



A VOICE

..... *for*

HEALTH CARE
QUALITY & VALUE

You May Have Noticed...

That ACHP member plans dominate the ratings systems for health care quality.

When the discussion turns to health care delivery innovation, an ACHP member is most likely mentioned.

When health care leaders, policymakers or journalists need an example of an organization striving to achieve the three-part aim—better health, better care, at a lower cost—more than likely they find an ACHP plan.

Why is That?

It starts with a mission. The ACHP mission:

“ ACHP and its members improve the health of the communities we serve and actively lead the transformation of health care to promote high-quality, affordable care and superior consumer experience. ”

Read on to discover how ACHP and its member plans are innovating, creating healthier communities, keeping people healthy and making health care more affordable—and how ACHP is helping its members to do so.

On your mark, get set, go: Little feet scampering at the Independent Health 23rd Annual Kids Run in Buffalo's Delaware Park in June.





A COLLECTIVE VOICE FOR QUALITY AND VALUE

Dear Friends and Colleagues:

Getting more value from health care spending is a paramount concern in the halls of Congress, company boardrooms and around kitchen tables. In implementing the health care reform law, policymakers seek answers to pressing questions on delivering accessible, high-quality, patient-focused health care that is cost-effective. As they do, they turn to ACHP for answers.

That's because ACHP plan members have been innovating and demonstrating strategies to improve the health of their communities, and striving to do so at an affordable price. Building healthier communities is at the core of ACHP's mission. ACHP members are rooted in their communities, giving them a vested interest in delivering value: the right care, high quality care, at an affordable cost.

In 2011, health care thought leaders, policymakers and regulators increasingly sought the advice and perspective of ACHP and our members. They see ACHP plans consistently as the nation's top quality performers and innovators. This annual report tells our members' stories of setting goals, meeting those goals, collaborating around performance improvement and exploring new payment incentive models to achieve Triple Aim outcomes.

Our collective voice is being heard. Our plans are seen as models for the future of workable health care with better outcomes and more affordable costs to individuals, employers and public programs. People are listening. As a result, our members benefitted in 2011 from a higher profile and our advocacy on a host of issues that will help our regional, not-for-profit members to compete effectively in a marketplace operating under the new rules and dynamics of health care reform.

ACHP plans will continue—in 2012 and beyond—to innovate, collaborate and set ever higher bars for performance. We're passionately committed to making health care BETTER. This *Report to the Community* tells the story.

Be well,

Patricia Smith
President & CEO
Alliance of Community Health Plans

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2011

AT A GLANCE

MAKING A DIFFERENCE
IN WASHINGTON AND IN
THE COMMUNITIES WE SERVE



In 2011, the independent National Committee for Quality Assurance (NCQA) ranked 17 ACHP Medicare plans among the top 25 in the country and eight ACHP Medicaid plans among the top 25. It also ranked 15 ACHP commercial plans among the top 25 **best performing health plans in the country.**

In October, the **Centers for Medicare and Medicaid Services (CMS) awarded seven ACHP member plans 5 stars**, the highest quality score awarded to health plans participating in the Medicare Advantage program. Of the 555 participating plans, CMS awarded the 5-star rating to only nine Medicare Advantage plans. A total of 31 coverage options offered by ACHP members received 5, 4.5 or 4 stars by Medicare. Ninety-eight percent of all Medicare patients enrolled in a 5-star plan have coverage from an ACHP member organization.

ACHP **raised the visibility of our member plans** this year by arranging meetings and discussions with influential Washington policymakers, regulators and thought leaders. ACHP plan leaders met with officials at CMS, the Center for Medicare and Medicaid Innovation, the Medicare Payment Advisory Commission, and editors at the preeminent health policy journal *Health Affairs*, on a range of issues central to the mission and business success of ACHP plans.

ACHP lobbying efforts ensured successful implementation of a quality incentive component in Medicare Advantage, providing impetus for health plans to **invest in quality performance** and additional benefits for Medicare patients. In 2011, lawmakers passed provisions to establish **value-based purchasing** in Medicare Advantage, thanks to previous ACHP advocacy efforts, and CMS announced the health plans that would receive the first quality incentive payments in 2012.

INNOVATORS. LEADERS. HIGH PERFORMERS.



This year, ACHP **voiced competitive concerns for community-based plans in the post-health care reform marketplace.** These included the impact of the calculation of medical loss ratio (also called “medical cost ratio”) on not-for-profit plans, treatment of community benefit expenditures, standards for provider networks, and operation of the health insurance exchanges. ACHP advocated that regional, community-based—not just statewide—health plans be accepted as Qualified Health Plans in forthcoming health insurance exchanges.

The Alliance accelerated a **staged communications strategy** to provide greater visibility for our member plans and ACHP. We provided a **collective voice** to showcase our members’ unique performance and capabilities, catching the attention of health care policymakers, regulators and thought leaders.

ACHP launched its *Health Plan Innovations in Patient-Centered Care* series with the first publication on care management. The series will consist of a collection of three publications highlighting the critical role **community-based health plans** play in partnering with provider organizations to **improve care** and **lower costs** in the areas of patient care transitions from one setting to another, effective care management for the chronically ill, and transforming primary care.

