

NCHEALTH
Smart

An initiative of the State Health Plan

2012 ANNUAL REPORT

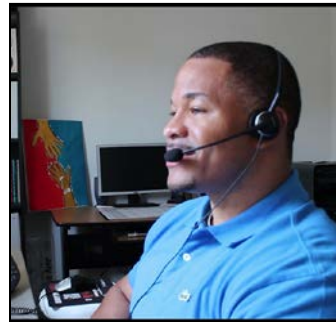
June 2013 | ActiveHealth Management, Inc.

Making a difference.

***Video Testimonial
High Point, NC***



Susan Houghton



Tracy Norwood

The video you are about to see is based upon a letter from an NC HealthSmart member. The member's letter was sent to an ActiveHealth manager. The member expressed her appreciation of Tracy Norwood, her Case Manager, for saving her life.

<http://vzaar.com/videos/1259829>

This story is told with the member's permission.



Realized Savings

Return on Investment

	Fees	Gross Savings	ROI
2012	\$24,860,825	\$187,259,090	7.53:1

Calculation

	2012 Prospective Expected*	Active Health Impactible?	Actuarially Adjusted "Expected"	2012 Retrospective Actual
Risk Factors (net of demographics)	0.0%	Yes	0.0%	2.4%
Utilization	2.4%	Yes	2.4%	-7.4%
Demographic Changes	0.0%	No	-0.6%	-0.6%
Unit Prices	5.0%	No	9.2%	9.2%
Plan Design	0.0%	No	-2.8%	-2.8%
Total Trend	7.5%		8.0%	0.1%

Expected Trend - Actuarially Adjusted	8.0%
Retrospective Actual Trend	0.1%
Active Health Impact on Trend	-8.0%
2011 Incurred Claims	\$2,341,493,032
Active Health Impact (Savings)	-\$187,259,090
Active Health Fees	\$24,860,825
ROI	7.53

\$187M in savings for NCSHP = 7.53:1 ROI

*Based on Segal and NCSHP revised approved methodology. Trend was approved by Segal and validation of CY 2012 results is pending.

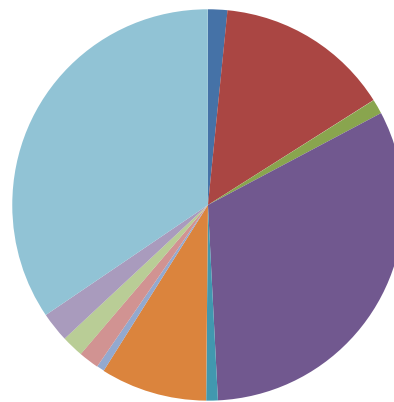


Health Outcomes

- 22 out of 28 measures improved from baseline
- NCSHP’s population has lower rates of ambulatory sensitive care hospitalization than the national average for:
 - ♦ Diabetes Short term Complications (18+)
 - ♦ Asthma in Younger Adults (18-39); Pediatric Asthma (2-17)
 - ♦ Low Birth Weight, Uncontrolled Diabetes (18+)
 - ♦ Pediatric Diabetes Short term complications (6-17)

Clinical Outcomes

- Over 178,000 gaps in care identified
- Over 92,000 unique members with gaps in care
- Over 77,000 gaps closed
- Over 497,000 Wellness alerts
- Over 262,000 Patient Safety alerts
- Top conditions generating Care Considerations:
 - ♦ Diabetes
 - ♦ Cardiovascular Diseases
 - ♦ Lipid Disorders
- Total Care Consideration Compliance 43.4%
 - ♦ Compared to 35.7% for BoB Compliance



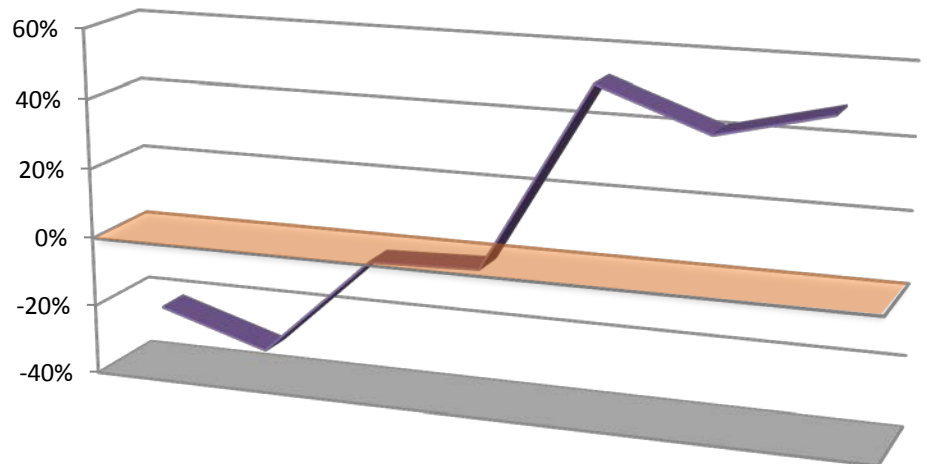
- Asthma
- Cardiovascular Diseases
- Chronic Kidney Disease
- Diabetes
- Heart Failure
- Lipid Disorders
- Liver Diseases
- Nervous System Diseases
- Osteoporosis
- Peripheral Arterial Disease
- Others

