

# Partnership HealthPlan of California

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*Sonoma County*

*Jack Horn, CEO*

*February 23, 2007*



# Partnership HealthPlan of California

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**State of the Health Plan  
As of February 15, 2007**



# PLAN WIDE ACCOMPLISHMENTS

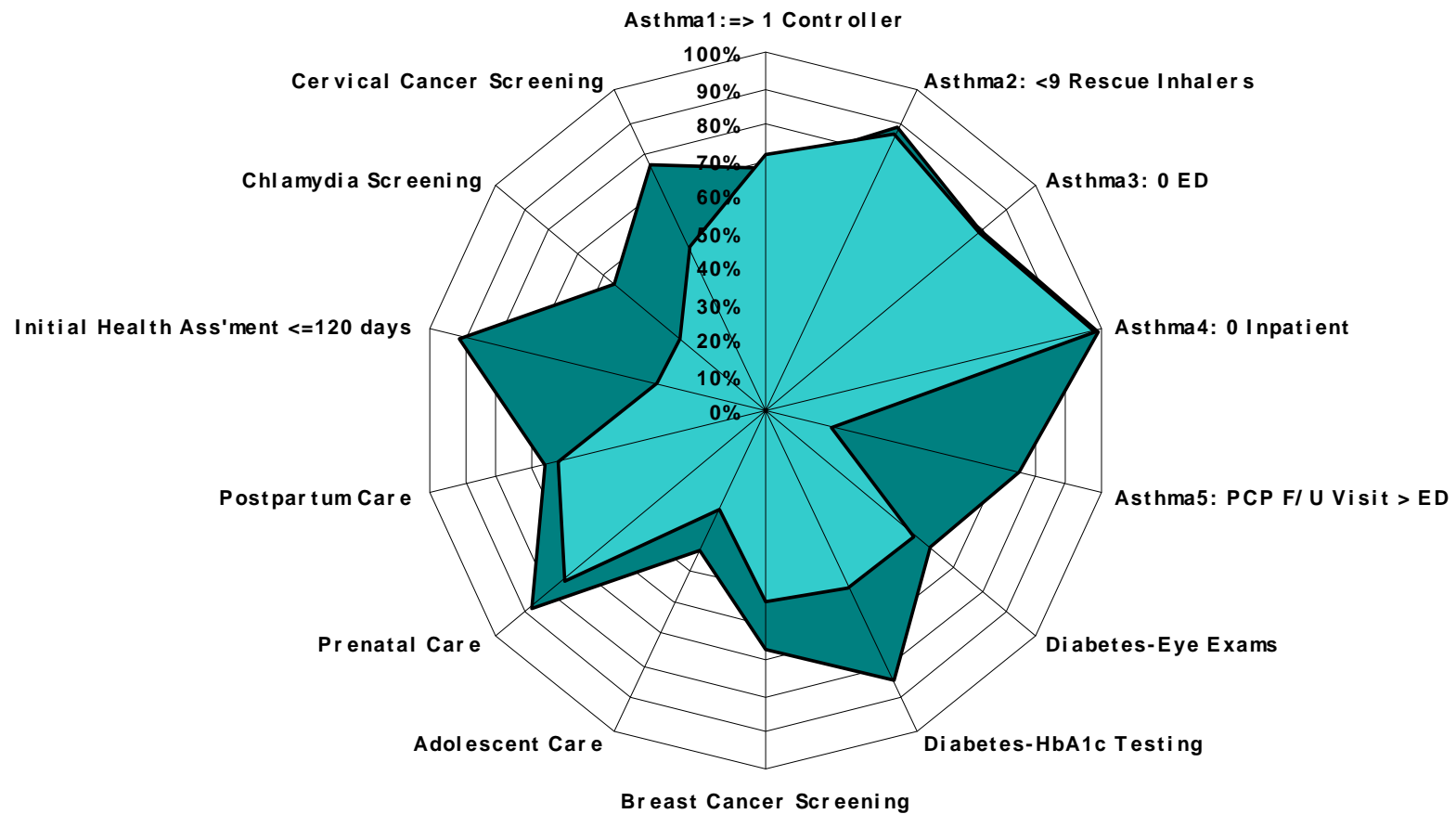
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- ❑ State funding.
- ❑ Successful start to Medicare.
- ❑ Majority of providers participating in PA program.
- ❑ Marketing success of PA.
- ❑ Successful move of all departments / adding new staff.
- ❑ Cost Containment, Diabetes strips \$250,000, Disease Management, Workers Compensation, HMS in excess of 1 million.
- ❑ Scoring 99% on Employee Survey Question “All things considered PHC is a good place to work”.
- ❑ Significant HEDIS improvement.