We strengthened ACHP’s **quality improvement and analytics tools** to help members measure the quality of patient care, improve performance and increase marketplace position.

ACHP proudly welcomed two new members: **Rocky Mountain Health Plans** of Grand Junction, Colorado, and **SelectHealth** of Murray, Utah.

Speaking with a Collective Voice

In 2011, the focus shifted from passing health care reform to implementing it. Some of the most significant regulations affecting the future marketplace were written. Federal and state officials crafting the details on health care delivery system changes often sought guidance from ACHP.



In May, ACHP leaders presented innovations in care delivery to Jon Blum, Director of the Center for Medicare, and senior staff.

SPEAKING WITH A COLLECTIVE VOICE

ACHP plans are known for:

- Being innovators that lead improvements in their communities' local health care systems;
- Demonstrating value in our efforts to lead the way in making health care coverage more affordable;
- Convening local stakeholders in communities around the nation to solve some of health care's most intractable problems; and
- Being some of the nation's highest-performing health plans.

ACHP supports our member organizations so that they can continue to excel at what they do.

INNOVATORS IN LEADING LOCAL SYSTEM IMPROVEMENTS

ACHP convened forums so our member health plans could collaborate around Triple Aim performance improvement. We gathered our plans' medical directors to share experiences and best practices on clinical innovations and how they are collaborating and creating relationships with community stakeholders to achieve the goals of better health, better health care and lower costs.

Collaborating to solve some of health care's more pressing challenges.

ACHP also hosted forums so health plan executives could explore marketplace strategies and new payment incentive models that help achieve Triple Aim outcomes. The open discussions and cross-fertilization of knowledge and experience helps ACHP members create healthier communities. Sharing ideas and solutions helps all our members bring out their best.

LEADING THE PACK IN DEMONSTRATING VALUE AND PERFORMANCE

Leadership matters. ACHP continued to advocate for quality incentive payments in Medicare Advantage (MA). Our persistent work paid off when the Centers for Medicare and Medicaid Services wrote the rules that, for the first time, introduce performance-based payment into the Medicare Advantage program. These payments will allow ACHP members to offer reduced cost-sharing and additional covered services to their Medicare patients. Five-star plans also can enroll beneficiaries year round, not just during Medicare's fall enrollment period. Seven of the nine Medicare 5-Star (the highest rating) health plans are ACHP members.

The Medicare quality measures and star ratings will serve as a model for development of a similar quality rating system to be used in the health insurance exchanges in 2014. ACHP is working with policymakers to build a strong value-based purchasing component into the exchanges.

ACHP analytics and quality improvement tools continue to improve to meet members' needs in a reformed health care marketplace. ACHP tools helped our members lead NCOA and Medicare rankings of top-performing health plans.

But we aren't content with our history. To help our members work toward high performance and quality improvement, ACHP enhanced its quality improvement tools and analytic capabilities. Member plans continue to depend on ACHP's Health Plan Performance Gauge®, a proprietary benchmarking tool that helps members improve their performance on measures related to clinical treatment, access to care, patient satisfaction and resource use. In 2011, ACHP provided almost all of our members with customized presentations and/or tailored analyses.

Our members rely on ACHP tools that help them to improve performance and solve problems.

In 2011, ACHP's Medicare Star Ratings Gap Analysis supported quality improvement in Medicare Star ratings. The tool helps plans assess how far away they are from achieving the next star level for each measure and how improving star ratings on a given measure would affect the overall star rating.



Martin's Point Health Care employees getting briefed on the details of the health care reform legislation.



Department of Health and Human Services Secretary Kathleen Sebellius discussed major health reform issues with the ACHP Board in January.

CLEAR MESSAGES AND THOUGHT PARTNERS ON POLICY ISSUES

ACHP has strengthened the capacity of our members to advocate with a collective voice on key public policy issues. When high-performing plans speak in unison, ACHP advocacy efforts can achieve significant regulatory and legislative outcomes.

ACHP staff and plan leaders met with senior officials on the Hill and at the Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the Medicare Payment Advisory Commission, and editors at the preeminent health policy journal *Health Affairs*, on a range of issues that are central to the mission and business success of ACHP plans.

ACHP and our member plans are seen as valuable thought partners. Such meetings give influential people in the policy community an opportunity to tap into how our members are delivering high-quality, value-based care. From implementing health care reform to looking at how to reward plans for better aligning care, policymakers are eager to understand how community-based plans are coordinating and improving patient care, designing patient-centered medical homes, delivering the best care in post-acute care settings and aligning care delivery and payment.

Consistent with our mission, ACHP works for public policies to improve the quality of the nation's health care and the lives of patients.

It's a two-way street. Such discussions also supplement our advocacy efforts. Policymakers, lawmakers and regulators listen to the needs of proven performers. Our lobbying efforts successfully ensured that:

- A quality-based payment was maintained in Medicare Advantage, helping to provide incentives for health plans to invest in quality performance.
- Regional, community-based—not just statewide—health plans will be able to compete to offer coverage in forthcoming health insurance exchanges.
- Quality, performance and value will all be key attributes of health plans competing in the future exchanges.
- Regulators heard and addressed our concerns on a variety of competitive issues in the health care reform marketplace for community-based plans, including the calculation of medical loss ratio as it impacts not-for-profit plans, treatment of community benefit expenditures, standards for provider networks, and other issues in the implementation of health insurance exchanges.

