, telephone, and transportation.

67% OF CHP MEMBERS REQUIRE ASSISTANCE WITH AT LEAST ONE ACTIVITY OF DAILY LIVING (ADL).

100% OF OUR MEMBERS REQUIRE ASSISTANCE WITH AT LEAST THREE INSTRUMENTAL ACTIVITIES OF DAILY LIVING. (IADL).

POSITIVE STRIDES MADE IN CARE OF MEMBERS WITH DIABETES

Helping manage the care of our members who have diabetes is an ongoing concern at CHP. As our overall enrollment continues to grow, the percentage of diabetic members has increased as well — rising from 34% in January 2005 to 38% in November 2005.

CHP MEMBER PROFILE

38% of members are diabetic

12% of members are considered to be high-risk diabetics

6.8 - average A1c level of diabetic members

In our commitment to assist our members with diabetes, the following steps were taken during this past year:

- Lab tests to measure how well our diabetic members were managing their diabetes were done during the first half of 2005. (Long-term blood sugar levels are measured with a lab test called an A1c. An A1c level less than 7.0 indicates good diabetes management.)
- Blood sugar monitors were distributed to all diabetics with instructions given on proper use.
- Diabetic members were separated into high-risk and lower-risk groups, based on their A1c lab tests. (A1c tests provide a picture of blood sugar control over a 3-4 month time-period.)
- Beginning in June, clinical teams and nurse practitioners began monthly face-to-face education contacts with high-risk diabetic members to assist them in better understanding and managing their diabetes.
- After five months of extra education, 69% of the “high-risk” member group had lowered their lab results and 14% of those members were no longer considered “high risk.”
- In addition, 25 other members sufficiently lowered their lab results enough to be considered “low risk.”



MEMBERS WITH DIABETES — 2005

	Jan '05	Nov. '05
Total Members	619	760
Total # of Diabetic Members	211	292
% of Diabetic Members	34%	38%
# of Diabetic Members with A1c < 7.0	113	191
% of Diabetic Members with A1c < 7.0	54%	65%

“CHP IS DOING A GREAT JOB. WHEN YOU’RE ILL, YOU NEED TO KNOW YOU HAVE A GOOD SUPPORT GROUP YOU CAN COUNT ON TO HELP YOU THROUGH TOUGH TIMES. MY TEAM IS GREAT!”

- CHP Member



CHP

Positive Effects

MEMBER SATISFACTION SURVEY*

- 91.4% indicated overall satisfaction levels of good to excellent.
- 98.8% indicated care management and practices are always or usually met.
- 98.8% indicated satisfaction with overall services being always or usually met.
- 99.4% indicated they always or usually have access to services.

* 2004 Survey Results

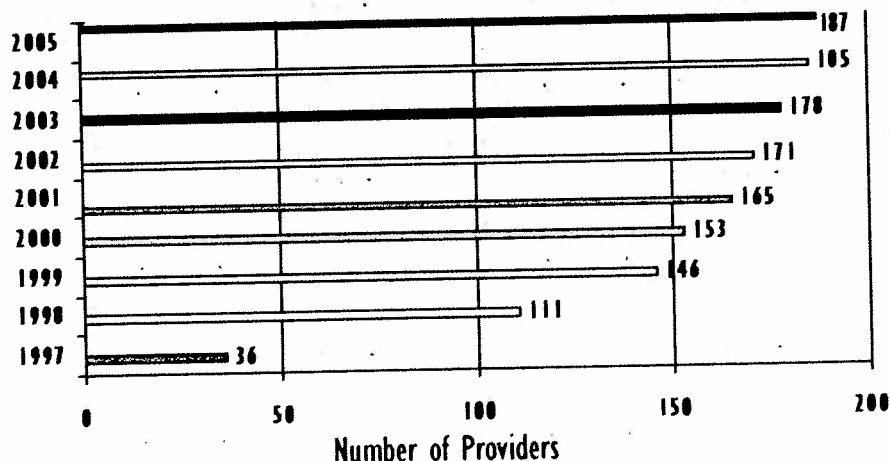
CHP PROVIDER NETWORK

In order to make medical and social services available to enrolled participants, CHP recruits providers to join its network.