## How is PHC doing on quality measures compared to benchmarks in 2003?

■ Benchmark/Goal

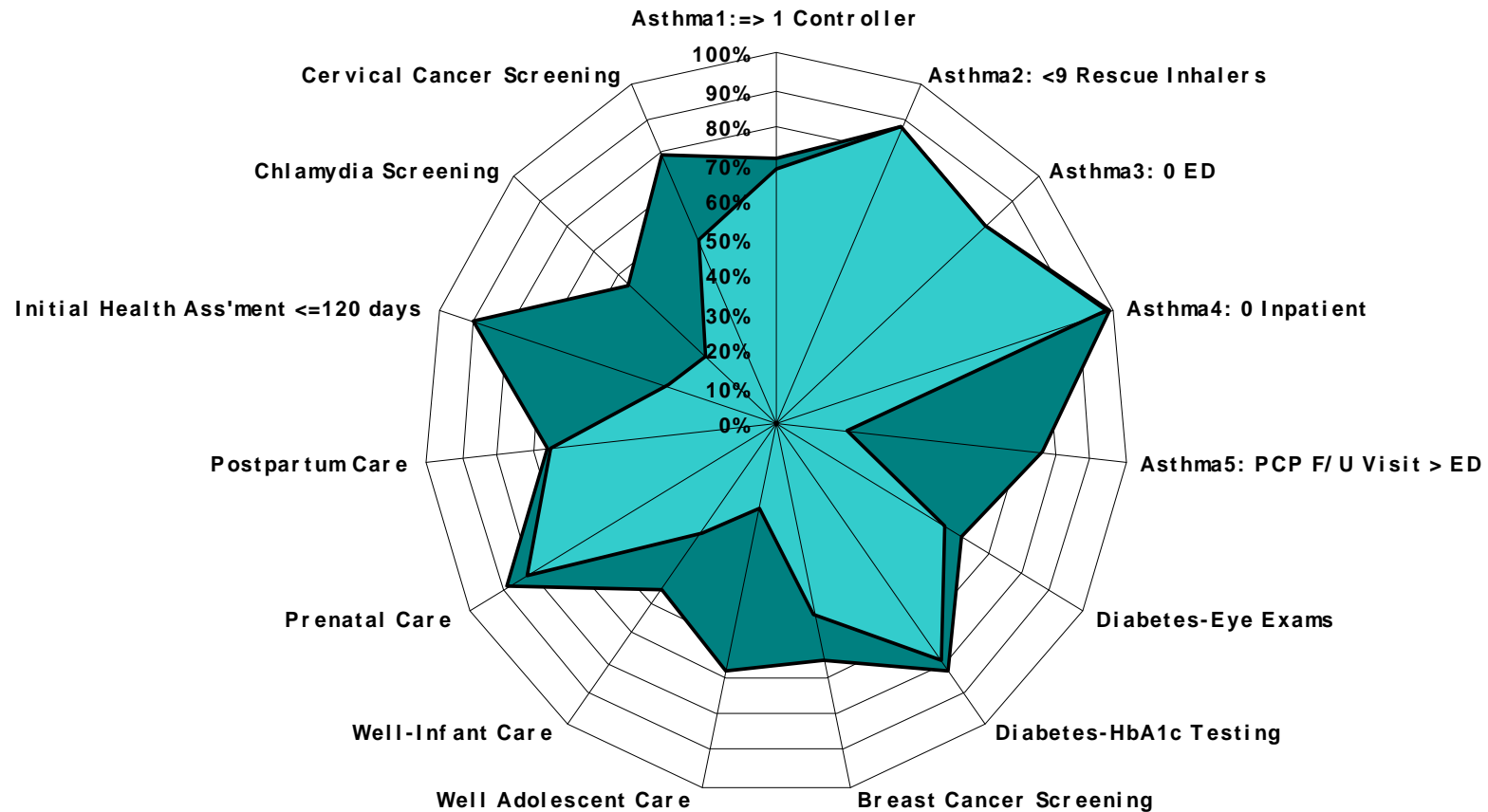
■ Rate