COMPETING SUCCESSFULLY UNDER HEALTH CARE REFORM

Just as we've helped our member plans better understand Medicare Advantage and what goes into the Star Ratings, ACHP has provided guidance to members on the implications of Affordable Care Act provisions. Several educational opportunities have helped members anticipate the impact of market-driven and health care reform changes.

For example, our member plans improved their performance by drawing on ACHP's Medicare Advantage SnapShots®. We produced more than 1,500 such reports, helping our plans to identify gaps in performance by better understanding MA dynamics in their marketplace.

ACHP offers member organizations tools and programs that help them improve their clinical performance and marketplace performance.

We're also helping our plans to prepare, execute and deliver the care, outlined in federal standards, on the ground in their community. We're showing how it works in practice. This includes designing products that are more responsive to Medicaid consumers and anticipating the changes with new health insurance exchanges.

SHOWCASING THE NATION'S HIGHEST-PERFORMING HEALTH PLANS

ACHP accelerated its work in 2011 to raise the visibility of our member plans and of ACHP. Health care policymakers, regulators, the media and other thought leaders are hearing our collective voice, describing what high-quality, aligned delivery looks like.

ACHP published compelling examples of our plans' high performance in primary care delivery, transitions of care, shared decision-making, value-based design, quality performance and other achievements. We highlighted these to a broad public audience in Washington and around the country using press releases, interviews, case studies and working closely with our member plans.

Improving the health of our communities and transforming care around the Triple Aim is our mission.

We've issued publications that highlight how ACHP members are effectively delivering Triple Aim-type care. A new series, launched in 2011, called *Health Plan Innovations in Patient-Centered Care*, highlights the critical role community-based health plans play in partnering with provider organizations to improve patient care and lower costs. The series of publications focuses on how ACHP plans have put into place systems for patient care transitions from one setting to another, effective care management for the chronically ill and transforming primary care.

MODELS FOR THE NATION

Health care reform passed in 2010, but much of the heavy lifting unfolded in 2011. As policymakers sought solutions to the challenge of delivering high quality health care that is accessible, cost-effective and designed for the patient, they turned to ACHP's community-based member plans.

As pioneers of innovation in their markets and national leaders in demonstrating high-quality performance, ACHP member plans have been early forerunners of key components of health reform. This includes advanced medical home models, creative applications of technology to engage employers and members, and measurement-driven performance incentive programs.

"This success speaks to the strength of the relationships that these organizations have built within their communities and highlights the importance of being local health plans that are rooted in their towns and counties, and are invested in the health of their communities and the long-term viability of the communities they serve."

Patricia Smith
President & CEO
Alliance of Community Health Plans

HOW WE DO IT:

Creating Healthier Communities

ACHP plans are creating healthier communities by engaging people in healthy life choices and collaborating with local doctors, hospitals, employers, and others in the community to transform the way care is delivered. The most direct path to more affordable care is by preventing and better managing chronic illness at the individual and population level.

"High value health care yields stronger communities... If we are going to achieve excellence in health care, it will take everyone working together in areas where it just makes sense to collaborate."

Dr. Michael Cropp
Independent Health President and CEO
HEALTHeLINK's Founding Chairman

Creating healthier communities: A mother and daughter having fun before the Tufts Health Plan 10K for Women in Boston. Tufts Health Plan photographs by Tom Kates.



CREATING HEALTHIER COMMUNITIES

The success of these initiatives is evident across plans with different markets, populations and business models. ACHP plans' network arrangements represent the entire spectrum of integration—from fully and partially contracted delivery systems to fully contracted network models. Each plan has a proven ability to build and maintain strong relationships with health care providers and community stakeholders.

ACHP MEMBER PLANS IN ACTION

Rocky Mountain Health Plans has transformed patient care in its community by integrating local resources and aligning local stakeholders to improve access to care and coordination for its 190,000 members. By revamping emergency room, end-of-life and primary care, Rocky Mountain has helped make western Colorado one of the nation's lowest health care cost areas, while continually receiving outstanding satisfaction scores from patients and their family members.

CareOregon introduced a patient-centered care medical home model, called Primary Care Renewal, to boost care management of diabetes and depression among migrant workers, the elderly and other underserved populations. Five years later, it has spread the model—including a pay-for-performance arrangement linked to improvement in care and satisfaction—to 17 provider practices in the state, benefitting both CareOregon members and nonmembers seeking care from those practices.

Thanks to its ability to effectively integrate data from multiple sources, **UPMC Health Plan** is able to better care for Pittsburgh's population. UPMC Health Plan analyzes data to focus on specific individuals or conditions, as well as broad trends related to productivity and wellness over time. For example, UPMC Health Plan has successfully worked with area employers to curb the medical cost trend, reduce

rates of disability and medical leave, and decrease costs of worker's compensation programs.