Lifestyle-Related Risk Reduction

- Overall 14% Risk Reduction
- 80 fewer risks / 100 participants*

*Risks include:
Excess alcohol, blood pressure, weight (BMI), LDL and HDL cholesterol, perception of health, existing chronic condition, physical activity, tobacco, stress management*

Risk Factor Reduction

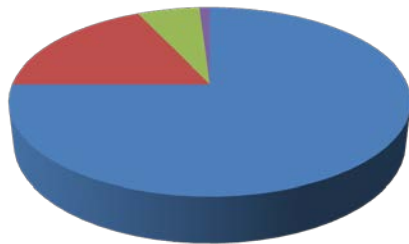


Risk Factors	Blood Pressure	Cholesterol	Weight	Smoking	Perception of Health	Physical Activity	Seatbelt Use
% Reduction	-21%	-31%	-2%	-1%	53%	41%	49%

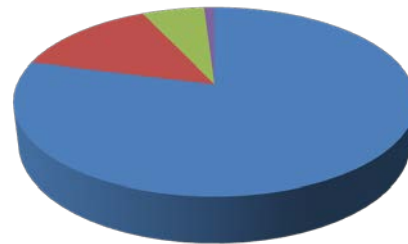
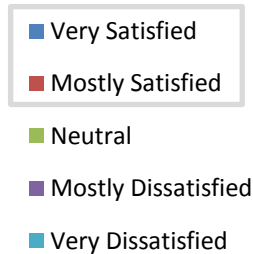


Member Satisfaction Results

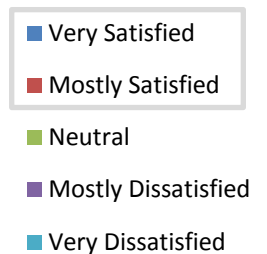
Target = 85%



93% with Program



93% with Nurse Coach Interaction



*ActiveHealth BoB Results:
Member Satisfaction with Program: 85%
with Nurse Coach Interaction: 87%*

100% of engaged members receive a satisfaction survey. Outreach to those members occurs once engagement in a program is completed. Member Satisfaction results were very favorable in 2012. Members surveyed were very satisfied or mostly satisfied 93% of the time with the program and their nurse/coach interaction.

Survey Questions:

1. How satisfied are you with the nurse or health coach you spoke with?
2. How satisfied are you with the nurse or health coach's willingness to help you?
3. How satisfied are you with the information or materials provided by the nurse or health coach?
4. How satisfied are you with the nurse or health coach's availability to assist you?
5. Overall, how satisfied are you with your experience with the program?
6. How likely are you to make changes based on your participation in this program?
7. How likely are you to recommend this program to others?
8. Now, we'd like to ask one question about the overall NC HealthSmart program and the services offered.
How satisfied are you with NC HealthSmart?

Response selection:

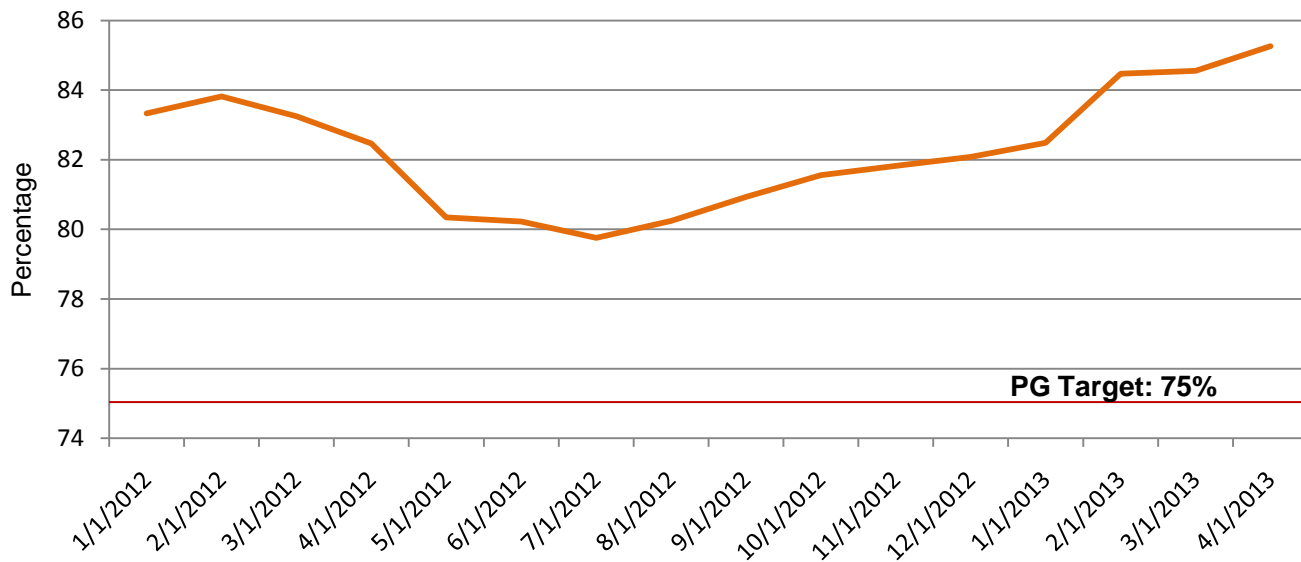
- If you are very satisfied, press 1
- If you are mostly satisfied, press 2
- If you are neutral, press 3
- If you are mostly dissatisfied, press 4
- If you are very dissatisfied, press 5
- To repeat this question, press star