## How is PHC doing on quality measures compared to benchmarks in 2004?

■ Benchmark/Goal

■ Rate



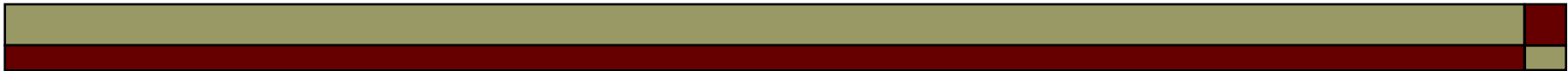
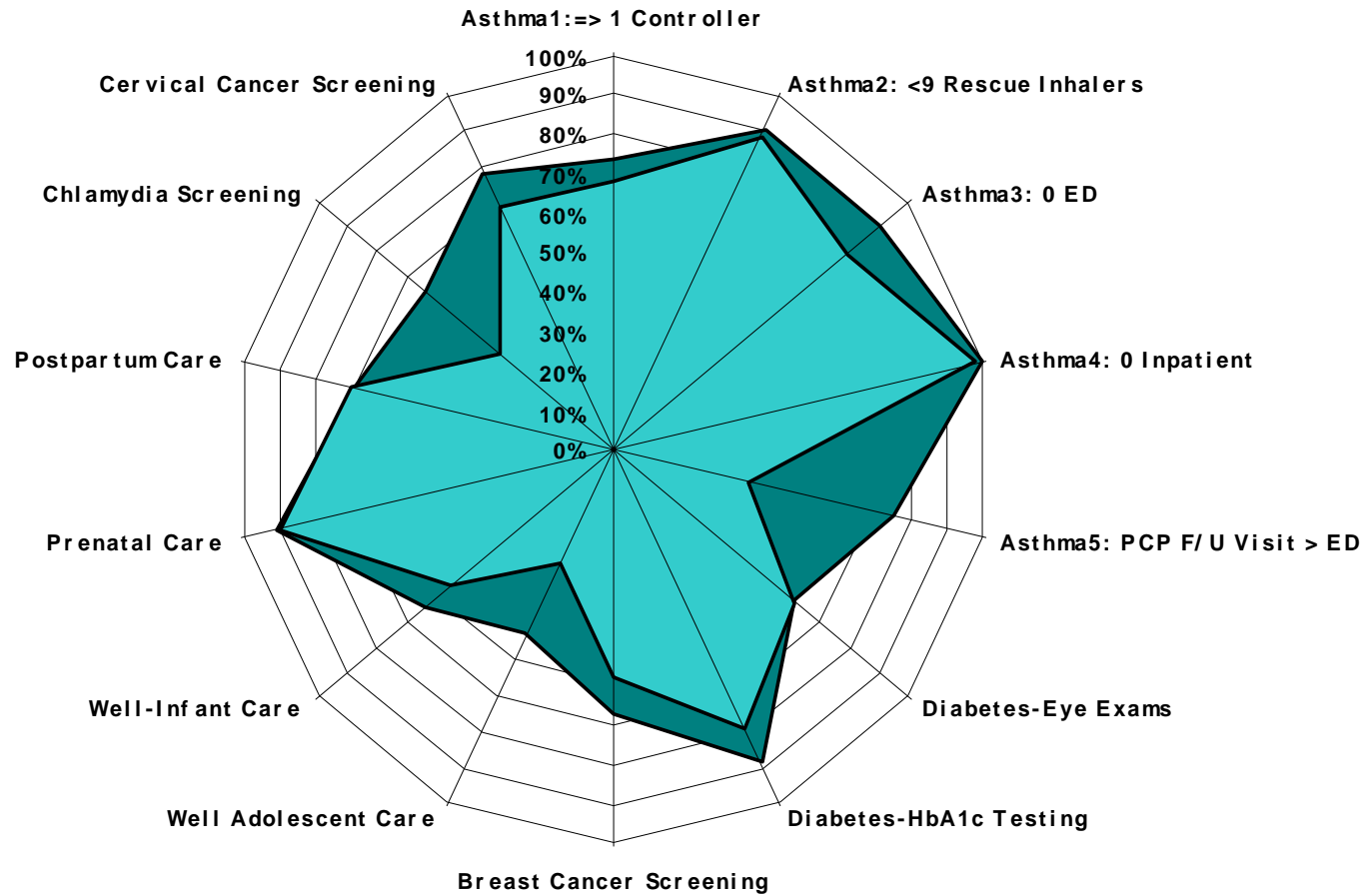