Geisinger Health Plan, ranked among the top 10 commercial and Medicare plans nationwide, is improving quality for central and northeastern Pennsylvanians. It is doing so by coordinating teams of primary care doctors and nurses to keep people healthy, focusing on patients' experiences and using value-based reimbursement for physicians. The plan's ability to improve the health of the population while delivering care more efficiently has won accolades from the nation's leaders.

HealthPartners, Security Health Plan and **UCare** are leaders in an effort, called the Institute for Clinical Systems Improvement (ICSI), that is transforming health care in Minnesota and Wisconsin. A total of five health plans and 60 medical groups and hospitals are working together in the non-profit collaborative to achieve Triple Aim goals of improving population health by delivering patient-centered, value-driven care. HealthPartners was a founder of ICSI over a decade ago.

ACHP member plans contribute millions of dollars in community benefits each year to improve the health and well-being of their communities. The variety of community benefits range from **Group Health Cooperative's** work in the recently launched Vax Northwest coalition to boost Washington State's vaccination rates to **UPMC Health Plan's** sponsorship of Rainbow Kitchen Community Services, an organization that provides meals for almost 500 households a month and assists low-income youth in finding jobs and mentors. **Priority Health** has even taken up sponsoring a semi-professional team of athletes to compete in local Michigan-based events, while also touring local schools and community events to give real life examples of the advantages of a healthy lifestyle. As part of its "Health Care for Montanans," **New West Health Services** gives thousands of dollars in college scholarships each year to students pursuing a degree in a health care shortage-related field.

CASE STUDY

Collaborating with Local Stakeholders to Improve Community Health: Independent Health

Looking to its mission to improve the health of its community, Independent Health of Buffalo, NY, often rallies community stakeholders—even competitors—to collaborate on ways to improve the health and economic well being of western New Yorkers. One such effort, initiated by Independent Health a decade ago, has resulted in an online registry containing the medical records of hundreds of thousands of Buffalo-area residents. What this means: Area residents have a far greater chance of receiving the right care they need at the right time, while avoiding mishaps.

That's because doctors, hospitals and other health care providers in western New York can conduct an Internet-like search to pull up their patients' pharmacy, lab and test results, allergies, diagnoses, and hospital and doctor records. The community-wide medical record registry, called HEALTHeLINK, allows nearly all of the region's providers to quickly access medical records of area patients. HEALTHeLINK has helped to make Buffalo a U.S. Department of Health and Human Services "Beacon" community for its leadership in the use of health information technology to support good health and good health care. A similar system, also spearheaded by Independent Health, contains claims data on 1.4 million residents in an eight-county area to help make health care transactions more efficient.

Studies show that provider access to digitized patient records saves time, money and potentially lives. However, relatively few doctors or hospitals nationwide have access to electronic patient records. A national pioneer and model, HEALTHeLINK is a secure, communitywide, online network for health care providers and payers to share patient medical and benefits information.

"High value health care yields stronger communities... If we are going to achieve excellence in health care, it will take everyone working together in areas where it just makes sense to collaborate," says Independent Health President and CEO, and HEALTHeLINK's founding chairman, Dr. Michael Cropp. That's the case in western New York.

See the full story at www.achp.org

HOW WE DO IT:

Keeping People Healthy

AHP plans are reworking care delivery by putting a premium on wellness, making it easier for members to stay healthy. Our plans also empower patients with care coordination, clear communication and useful tools and information so they can participate in their own health care. Helping people to stay healthy, get well and manage chronic illnesses lifts the health and financial security of individuals and the community.

Terrence Tuominen, MD, treats a young patient at Westfields Hospital's Specialty Clinic in New Richmond, Wis., a key partner HealthPartners has developed to offer patients in western Wisconsin access to an even wider range of health services.



KEEPING PEOPLE HEALTHY

Priority Health involves patients with back pain in the decision-making process about treatment, with a program that promotes education on back surgery—a popular option despite high costs and variation in outcomes—to patients and providers alike. As a result, back surgeries have been reduced by 26 percent in recent years, referrals to physiatrists are up 50 percent, patients are more satisfied with their outcomes and costs are trending down.

HealthPartners has revolutionized virtual medicine and patient-centered care with its virtuwell.com, the first fully online clinic staffed by actual nurses, and available 24/7 for patients to get immediate care for everyday ailments, ranging from cold and flu to bladder infections. Within 10 minutes, patients receive a diagnosis (from a nurse practitioner after an online medical interview), a treatment plan and a prescription, if needed, and are charged only if they choose to receive the treatment plan or prescription.

Group Health Cooperative of South Central Wisconsin's comprehensive program around proper antibiotic use has resulted in nation-leading rates in HEDIS® on appropriate use of antibiotics. The plan continues to be well above the 90th percentile in this area for the last five years of HEDIS® reporting.



Sponsoring healthy habits: A local patron shops at Capital District Physicians' Health Plan Farmer's Market in Albany, N.Y.

Security Health Plan of Wisconsin strives to deliver high-quality health care and continually improve upon the quality of services for its members. The key, as Security sees it, is to keep consumers informed and engaged with a panoply of services and decision-making support tools so its members can make educated health care decisions. The approach has paid off: Security is only one of nine plans in the nation to receive 5 stars from the Medicare program.

