

REDEFINING MEDICAID

2012-
2013
Annual
Report

I am very pleased to present the Cardinal Innovations Annual Report for 2012-2013. This report documents our first full year of operations under our new name, Cardinal Innovations Healthcare Solutions, and as a consolidated organization.

There were many firsts that occurred over this past year. Among the most important are:

- 1. We began operating under our new board model. Our governance model was designed by delegates from each of the four LME/MCOs that formed Cardinal Innovations, including board members that were county commissioners and representatives from each of the Consumer Family Advisory Committees.*
- 2. Staffs from four different organizations have joined together to form one company with a single mission, and unified vision and values.*
- 3. Four local Consumer Family Advisory Committees came together to develop a Regional Consumer Family Advisory Committee. The local Consumer Family Advisory Committees will continue to operate, and the Regional Consumer Family Advisory Committee will bring together and address system-wide issues.*
- 4. The hard work of organizing and standardizing business and clinical practices across a wide geography was completed, including necessary adjustments to staffing and organizational structure.*
- 5. We brought over 900 providers under our new Cardinal Innovations umbrella, and organized Provider Councils that work with us on issues that are of concern to providers.*
- 6. We have more than doubled our claims processing and payment capacity in order to support services for consumers provided by our expanded provider network.*

We have successfully completed a large scale consolidation that spans a wide coverage area, and impacts thousands of consumers and hundreds of providers. This success is directly related to leadership and commitment of our Governing and Community Oversight Boards, Consumer Family Advisory Committees, Provider Councils and our own staff. We are grateful for the very strong support over this past year from the people and communities that we now serve.

We want to help consumers achieve the highest level of independence possible. We know that the people we serve have much to offer the communities where they live. Our vision is to play a strategic role in the development of communities where “each person is welcomed, respected and valued.”

Pamela Supan



“We are forging strong partnerships to make our managed care system one of the best in the country.”

*Pamela Shipman
Chief Executive Officer*

*Cardinal Innovations is committed to our region's individuals
and their families, our network of providers
and our community stakeholders.*

On July 1, 2012, PBH officially became Cardinal Innovations Healthcare Solutions – named for the Medicaid Managed Care waivers it piloted. Cardinal Innovations' name change would usher in a new way of doing business across its expanded coverage area with a general population of 1.3 million and over 225,000 Medicaid enrollees.

Fiscal Year 2012/2013 was a time for change and preparation for the future as Cardinal Innovations continued assimilating the expansion counties that were added the previous year, embarked on a major rebranding campaign and supported other Local Management Entities across the state making the transition to Managed Care Organizations based on the Cardinal Innovations model.

The company also launched an awareness campaign that built on the premise of redefining Medicaid as it is run in the state of North Carolina. Cardinal Innovations married its mission of creating and managing solutions to its core values of partnership, accountability, integrity, courage and excellence to ensure quality care for those who rely on the public system for care.

In late Fiscal Year 2012/2013, Cardinal Innovations restructured its operations to improve execution, increase efficiency and align our workforce with strategic initiatives designed to ensure future success. This resulted in the reduction of some positions, the creation of new positions and a shifting of responsibilities from Corporate to the four Community Operations Centers for member facing operations.

The outgrowth of reorganization was the development of two regions: the Southern Region, which is home to the Piedmont Community Operations Center and the five original counties of Cabarrus, Davidson, Rowan, Stanly and Union, and the Northern Region, which includes the Alamance Caswell, Five County and OPC Community Operations Centers. The Northern Region is responsible for oversight of the 10 counties added last fiscal year – Alamance, Caswell, Chatham, Franklin, Granville, Halifax, Orange, Person, Vance and Warren counties.

CORE VALUES

ACCOUNTABILITY

We are responsive, fair and reasonable.

INTEGRITY

We uphold the highest ethical standards.

EXCELLENCE

We are best at what we do.

PARTNERSHIP

We honor, trust and empower others.

COURAGE

We are unwavering in our commitment to the greater good.

IN THE COMMUNITY

Cardinal Innovations is visible in the communities it serves. This is accomplished through on-the-ground efforts of several departments. Care Coordinators go into members' homes to help with services. Consumer Affairs Specialists work with consumers and families to navigate the system. Community Relations Specialists work with stakeholders and other community members to raise awareness and understanding of the complexities of keeping mental health, intellectual and development disabilities and substance use/addiction services in the community.

Consumer Affairs and Community Relations Specialists work together to provide education and training to stakeholders, including consumers and families, school systems, Departments of Social Services, parish nurses, Departments of Juvenile Justice, governmental offices, behavioral healthcare providers and advocacy groups. This joint effort ensures that Cardinal Innovations meets the training and educational needs of each community in its coverage area. Visibility in the community is also increased through service to the community. Consumer Affairs and Community Relations staff serve on community boards and, in general, represent the face of Cardinal Innovations to the public.



During Fiscal Year 2012/2013, Community Relations and Consumer Affairs hosted and/or participated in more than 400 community events, providing educational outreach to over 13,000 consumers, family members, community stakeholders and providers. Trainings were held throughout Cardinal Innovations' coverage area and included Lunch and Learns, presentations, participation in community health fairs and other exhibits, as well as consumer and provider forums.