Figure 1 - How is PHC doing on quality measures compared to benchmarks in 2005?



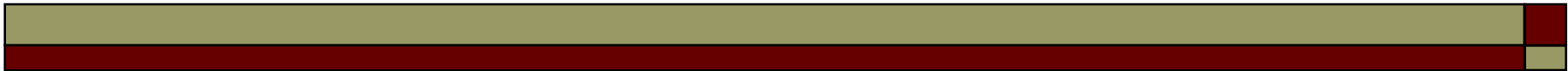
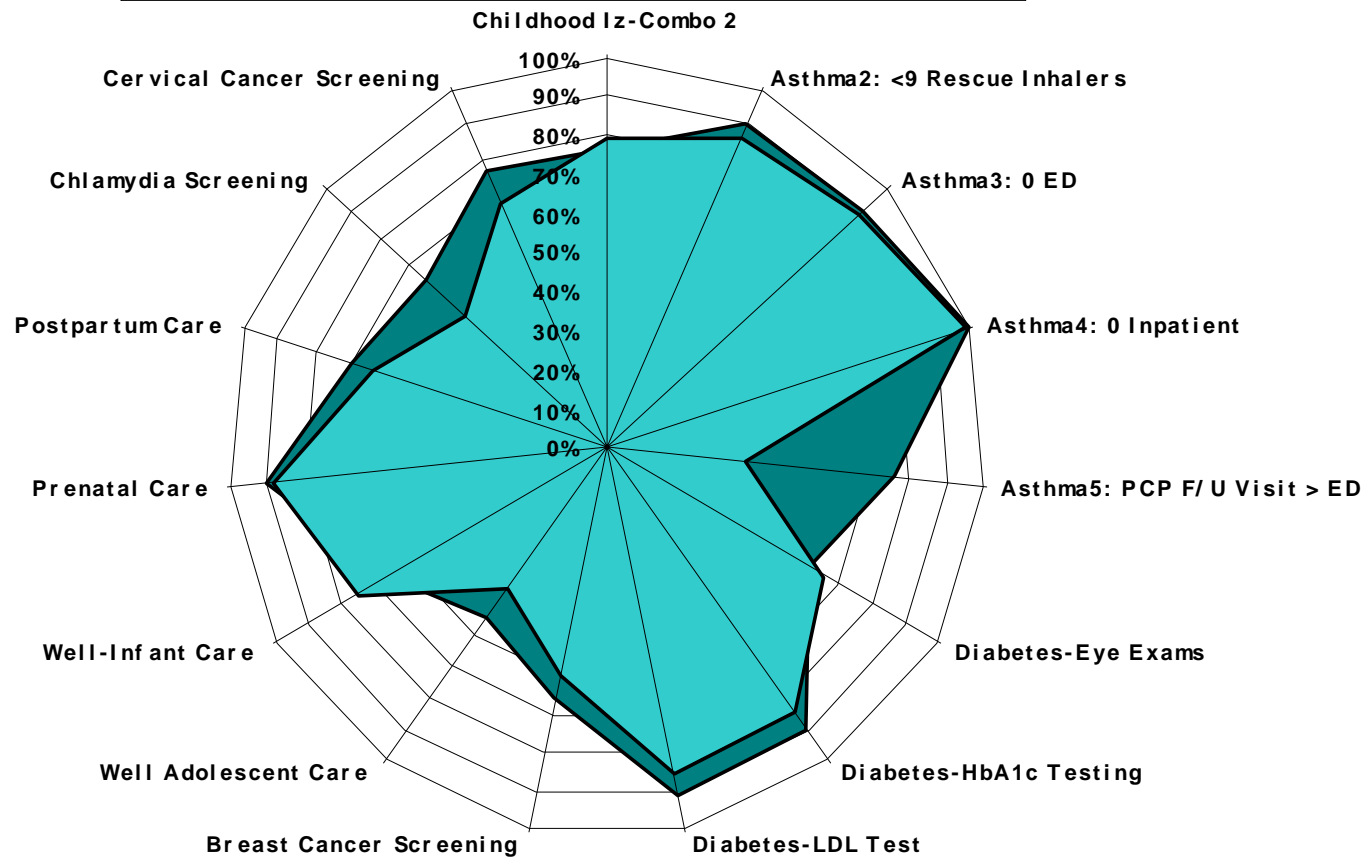