House calls are a thing of the past in most places, but **Fallon Community Health Plan** has brought them back with Home Run, a home visit program for aging members with chronic obstructive pulmonary disease and certain other chronic diseases. Members of a multidisciplinary team—including a geriatrician and nurse practitioner—visit the homes of program members at least monthly to gauge patient needs and to check on their status and care plans. Fallon finds that home visits reduce hospitalizations, keep members healthier and more independent, and save money.

Capital Health Plan (CHP) of Tallahassee last year exceeded smoking reduction goals set by Healthy People 2010, a national set of health objectives to be achieved through the first decade of the new century. Only 10 percent of CHP members report that they smoke, surpassing the 12 percent goal set by Healthy People 2010. Just a decade ago, more than 40 percent of CHP members were smokers.

Martin's Point Health Care is collaborating with employers and providers in central Maine in an innovative partnership focused on boosting patient experiences, improving population health and moderating rising health care costs. The collaboration is designed to better serve the needs of 400,000 Maine residents, while working on new patient-centered care approaches, including an accountable care organization.

CASE STUDY

An Ounce of Prevention Saves Lives and Money: Kaiser Permanente Southern California

Breaking a hip can be a death sentence for older individuals, yet the health care system rewards providers for treating patients' broken bones rather than preventing them. That's twisted logic for Kaiser Permanente Southern California, which has invested in preventing its members from breaking bones. The payoff—in lives, suffering and costs—is eye opening.

Consider that each year, 1.5 million individuals with osteoporosis suffer a fracture. Of those who fracture a hip, one quarter die within a year and another 25 percent end up in a nursing home. Such fractures are debilitating for those who suffer one.

The financial cost of a hip break is also significant. Treatment costs run about \$18 billion annually. Too often, those at risk don't know it or are unaware that they can take basic steps to prevent a fracture.

Proactively Reaching Out

A decade ago, Kaiser Permanente Southern California started a program that proactively identifies, screens and treats those with, or at risk for, osteoporosis. While the Kaiser Permanente Healthy Bones Model of Care initially raised costs for outreach, additional screening and a "just-in-time" approach to treat targeted members, it didn't take long for the savings—both in debilitating fractures and money—to accrue.

As a result, Healthy Bones in 2010 reduced the rate of hip fractures among members by 47 percent; it's estimated the program prevents more than 1,000 hip fractures each year and saves an estimated 250 lives annually. The program reduces hip fracture treatment costs by about \$40 million annually, far outweighing program costs. The plan ranks tops in the nation on HEDIS® 2010 Medicare measure of osteoporosis management in women who had a fracture (70.1 percent).

See the full story at www.achp.org

HOW WE DO IT:

Making Care More Affordable

ACHP plans show how it is possible to get better results and value for our spending. Member plans constantly innovate to deliver better health outcomes for patients, striving to do so at lower-than-average costs. One way member plans achieve this is by encouraging and rewarding positive patient outcomes. Paying for performance—versus volume—promises to simplify care, minimize redundancy, create a better patient experience, and make health care more efficient and effective. Improving outcomes requires investing in them, whether it means implementing information technology or creating on-the-ground care solutions.

Marlene Murphy, outreach coordinator for Rainbow Kitchen, gathers some of the supplies the Pittsburgh-area food pantry donates each month to 500 households, thanks in part to major sponsor UPMC Health Plan.



MAKING CARE MORE AFFORDABLE

Group Health Cooperative revamped its primary care practices in a pilot program in 2009, creating teams of doctors, nurses and pharmacists who work together, extending the typical office visit from 10 minutes to 30 minutes. Care managers follow up with patients after office visits, hospital stays and procedures. After two years, quality of care and patient satisfaction have improved, while emergency room visits dropped by 29 percent and hospitalizations by 6 percent. Group Health has since spread the model to all group practices.

UCare of Minneapolis partnered with Lakewood Health System to build a rural Accountable Care Organization so that it could better provide education, transportation and care supports for frail and elderly members in rural northern Minnesota. UCare provided tools, support and care management programs to the ACO, and after three years saw improved health care for nearly 700 patients, higher satisfaction rates and sharp reductions in costs.

Presbyterian Healthcare Services' Hospital at Home program helps patients with acute illnesses such as asthma or pneumonia receive care at home, rather than in the hospital. Presbyterian provides patients and families with physicians, nurses, and necessary equipment to be cared for at home, preventing hospitalizations and potential complications. Caring for such patients saved an average of \$2,000 per patient on roughly 300 inpatient stays in 2010, for more than \$600,000 in savings.

Capital District Physicians' Health Plan (CDPHP) in upstate New York is showing that setting up patient-centered medical homes can both curtail medical cost trends and improve patient care, based on several HEDIS® metrics. Going forward, CDPHP wants to take the savings from this work and use it to both reduce premiums and have enough left over to increase pay for primary care physicians.

SelectHealth, the health plan of Utah's Intermountain Healthcare, has used the data produced by its health information systems to streamline care. For example, a new protocol for delivering babies has decreased the rate of unplanned Caesarean sections, saving some \$50 million annually.