- CHP continuously reviews the makeup of its network to assure access and choice for services our members need.
- We offer all types of services needed for members, including: acute and primary care, dental, and long-term care.
- At the end of 2005, CHP had 187 contracts with various providers.

On a continual basis, CHP proactively monitors the quality of the services received from its network of providers. Using a protocol of "event reporting," input is received from members and families together with observations from CHP clinical team members. This information is reviewed and, if necessary, feedback is provided to providers or action is taken related to a concern or complaint. In addition, CHP regularly meets with providers to discuss expectations and foster consistency in the services provided.

Growth of CHP Provider Network



CHP FACT

Enrollment in CHP is voluntary. Less than 1.5% of our members voluntarily chose to disenroll during 2005.

PERSONNEL CONNECTED WITH YOUR PROGRAM HAVE BEEN VERY KIND AND HELPFUL. WE, AS AN EXTENDED FAMILY, ARE EXTREMELY PLEASED OUR LOVED ONE CAN REMAIN IN HER HOME AND LEAD A HIGH QUALITY LIFE.

- CHP Family Member



PHARMACY SERVICES

CHP Pharmacy staff members have been instrumental in:

- developing a Medication Therapy Management Program (MTMP) and Drug Utilization (DUR) protocol that improves our members' drug therapies. Targeted at new enrollees and existing members, these programs help prevent duplicate therapies and adverse drug reactions, and help our members follow their medication regimens.
- developing a highly-efficient system for handling Prior Authorizations and various Step Therapies (controlled sequence of drug utilization). This has reduced the time required to process a claim and allows our members to get their medication in a timely fashion.
- creating a comprehensive CHP Drug Formulary. Our inclusive formulary allows new members to easily transfer to our program. It also provides more opportunities for prescribers to give the medication they intended for our members.
- leading the development of an approved Medicare Part D prescription drug plan beginning on January 1, 2006.



CHP FACT

Average number of medications used by members: 11

Total # of prescriptions filled in 2005: 96,271

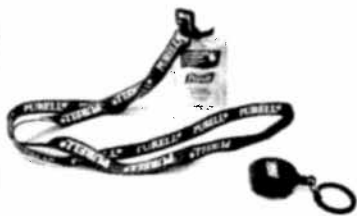
RESPIRATORY ILLNESS PREVENTION — A PROJECT TO REDUCE HOSPITALIZATIONS

In the first quarter of 2005, more than half of the CHP members admitted to hospitals were diagnosed with some form of respiratory-type illness, including pneumonia, flu, chronic obstructive pulmonary disease (COPD), etc.

Using a quality improvement pneumonia risk tool, CHP clinical staff realized that virtually all our members are at risk for illness and death because of a combination of their age and co-morbidities.

In an effort to reduce the trend of increasing hospitalizations due to respiratory illness, several steps were undertaken in the fall of 2005, as part of a formal prevention protocol:

- Members were given a flu vaccine in November rather than October to allow for protection from exposure well into the flu season.
- Alcohol-based hand sanitizers were provided to members for their personal use.
- CHP clinical staff were supplied quantities of hand sanitizer in special bottles with belt clips and lanyards.
- Daily Living Assistant (DLA) staff received extensive education on respiratory illness signs and symptoms. Their assessment and feedback to clinical teams were key to identifying members with potential respiratory illness issues.



CHP FACT

100% of members were offered flu shots in 2005.

89% received flu vaccine

11% refused vaccine

Staff Superheroes Help Set Pace for United Way Campaign



In 2005, CHP had the distinction of being one of several Pacesetter companies for the Greater Eau Claire United Way Superheroes Campaign.

In true superhero fashion, CHP employees contributed donations and pledges of \$12,482.00 — representing a fantastic 88% increase over campaign totals in 2004!

The spirit of volunteerism was also very evident when over 30 CHP volunteers took part in the United Way's annual Day of Caring event held on September 16.

COMMENTS FROM OUR STAFF...