Figure 1 - How is PHC doing on quality measures compared to benchmarks in 2006?





# PLAN WIDE CHALLENGES

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- ❑ Obtain adequate funding from State.
- ❑ Assure Medicare is successful.
- ❑ Prepare for geographic expansion.
- ❑ AMISYS Advance implementation.
- ❑ Recovering operationally after bringing up two new programs back-to-back.
- ❑ Maintaining compliance with three different regulatory bodies.
- ❑ National Provider Identifier (NPI).
- ❑ Use I.T. to improve care and service to members.
- ❑ Choosing the right growth opportunities.
- ❑ Application for Healthy Families.



## MAJOR FOCUS AREAS

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Since inception, PHC has had stated priorities in quality and, soon after, in expansion. In 2001, PHC added a technology focus. In 2002, PHC could see the building California fiscal crisis and added viability as the fourth priority, ranking it of primary importance.

The major focus areas of PHC for the 2006-7 fiscal year are the following:

- ❖ Viability
- ❖ Expansion
- ❖ Quality
- ❖ Technology

# Viability Projects Timeline

## January 2007-December 2009

January 2007- December 2007	January 2008- December 2008	January 2009- December 2009
<p>Medicare Advantage Program Kicks Off</p> <p>Legislative Advocacy Program-Telling our Story</p> <ol style="list-style-type: none"> <li>1) Arrange and meet with key local legislators</li> <li>2) Meet with DHS, CMAC and other State Agencies</li> <li>3) Continue push for substantial funding</li> </ol> <p>Long Term Care Rate Issue</p>	<p>Continue Legislative Advocacy Program</p> <p>Geographic Expansion Begins</p>	<p>Possibly I.H.S.S.</p>

# Expansion Projects Timeline

## January 2007-December 2009

<b>January 2007- December 2007</b>	<b>January 2008 – December 2008</b>	<b>January 2009 - December 2009</b>
Partnership Advantage (Jan)  Expansion to Marin (Dec)	Expansion to Sonoma (July)  Healthy Families in Solano, Napa, Yolo (July)	Medicare in Sonoma, and Marin (Jan)  I.H.S.S. (July)  Expansion to Mendocino and Lake (Dec)

# I.T. Projects Timeline

## January 2007-December 2009

January 2007 - December 2007	January 2008 - December 2008	January 2009 - December 2009
Partnership Advantage Go-Live	Go Live for Marin (if not in 2007)*	Go Live for Mendocino-Lake (if not in 2008)*
AMISYS Advance Go Live	Set Up for Sonoma Expansion & Go Live*	Go Live for Medicare in Sonoma and Marin
Set Up for Marin Expansion & Possibly Go-Live*	Set Up for Mendocino-Lake Expansion & Possibly Go Live*	Begin Setup for Healthy Kids Expansion
Begin Setup for Healthy Families	Complete Set Up for Healthy Families & Go Live	Begin Setup for Medicare in Mendocino and Lake
IHSS (possibly)	Begin Setup for Medicare Expansion in Sonoma and Marin*	Execute a Project to Replace Paper-Based Processes in Claims or Health Services
	Execute a Project to Replace Paper-Based Processes in Claims or Health Services	

\*Exact project and its timing both depend upon receiving approval from the California Department of Health Services and when the approval and budget are received and accepted by PHC. The phrase “Possibly Go Live” means that if the set up begins as shown, the go-live date may be in the listed year or in the subsequent year, depending on details of project timing.