Scott & White Healthcare, the health system affiliated with **Scott & White Health Plan**, in 2011 was invited to join the High Value Healthcare Collaborative, formed by five health systems and the Dartmouth Institute for Health Policy and Clinical Practice Healthcare Collaborative, to improve health care, lower the costs of care and push out models for best practices. With its collaborative partners, Scott & White is working to help reduce the wide variation of outcomes and costs for total knee replacement, diabetes, asthma and six other conditions.

Rated by *InformationWeek* as one of America's top technology innovators, **Kaiser Permanente** offers proof that information technology can both improve patient care and reduce costs by avoiding duplicative or unnecessary tests. Even better, Kaiser Permanente's HealthConnect®—connecting nearly 4 million of its 9 million members to date—also improves the members' experience of care by reducing patient wait times and supporting better health outcomes through faster treatment.

Tufts Health Plan of Watertown, Mass., recently launched "Your Choice," an innovative insurance product designed to lower health care costs by aligning incentives of members, providers and the plan. Tufts categorizes network providers' performance into one of three levels based on quality and efficiency, then aligns members' choice of providers to the amount of premiums, deductibles and out-of-pocket costs they pay—members picking the most efficient providers can save thousands of dollars a year.



UCare's Mobile Dental Clinic logs 15,000 miles a year delivering affordable and even free care to members and needy residents across Minnesota.

Interview with ACHP Board Chair

SCOTT ARMSTRONG

President & CEO, Group Health Cooperative
Seattle, Washington

Chairperson, ACHP Board of Directors, 2011

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"ACHP plans are demonstrating that, through a focus on improving how care is organized and provided, health systems can deliver on better quality, patient confidence, and lower expense trends."



What do you consider ACHP's biggest accomplishments in 2011?

ACHP has done a great job of clarifying a unique agenda that unifies our member organizations around shared goals of improving quality and health outcomes, supporting innovation, and advancing community-based and delivery-aligned health care and coverage. We have begun strategically advancing that agenda with key policymakers and thought leaders including members of Congress, MedPAC staff, leadership at the

Department of Health and Human Services, and *Health Affairs* editorial board. We have supported rich discussions between our medical directors and CEOs about how we are implementing innovations in care delivery that will lead to distinctively better results. And we are offering member plans a forum to discuss approaches to extend our reach to improve the health of the entire community.

Have ACHP plan members gotten the attention of the nation's health care policymakers? If so, how? And what are the payoffs or results?

We have gotten their attention because our results are so remarkable. Whether you look at the NCQA rankings, the results in Medicare's 5-star scoring reports, or elsewhere, our plans are proving that health care systems can indeed produce distinctively better results. We've also gotten more attention because we're doing a better job of telling our story. ACHP has been instrumental in organizing our efforts and connecting us with key policymakers.

Rising health care costs are one of the biggest challenges facing Americans. How is ACHP helping plans tackle costs?

ACHP plans are demonstrating that, through a focus on improving how care is organized and provided, health systems can deliver on better quality, patient confidence, and lower expense trends. Given the passage of the health care reform legislation, and the anxiety about how this will drive change and better results, everyone is looking for evidence that we're headed in the right direction. Our plans offer that evidence. ACHP can help make sure the right people know it.

What was your greatest challenge over the last year as ACHP chairperson?

At a time when our plans are working so hard to reduce our operating expenses, I advocated for a large increase in the dues we pay to ACHP, in order to invest in the expansion of our advocacy resources. I did this because I believe that the next few years represent a rare opportunity for ACHP to really advance the issues that our plans care most about—paying for quality, advancing innovations in care delivery and ensuring that regional plans are able to fairly compete against the national plans. I was pleased that the other Board members agreed with me and approved the investment.

What has been the biggest reward of being ACHP chairperson?

I have had the chance to represent to policymakers the remarkable things that our plans are doing in markets all across the country. I'm proud of Group Health's accomplishments, but amazed by the collective impact of our plans. The opportunity to develop and influence national policy is what I find most rewarding.

What are the benefits of being an ACHP member?

There are many benefits to our organizations, including the chance to learn from one another, access analytic resources that support our quality agenda, and advance our positions on policy. Beyond the value to Group Health, for me personally, the chance to be with the other Board members is the only time I'm among peers who understand the issues I face, and can engage in the kinds of conversations that help me to adjust, or to know that I'm on the right path.

What is your goal, your vision for ACHP in 2012?

We will build on the work we've done in so many areas, with a focus on having more influence in federal policymaking, as so many changes for our industry are being determined in the year ahead. We must continue to build relationships on both sides of the aisle, to build our brand as a group of high-quality innovation leaders, and to develop common understanding about how ACHP can partner with policymakers to improve our health care system and reduce the cost of care and its burden on our nation's budget. We must do this all while being good stewards of our own organizations' finances, and while protecting the competitive position of regional plans in the health care marketplace of the future. This will be a challenge, but it is one we are better than ever equipped to tackle.



Scott Armstrong at the Group Health Innovation Conference in March.