Member Engagement

Member Engagement (All Programs)

Target = 75%



ActiveHealth BoB Results: 78%
 Member Engagement with Incentives: 85%
 Member Engagement without Incentives: 74%

Member Engagement 2012

	Total Population	Cumulative Members Identified	Identified as % of Total Population	Cumulative Targeted Members	Members Successfully Contacted	Contacted as % of Targeted	Total Members Managed	Members Managed as % of Total Population	Engagement Rates
DM	541,346	185,745	34.3%	111,231	24,191	21.7%	13,771	2.5%	
CM	541,346	41,804	7.7%	41,804	10,506	25.1%	4,375	0.8%	
Mate	541,346	17,404	3.2%	17,404	6,360	36.5%	4,763	0.9%	
ALC	541,346	131,711	24.3%	49,371	7,751	15.7%	6,326	1.2%	
2012 All Programs	541,346	376,664	69.6%	219,810	48,808	22.2%	29,235	5.4%	82%
2011 All Programs	545,213	324,197	59.5%	156,268	32,211	20.6%	25,010	4.59%	77.6%

Engagement is defined as members with successful nurse coach contact, a completed a nurse/coach assessment and a scheduled follow up appointment. Engagement Rate as of July 2013 >85%.

Performance Measures



Below are the Performance Guarantee Targets, Actual Outcomes and Performance Year End for 2012

Performance Guarantee	2012 Performance Guarantee Target	Actual Outcomes	Performance Year End	
Return on Investment	3:1	7.53:1	Achieved	
Program Satisfaction	85%	93%	Achieved	
Interaction Satisfaction	85%	93%	Achieved	
Engagement Rates	75%	82.1%	Achieved	
Call Center Performance	Average Speed to Answer < 30 seconds Cumulative Hold Time < 90 seconds Call Abandonment Rate < 3% Call Block/Busy Rate < 1%	1 seconds 40 seconds 0.4% 0.0%	Achieved	
Data Load and Reporting	99% of data files loaded in 5 days, Reports delivered as mutually agreed	99.7%	Achieved	
PCMH Transition	Attributed Member Migration rate 25% by end of 2012	>25%	Achieved	
Clinical Performance Measures	Asthma Use of Appropriate Medications	>89%	90.7%	Achieved
	HF Readmit Rates	<11.5%	8.0%	
	Colorectal Screens	≥42%	47.8%	
	Breast Ca Screens	≥70%	73.7%	
	Diabetes LDL Monitoring	≥84%	81.3%	
	Diabetes Nephropathy	≥90%	88.2%	Below Target



The Right Partnership

Helping NC HealthSmart members manage their health, resulting in improved cost savings

Chapter 1

Find

Uncovering
Opportunities
for the Right
People

Chapter 2

Engage

Activating
Members to
Change
Behaviors

Chapter 3

Improve

Improved
Health,
Realized
Savings

Chapter 4

Evolve

The Best
is Yet
to Come

Empowering and guiding NC HealthSmart
Members to better health and wellness



***“The whole is greater than the sum of its parts.”
~ Aristotle***

We appreciate NCSHP’s continued trust in ActiveHealth Management as the right partner for your Population Health Management needs. As our story has shown, together we really are better!

Thank you for your business and for the opportunity to continuously find, engage, improve and evolve in order to improve the health and the lives of NC State Health Plan members.

2011 and 2012 have been outstanding years delivering extremely strong performance results and value to the Plan and its members.

We are excited about the future and look forward to partnering with you in 2014 and beyond.