"To work at CHP is to know that you are making a difference everyday in people's lives and that you have been given the precious privilege to serve."

"I love working at CHP for a number of reasons: the staff are compassionate and competent people who care about our members and also care about and support each other; staff provide education and support to members while respecting the choices that members make; we have teams who view issues from many different angles to develop a plan that supports our members to live as independently as possible. These teams include clinical staff who work directly with members, as well as non-clinical staff who are in the background to provide the support necessary so teams can assist members to achieve their goals."

"I like so many things about my members and everybody at CHP! The people are so helpful, cheerful, understanding, and have a good sense of humor. I am always learning something new from each member and that makes my days very fulfilling."

"Working with CHP members gives me the feeling that I am doing something worthwhile by helping the member in a small and direct way to maintain their dignity and remain as independent as possible. I, in turn, am inspired by the strength they display in the face of illness, aging, or physical challenges, and am thankful for the wisdom I gain from their words and examples."

"Some of our members have so many needs that have to be met! Just when you think we can't do any more, CHP finds a way to keep that member at home. This is great for both the member and for us, so we don't have to lose that friendship."



OUR GREATEST ASSET... HUMAN RESOURCES

- CHP expands to 276 employees
- 20 employees honored with five-year service awards
- 33 new positions added in 2005

Partners Place

ADULT DAY SERVICES
& ACTIVITY CENTER

Partners Place is an adult day services center for persons with medical conditions, physical disabilities, cognitive concerns, or those individuals having difficulties functioning at home alone.

The goal at Partners Place is to preserve the dignity and enhance the quality of life for those who we serve through a caring, stimulating,

therapeutic, and enjoyable environment. Participants enjoy indoor and outdoor activities, nutritious meals and snacks, and receive assistance with medications and personal care. In 2005, Partners Place:

- Increased marketing to the community to help more people become aware of this service.
- Offered a broad range of activities for participants, including physical exercise, memory enhancement, craft activities, and a high level of fun and socialization activities.
- Provided an intergenerational experience for participants with a local child daycare program, and with a local elementary

First On-Site Team Moves to Grace Barstow Apartments

Following several months of coordinated efforts from nearly every facet of CHP, history was made in June 2005 when the five members of Team 11 moved from CHP's main Eau Claire office to the Grace Barstow apartment complex near downtown Eau Claire — becoming CHP's first-ever on-site team. Housed in a former resident apartment, Team 11 staff now provide services to over 50 CHP members residing at Grace Barstow and the nearby Park Towers Apartments.

2005 BOARD OF DIRECTORS

Karl Botterbusch, *President*
Mary-Charlotte (M-C) Crill
Tom Johnson
Jack Kaiser, *Vice President & Secretary*
Laura Plummer
Dianne Rhein
Richard Stoltz
Laura Talley, *Treasurer*
Kathryn Teeters

2005 MEMBER ADVISORY COMMITTEE

Betty Attridge	Tom Johnson
Peggy Busetto	Desiree Lesniewski
June Clark	Elmer Pille
Mary Charlotte (M-C) Crill	Beverly Plante
Betty Dax	Becky Seehaver
Pat Donley	Alden Tuff
Ralph Ely	Karen Vaver
Mark Hendricks	

2005 SENIOR MANAGEMENT TEAM

Karen Bullock, *Chief Executive Officer*
Paul Cook, *Director of Operations*
Dan Jones, *Director of Finance*
Donna Marten, *Director of Human Resources*
Stephen Ryter, M.D., *Medical Director*

“DO THOSE SERVED GROW AS PERSONS, DO THEY WHILE BEING SERVED BECOME HEALTHIER, WISER, FREER, MORE AUTONOMOUS, MORE LIKELY THEMSELVES TO BECOME SERVANTS? AND WHAT IS THE EFFECT ON THE LEAST PRIVILEGED IN SOCIETY; WILL THEY BENEFIT, OR, AT LEAST, WILL THEY NOT BE FURTHER DEPRIVED?”

Servant Leadership - Robert Greenleaf

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Empowering People To Live Independently