ACHP Members are Top Performers

In 2011, the independent National Committee for Quality Assurance (NCQA) ranked 17 ACHP Medicare plans among the top 25 in the country; eight ACHP Medicaid plans among the top 25; and 15 ACHP commercial plans among the top 25 best performing health plans in the country. Meanwhile, the Centers for Medicare and Medicaid Services rated nine Medicare Advantage plans its top 5-star rating. Seven of those 5-star plans are ACHP members.



5 STARS

- Group Health Cooperative (HMO)
- Kaiser Permanente Senior Advantage of Colorado (HMO)
- Kaiser Permanente Senior Advantage of the Northwest (HMO)
- Kaiser Permanente Senior Advantage of California (HMO)
- Kaiser Permanente Senior Advantage of Hawaii (HMO)
- Martin's Point Generations Advantage (HMO)
- Advocare - Security Health Plan of Wisconsin (HMO)



4.5 STARS

- CDPHP Medicare Choices (HMO)
- CDPHP Medicare Choices (PPO)
- Fallon Community Health Plan (HMO)
- Geisinger Gold (HMO) - Geisinger Health Plan
- HealthPartners (HMO Cost)
- Independent Health (HMO)
- Independent Health (PPO)
- Kaiser Permanente Medicare Plus of Ohio (HMO Cost)
- Kaiser Permanente Medicare Plus of the Mid-Atlantic States (HMO Cost)
- Kaiser Permanente Senior Advantage of Georgia (HMO)
- Priority Health Medicare (HMO)
- Rocky Mountain Health Plans (HMO Cost)
- Scott & White Health Plan SeniorCare (HMO Cost)
- Tufts Health Plan Medicare Preferred (HMO)
- UCare (HMO Contract H2459)
- UCare (HMO Contract H4270)



4 STARS

- Capital Health Plan (HMO)
- Geisinger Gold - Geisinger Health Plan (PPO)
- HealthPartners (HMO)
- Presbyterian Health Plan Senior Care (PPO)
- Priority Health Medicare (PPO)
- UCare (HMO Contract H2456)
- UPMC Health Plan (HMO)
- UPMC Health Plan (PPO)

TOP 25
MEDICARE PLANS

PLAN RANKING

- 1 Kaiser Foundation Health Plan of Northern California
- 2 Kaiser Foundation Health Plan of Southern California
- 3 Kaiser Foundation Health Plan of Colorado
- 4 Kaiser Foundation Health Plan of the Northwest
- 6 Capital Health Plan
- 7 Kaiser Foundation Health Plan of Hawaii
- 8 Tufts Associated Health Maintenance Organization
- 9 Geisinger Gold Classic
- 10 Kaiser Foundation Health Plan of the Northwest - Demonstration Project
- 11 Group Health (HealthPartners)
- 12 Fallon Community Health Plan
- 13 Security Health Plan of Wisconsin
- 14 Group Health Cooperative
- 16 Capital District Physicians' Health Plan
- 17 Kaiser Foundation Health Plan of the Mid-Atlantic States
- 19 Kaiser Foundation Health Plan of Ohio
- 23 Independent Health Association

TOP 25
MEDICAID PLANS

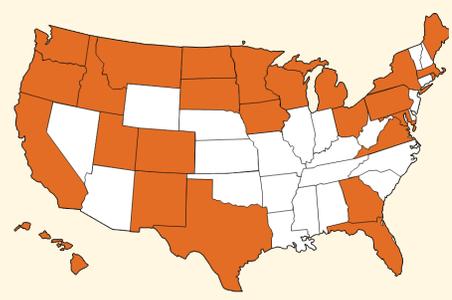
PLAN RANKING

- 1 Fallon Community Health Plan
- 2 Kaiser Foundation Health Plan of Hawaii
- 5 Capital District Physicians' Health Plan
- 6 Security Health Plan of Wisconsin
- 7 Network Health (Tufts Health Plan)
- 9 Priority Health
- 10 UPMC For You
- 21 Independent Health Association

TOP 25
COMMERCIAL PLANS

PLAN RANKING

- 2 Tufts Associated Health Maintenance Organization
- 3 Capital Health Plan
- 4 Tufts Health Plan (PPO)
- 6 Kaiser Foundation Health Plan of Colorado
- 7 Group Health Cooperative of South Central Wisconsin
- 8 Geisinger Health Plan (HMO/POS)
- 12 Kaiser Foundation Health Plan of Southern California
- 13 Fallon Community Health Plan
- 14 Kaiser Foundation Health Plan of Northern California
- 17 Geisinger Health Plan (PPO)
- 18 UPMC Benefit Management Services
- 18 UPMC Health Plan
- 21 Kaiser Foundation Health Plan of the Northwest
- 22 Capital District Physicians' Health Plan
- 24 HealthPartners



States with ACHP Member Plan Coverage

ACHP members provide coverage to approximately 16 million people in 26 states and the District of Columbia.



Steve ErkenBrack, President and CEO of Rocky Mountain Health Plans, accepts the Spirit of Western Colorado Award.



HealthPartners kicks off yumPower, an initiative that encourages the community to eat more fruits and vegetables. HealthPartners President and CEO Mary Brainerd is pictured with Tim Marx, CEO, Catholic Charities and Gerry Lauer, director of programming, Dorothy Day Center.



David Howes, MD, President and CEO of Martin's Point Health Care, oversees the opening of the Portland Health Care Center.