*Jodi and Dani Greenwood
Parent and Member*

“Cardinal Innovations has opened so many doors for both me and Dani. They continue to show us what the future holds.”

COMMUNITY OPERATIONS CENTERS

PERSONS SERVED BY COUNTY

During Fiscal Year 2012/2013, Cardinal Innovations served more than 48,000 individuals in the 15-county region.

Alamance	5,361
Cabarrus	5,599
Caswell	779
Chatham	1,588
Davidson	5,480
Franklin	2,034
Granville	1,630
Halifax	3,264
Orange	3,616
Person	1,771
Rowan	5,926
Stanly	3,357
Union	4,552
Vance	2,689
Warren	969
TOTAL	48,223

The Community Operations Centers are responsible for operations that involve interactions with consumers and their families, providers, local stakeholders, and other agencies involved in the care of people with mental health, intellectual and developmental disabilities and substance use/addiction conditions. Local presence is maintained through four COCs operating in the Piedmont and Central regions of North Carolina:

THE ALAMANCE-CASWELL COMMUNITY OPERATIONS CENTER serves Alamance and Caswell counties in the Piedmont Triad of northern central North Carolina. The region covers a total area of 863 square miles, with a population of 176,693. The area is home to Alamance Community College and Elon University. Chief industries are textiles, manufacturing and agriculture.

THE FIVE COUNTY COMMUNITY OPERATIONS CENTER serves Franklin, Granville, Halifax, Vance and Warren counties in northern central North Carolina. The region covers a total area of 2,433 square miles, with a population of 241,457. The area is home to Vance-Granville Community College and Louisburg College.

THE OPC COMMUNITY OPERATIONS CENTER serves Orange, Person and Chatham counties in the Piedmont and Research Triangle areas of central North Carolina. Orange County is one of the three corners that comprise the Research Triangle, which includes the major cities of Chapel Hill, Durham and Raleigh. The total area is 1,514 square miles, with a population of 239,587. The region is home to Central Carolina Community College, Piedmont Community College and the University of North Carolina-Chapel Hill. Chief industries are textiles and agriculture, tobacco, dairy and poultry farming, and coal mining.

THE PIEDMONT COMMUNITY OPERATIONS CENTER serves Cabarrus, Davidson, Rowan, Stanly and Union counties in the Piedmont area of North Carolina. The total area is 2,500 square miles, with a population of 748,273. The region is home to Pfeiffer University, Wingate University, Catawba College, Barber-Scotia College, Livingstone College, as well as community colleges which are located in each county. Chief industries are furniture manufacturing, textiles, agriculture and poultry farming. The region is also home to the Queens Cup Steeplechase.

WE ARE RESPONSIVE

In 2012-2013, a total of 560 grievances were filed with Cardinal Innovations. Of those, 483 (86%) were resolved within 30 days. Cardinal Innovations prides itself on being responsive to consumers and families, and believes resolution of grievances is important to consumers, their families and providers.

Days to Resolve Grievances	Total Grievances	# Resolved within 30 Days	% Resolved within 30 Days	# Resolved within 31-60 Days	% Resolved within 31-60 Days
FY '09/10	198	159	80%	37	19%
FY '10/11	121	105	87%	16	13%
FY '11/12	341	289	85%	44	13%
FY '12/13	560	483	86%	71	13%

WE ARE RESPONSIVE TO OUR PROVIDERS

Cardinal Innovations also understands the company is only as strong as the providers who deliver services. To ensure the strength of providers, Cardinal Innovations is committed to timely payments for submitted claims. During Fiscal Year 2012/2013, our Finance Department paid an average of 166,032 claims per month for all funding types and coverage areas. Clean claims were paid within an average of 9 days of submission.

Clean Claims	July 2012	Aug. 2012	Sept. 2012	Oct. 2012	Nov. 2012	Dec. 2012	Jan. 2013	Feb. 2013	March 2013	April 2013	May 2013	June 2013
Avg. # of Days to Pay a Clean Claim	9	10	9	9	11	11	10	9	9	9	9	9

- PURPOSE** To enhance the health and well-being of the individuals and their families.
- MISSION** We create and manage quality solutions for people who depend on the public system for care.
- VISION** A community where each person is welcomed, respected and valued.



“Cardinal Innovations has always treated me like a person, not like an illness.”

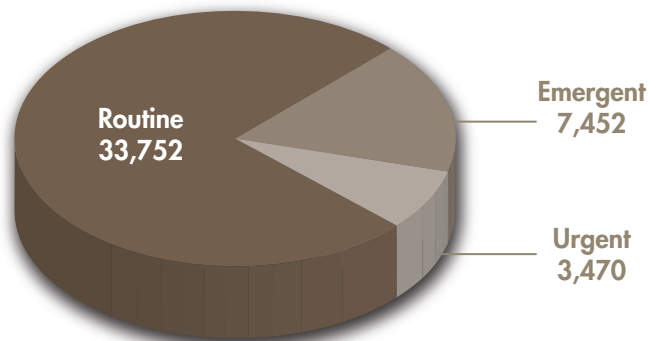
*Major Sampson
Member*

ACCESS CALL CENTER

PERFORMANCE FISCAL YEAR 2012/2013

Total member calls during Fiscal Year 2012/2013 equaled 49,459 with an average speed of answer of 5 seconds.