# Quality Projects Timeline

## January 2007-December 2009

January 2007- December 2007	January 2008- December 2008	January 2009- December 2009
<p>CHCF Efficiency Project (01/07 to 02/08)</p> <p>Asthma QIP (04/07-12/07)</p> <p>Breast Cancer Screening QIP (01/07-12/07)</p> <p>Expand Disease Registry Dev. CA Improvement Network (01/07-12/07)</p> <p>Healthy Kids Measures (02/07-06/07)</p> <p>LifeMasters Evaluation (03/07)</p> <p>Improving Care for Kids with Epilepsy</p> <p>Communication / Coordination Between Behavioral &amp; Physical Health (on-going)</p>	<p>Healthy Kids QIP (on-going)</p> <p>Medicare Advantage Measures (6/08 &amp; on-going)</p> <p>Continue Support for Chronic Disease Care (on-going)</p> <p>Expansion Facility Site Reviews (on-going)</p> <p>Asthma QIP (01/08-12/08)</p> <p>Statewide Collaborative on ER Use (07/07-06/08)</p>	<p>Medicare Advantage QIP (01/09-12/09)</p> <p>Support for Chronic Disease Care (on going)</p> <p>Statewide ER Use Collaborative (on-going)</p> <p>Asthma QIP (on-going)</p> <p>Expansion Facility Site Reviews (on-going)</p>



# PHC Financial Facts

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- Current Inflation factor: **4.12% or \$11M**
- Where will we be April 30, 2007 in Medi-Cal: **-\$.6M vs a budgeted of -\$2.2M...Consolidated; -\$0.3M vs a budgeted -\$3.7M**
- Projected date for hitting our minimum TNE in 2008/09\* (\$17.1M): **Dec 2008**
- Medicare Membership Breakeven # for April 30: **1171** (assumes current revenue and cost #'s remain the same)



# PHC Financial Facts (continued)

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- Additional TNE required going to Marin\*: **\$3.5M or \$17.8M** in total
- Additional TNE going to Sonoma\*: **\$7.3M or \$21.6M** in total
- Additional TNE if both are implemented at the same time\*: **\$9.8M or \$24.1** in total
- All the projections are based on data we have today. They will change once the budget is finalized in April!

\*Does not include Medicare & assumes our current \$ position today



# Enrollment & Other Info

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- Medi-Cal
  - Overall enrollment expected to be flat
  - Rates for Jan 1, 2007 rollback and AB 1629 are not finalized at the State
- Healthy Kids
  - Enrollment will continue to grow slowly
  - No change to current rates...might add HPV
  - Provider rates...unchanged
- Medicare
  - Enrollment exceeding targets
  - Healthcare costs are based on Milliman projections

# Partnership *Advantage*

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**Medicare Update**  
**As of February 15, 2007**



# A Progress Report

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- Product Highlights
- Critical Areas: Marketing, Coding, UM
- Operational Refinements
- Next Steps



# Product Highlights

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- ❑ 15,000 Dual Eligibles
- ❑ Exceptions
  - 2,500 enrolled in other Medicare risk plans
  - 1,000 in QMBY/SLMBY categories
  - 1,500 in LTC, ESRD etc
- ❑ 10,000 for marketing purposes

# Service Area

- Three Counties
  - ❖ Solano
  - ❖ Napa
  - ❖ Yolo





# Options for Dual Eligibles

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**If a Dual Eligible stays in Medicare fee-for-service:**

**FFS Medicare  
(Parts A and B)**

**Medicare Part D  
(Prescription Drugs)**

**Medi-Cal**

**If a Dual Eligible chooses another Medicare Advantage plan:**

**Medicare Parts A and B  
Medicare Part D**

**Medi-Cal**

**If a Dual Eligible chooses Partnership *Advantage*:**

**Medicare Parts A and B  
Medicare Part D  
Medi-Cal**



# PA Benefits

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- Traditional FFS Medicare and PHC MediCal plus:
  - ❖ \$0 copay on Rx\*
  - ❖ 3 day I/P stay prior to SNF admission waived
  - ❖ Health Care Coordinator service
  - ❖ Supplemental Benefits
    - Non-emergency Transportation
    - Massage Therapy
    - Home Safety Assessment/Safety Bar Installation
    - At-Home Recovery
    - Vision Services