ACHP MEMBERS

Capital District Physicians' Health Plan

Albany, New York
John Bennett, MD, President & CEO
www.cdphp.com

Capital Health Plan

Tallahassee, Florida
John Hogan, President & CEO
www.capitalhealth.com

CareOregon

Portland, Oregon
Dave Ford, President & CEO
www.careoregon.org

Fallon Community Health Plan

Worcester, Massachusetts
W. Patrick Hughes, President & CEO
www.fchp.org

Geisinger Health Plan

Danville, Pennsylvania
Jean Haynes, President & CEO
www.thehealthplan.com

Group Health Cooperative

Seattle, Washington
Scott Armstrong, President & CEO
www.ghc.org

Group Health Cooperative of South Central Wisconsin

Madison, Wisconsin
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www.ghcscw.com

HealthPartners

Minneapolis, Minnesota
Mary Brainerd, President & CEO
www.healthpartners.com

Independent Health

Buffalo, New York
Michael Cropp, MD, President & CEO
www.independenthealth.com

Kaiser Permanente

Oakland, California
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Government Relations for George
Halvorson, Chairman & CEO and John
Cochran, MD, Executive Director
www.kp.org

Martin's Point Health Care

Portland, Maine
David Howes, MD, President & CEO
www.martinspoint.org

New West Health Services

Helena, Montana
David Kibbe, CEO
www.newwesthealth.com

Presbyterian Health Plan

Albuquerque, New Mexico
Dennis Batey, MD, President
www.phs.org/phs/healthplans

Priority Health

Grand Rapids, Michigan
Kimberly Horn, President & CEO
www.priorityhealth.com

Rocky Mountain Health Plans

Grand Junction, Colorado
Steve ErkenBrack, President & CEO
www.rmhp.org

Scott & White Health Plan

Temple, Texas
Allan Einboden, CEO
www.swhp.org

Security Health Plan

Marshfield, Wisconsin
Steve Youso, Chief Administrative Officer
www.securityhealth.org

SelectHealth

Murray, Utah
Patricia Richards, President & CEO
www.selecthealth.org

Tufts Health Plan

Watertown, Massachusetts
Jim Roosevelt, Jr., President & CEO
www.tuftshealthplan.com

UCare

Minneapolis, Minnesota
Nancy Feldman, President & CEO
www.ucare.org

UPMC Health Plan

Pittsburgh, Pennsylvania
Diane Holder, President & CEO
www.upmchealthplan.com

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W. Patrick Hughes
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President & CEO
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Steve Youso
Security Health Plan
Chief Administrative Officer
Marshfield, Wisconsin



Mary Brainerd
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CEO
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President & CEO
Buffalo, New York



Diane Holder
UPMC Health Plan
President & CEO
Pittsburgh, Pennsylvania



Patricia Richards
SelectHealth
President & CEO
Murray, Utah

ACHP is a national leadership organization that brings together innovative health plans and provider groups that are among America's best at delivering affordable, high-quality coverage and care in their communities. The 22 community-based and regional health plans and provider organizations that belong to ACHP improve the health of the communities they serve and are on the leading edge of patient care coordination, patient-centered medical homes, accountable health care delivery, information technology use, and other innovations that aim to improve affordability and quality of care.

ACHP STAFF



Back row (from left to right): Sarah Mahmoud, Christine Moreschi, Adam Zavadil, Patricia Smith, Kris Aulenbach, Natalie Woodard, Howard Shapiro, Natalia Nazarewicz, Anna Helms and Peter Rankin. Front row: Michelle McLean, Holly Bode, Lynne Cuppernull, Toni Fanelli and Stephen Cox.

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ALLIANCE OF COMMUNITY HEALTH PLANS HELPING OUR MEMBERS SHINE

ACHP helps its members serve their communities. In 2011, ACHP highlighted our members' collective voice and our experiences toward achieving better health, enhanced patient experience and lower costs.

The nation's top health care policymakers, regulators, and thought leaders sought ACHP's counsel and our members' knowledge of how delivery alignment can yield high quality, affordable care and increased value.

ACHP is a forceful voice in Washington, supporting better health care for consumers, purchasers and our nation's health care system.

5 Stars

CMS awarded nine out of 555 health plans participating in the Medicare Advantage programs its prestigious 5-star rating – seven of the nine were ACHP members.

98%

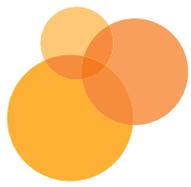
Ninety-eight percent of patients in 5-star-rated Medicare Advantage plans are enrolled in ACHP member plans.

Innovating

Public officials sought out ACHP and leaders of our member plans in 2011 to learn our collective stories of health care innovation.

Photographs for the cover and pages 4-5 were provided by: Capital District Physicians' Health Plan, CareOregon, Fallon Community Health Plan, HealthPartners, Independent Health, Martin's Point Health Care, Presbyterian Health Plan, Priority Health Plan, Tufts Health Plan, UCare and UPMC Health Plan.

We would like to thank all of our member plans for graciously providing photographs!



ACHP

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OF COMMUNITY HEALTH PLANS



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