TOTAL DOCUMENTED CALL DISPOSITIONS BY TYPE



Total Protocol Services, Inc. member calls received for Cardinal Innovations Healthcare Solutions' members during Fiscal Year 2012/2013 equaled 6,839 with an average speed of answer of 19 seconds.

REVENUES & EXPENDITURES*

FISCAL YEARS ENDING JUNE 30, 2013 AND 2012

REVENUE	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>
Medicaid	282,549,315	78.1%	204,242,032	81.5%
State & Federal	71,138,208	19.7%	40,608,392	16.2%
County	7,228,578	2.0%	4,671,702	1.9%
Other	944,219	0.3%	1,154,309	0.5%
TOTAL REVENUE	361,860,320	100%	250,676,435	100%

EXPENDITURES

Consumer Services	309,545,683	87.4%	214,738,580	86.7%
Operations and Management	44,227,266	12.5%	32,593,544	13.2%
Other Expenses	325,772	0.1%	313,802	0.1%
TOTAL EXPENDITURES	354,098,721	100%	247,645,926	100%

EXCESS OF REVENUES
OVER EXPENDITURES

\$ 7,761,599

\$ 3,030,509

“Cardinal Innovations has given Kevin the tools and strengths to reach his best potential.”

*Kim and Kevin Roe,
Parent and Member*



LEADERSHIP 2012-2013

GOVERNING BOARD OF DIRECTORS

Bruce D. McWhinney, Chairman

Amanda Blanks

William "Bill" Burgin

Lucy Drake

Ethel Fuller

Carolyn Hoskins

Fred McClure

John Moon

William "Phred" Pilkington, D.P.A.

Marcelle Smith

Danny Wright

Steve Yuhasz

OVERSIGHT BOARD COMMITTEES

Alamance-Caswell

Community Oversight Board

Ethel Gwynn, Chair

David Carter

Ethel Fuller

Dr. Russell Gill

Carolyn Hoskins

Jeremiah Jeffries

Theresa Ludwig

Five County Community
Oversight Board

Dan Brummit, Chair

Bertedeane Baker

Constance Davis

Regina Dickens

Albert Freeman

T. Allen Gardner, Jr.

Roger Griesinger

Calvin Harris

Cedrik Jones, Sr.

Angelena Kearney-Dunlap

Thomas Lane

Arconstar Powell

Jacqueline Sills

Dean Smith

Marcelle Smith

Edgar Smoak

Danny Wright

Piedmont Community
Oversight Board

Lucy Drake, Chair

Willi Beilfuss

Robert Carruth

Raymond Coltrain

Scott Craver

Redella Hedrick

Tregg Lindberg

Fred McClure

William McCubbins

Chris Measmer

Chad Mitchell

Dale Poplin

Jerry Simpson

Cathy Weedman

Keith Wingler

OPC Community
Oversight Board

Amanda Blanks, Chair

Jimmy Clayton

Mary Cay Corr

Mark Dorosin

Bill Gentry

Sally Kost

Leslie Matthews

Neil McAuliffe

John Stewart

Katherine Zinn

*Cardinal
Innovations
is working
for a better
future in
Managed
Care.*

REDEFINING MEDICAID



Cardinal Innovations is the insurance plan for people with Medicaid and for people who are uninsured or underinsured who live in the Cardinal region. By placing an emphasis on care, Cardinal Innovations has redefined the delivery of Medicaid services in North Carolina. We are committed to the principles of respect, quality, diversity, recovery and self-determination. Our goal is to offer the same quality care that you would expect from a private insurance plan.

What makes Cardinal Innovations different is that we operate managed care in North Carolina from the public sector perspective. The Cardinal Innovations model of Medicaid managed care emphasizes partnerships with consumers and their families, our network of providers and community stakeholders to find solutions that are right for their communities. We recognize that each community is different and we look for solutions that will make a difference in the lives of people who live, work and play in our coverage area. Savings gained from operational efficiencies are reinvested back into services so that the right services are available to people in our region.

Cardinal Innovations has redefined Medicaid managed care in a way that is inclusive of both high tech and high touch principles. We manage resources effectively and efficiently, partnering with our providers to deliver the best services to our consumers, utilizing both technology and a hands-on approach. The Cardinal Innovations model uses a high tech and unique Information Technology system to manage the overall company operations, and to deliver valuable information to providers, consumers and their families. At the same time, Cardinal Innovations offers a high touch approach through our care coordinators who visit consumers' homes, and Consumer Affairs and Community Relations staff who maintain high visibility and interactive participation in the communities we serve. Everything we do is focused on ensuring the best possible services are available for people who rely on the public system for their care.