# Critical Success Factors

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- ❑ Marketing
- ❑ Medical management
- ❑ Coding

# Partnership *Advantage*

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Marketing



# Year One Goal

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Goal: 2,000

To Date: 873



**Partnership***Advantage*

A Partnership HealthPlan of California  Medicare Plan



# Marketing Activity

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- ❑ Community Outreach
- ❑ Direct Mail
- ❑ Media Relations
- ❑ Internal Leads
- ❑ Provider Leads
- ❑ Minimal advertising

# Partnership *Advantage*

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Coding



# Coding

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- Dr. Marciano as consultant
- Training for PHC staff and MD offices
- PR continues training for provider offices
- Developing easy reference tools

# Partnership *Advantage*

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## Utilization Management



# Utilization Management

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- To date, heavy specialty utilization
- HCC (score) @ 1.2
- Pharmacy @ 1.204
- Care Coordination as resource
- Enhanced Benefits popular



# Refining Operations

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- Member Services
  - CMS/member calls
  - The right member literature out on time
- Pharmacy
  - Transition letters
  - Formulary management
- Health Services
  - Care Coordination/tracking health assessments
  - Utilization management



# Refining Operations *cont*

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- Quality Improvement
  - Grievance/Appeal systems
  - Training
- Finance
  - Transaction tracking
- IT
  - Tracker development
  - New Phone System



# Refining Operations Concluded

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- Provider Relations
  - Provider training
  - Still adding providers
- Human Resources
  - Staff training
  - <Move



# Next Steps

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- Continue Operational Refinements
- Prepare bid for year 2
- Changes?
  - Market to LTC members
  - Custom v. Standard formulary
  - Provider Reimbursement

# Partnership HealthPlan of California

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Strategic Planning Retreat

February 15, 2007

- **Mission**
- **Vision**
- **Values**



# TODAY'S DISCUSSION

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- ❑ Defining our culture
- ❑ How do we preserve it while expanding?
- ❑ How can we enhance it?



# MISSION STATEMENT

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The mission statement of an organization answers the question, “Why does this organization exist?”

**To help our members and the communities we serve be healthy.**



# STRATEGIC GOAL

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The Strategic Goal of an organization answers the question, “What does the organization want to achieve?”

**To be the most highly regarded managed care plan in the areas we serve.**



# GOALS

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- ❖ Improve access to care.
- ❖ Focus on primary and preventive care.
- ❖ Reduce use of Emergency Room for routine care.
- ❖ Improve the quality of care.
- ❖ Run a locally responsive organization.
- ❖ Establish managed care incentives.
- ❖ Maintain fair provider reimbursements and scope of services to the member.
- ❖ Use innovation in cost management.
- ❖ Continue to pursue NCQA standards.



# SUPPORTIVE VALUES / TACTICS

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## **Honesty**

- We do what we say we will do.
- We communicate honestly, directly and respectfully with our customers:  
members, providers, State and local governments, our employees, and the public.

## **Quality**

- We strive for the best possible quality in all that we do.
- We are cost-effective stewards of public resources.
- We focus on members and are sensitive to their unique needs.
- We support population health approaches through our community involvement.



# **SUPPORTIVE VALUES / TACTICS CONTINUED**

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## **Communication**

- We communicate our value to our membership, to the community in which we live, and to the public.
- We strive to communicate information fully and honestly as soon as possible to all our partners.

## **Participative Management**

- We value innovators.
- Teamwork is critical to our success.
- We follow sound leadership and management principles and teach these principles to directors and managers.
- We value our employees and attempt to meet their needs.



# **SUPPORTIVE VALUES / TACTICS CONCLUDED**

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## **Participative Management (concluded)**

- We strive to serve as role models for employees.
- We value recognition and reward efforts and achievements.
- We set clear goals and timelines for our projects.
- We appreciate humor in the workplace.



## **POSITIVE QUALITIES OF THE PHC CULTURE / BOARD PERCEPTION**

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- ❑ Extraordinary attention to running an evidence based company.
- ❑ Principle of “doing it right”.
- ❑ Mature organization.
- ❑ Impressive quality.
- ❑ Collaborative organization.
- ❑ Open to new people and ideas.
- ❑ Has a buy in from community of providers.
- ❑ Attention give to public health issues.