

Lower Cost

Better Health

Better Care

BETTER TOGETHER[®]

Group Health Cooperative

of South Central Wisconsin

2017 ANNUAL REPORT



DEAR MEMBER OWNERS,



TRIPLE AIM



Better Care



Better Health



Lower Cost

In 2017, we continued to push ourselves to provide the very best experience for you, our members – from greeting you with a smile to coordinating care efficiently across all sites, staff and services. We worked to show you first-hand why we are among the highest quality plans in the country and how those efforts can directly impact your health. And we strived to do all that in an affordable way, because we know that health care is not effective if the cost is prohibitive.

We were working toward the **TRIPLE AIM** of health care.

The Triple Aim is both simple and powerful. It states that we as an organization should accomplish three things: providing the best patient experience, improving the health of our population and achieving the lowest possible per capita cost. In short; **better care, better health, lower cost**. Powerful, clear words that define who we are and the work we do each day.

At Group Health Cooperative of South Central Wisconsin (GHC-SCW), we are well-aligned with the Triple Aim. It was a natural fit for us and a goal our whole staff could passionately pursue. This alignment is one of the reasons we continue to set the standard in our market and the main reason I'm so proud of the work of GHC-SCW's exceptional staff.

When you boil it down, it's working together to be better for our members. **It's just another way that we are BETTER TOGETHERSM.**



Mark Huth, MD
Chief Executive Officer
Group Health Cooperative of South Central Wisconsin

Leading your Cooperative.

Our members, staff, leadership team and Board of Directors continue to drive your Cooperative forward.

BETTER TOGETHERSM

GHC-SCW Executive Leadership Team



Mark Huth, MD
Chief Executive Officer



Mark Dalebroux
Chief Human Resources Officer



Nancy Hagan, RN, MSN
Chief Nursing and
Clinic Operations Officer



Chris Kastman, MD
Chief Medical Officer



Bruce Quade
Chief Financial Officer



Annette Fox
Chief Information Officer



Al Wearing
Chief Insurance Services Officer

GHC-SCW Board of Directors

Ann Hoyt - *President*
University of Wisconsin-Madison, Retired

Henry Sanders - *Vice President*
Madison 365

Bill Oemichen - *Treasurer*
University of Wisconsin-Madison

Donna Twining, APNP - *Secretary*
GHC-SCW

Matt Brandrup
Rural Electric Supply Cooperative

Mark Frankel
Dane County Reserve Circuit Court
Judge, Retired

Colleen Gullickson
Edgewood College

Jason Hampton, MD
GHC-SCW

Fazel Hayati
Edgewood College

Nanette Schiller
American Family Insurance

Judy Ziewacz
National Cooperative Business
Association, Retired



BETTER CARE

We focused on improving patient care through a renewed commitment to **access, technology and quality.**

Our commitment to **access.**



58,000 calls to GHC NurseConnect.

1,566 visits to our online clinic, virtuwel.

24,116 visits to Urgent Care.

- We increased visit times so providers could spend more time effectively caring for the patient.
- We added more providers to high demand times to increase overall access to appointments.

Improved access to GHC-SCW specialty care services:

- Mammography appointments can now be scheduled within **3.6 days**.
- Ultrasound appointments can now be scheduled within in **6.8 days**.
- Dermatology appointments can now be scheduled within in **1-3 days**.

Our commitment to **technology.**



Out of all Epic customers across the country, we were #1 for:

- The percentage of active patients on GHCMYChartSM – 77%
- The percentage of appointments scheduled online – 20%
- The percentage of patients who receive paperless statements – 39%

Better Care

Our commitment to **quality.**



For the 22nd year in a row, GHC-SCW earned an “Excellent” accreditation from the National Committee for Quality Assurance (NCQA).

GHC-SCW was rated 4.5 out of 5 stars in NCQA's Private Health Insurance Plan Ratings 2017–2018, making us one of the highest-rated health insurance plans in the nation.

Member Services continued to achieve the top rating for Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores in the Dane County market according to the Alliance of Community Health Plan's (ACHP) review of NCQA Quality Compass data.

According to ACHP's review of NCQA Quality Compass[®] data:



Top plan in the state for:

- Effectiveness of Care
- Treatment
- Respiratory Health
- Mental Health
- Prevention
- Child and Maternal Health
- Plan Satisfaction



Top plan in the nation for:

- Respiratory Health
- Child and Maternal Health

	National Percentile	Rating	National Rank (out of)	State Rank (out of)
TOTAL HEDIS[®] & CAHPS[®]	98%	4.17	9 (373)	1 (18)
<i>Effectiveness of Care</i>	99%	4.38	6 (373)	1 (18)
<i>Treatment</i>	100%	4.41	2 (373)	1 (18)
<i>Respiratory Health</i>	100%	4.67	1 (372)	1 (18)
<i>Mental Health</i>	98%	4.4	9 (368)	1 (18)
<i>Prevention</i>	96%	4.32	17 (373)	1 (18)
<i>Child and Maternal Health</i>	100%	5	1 (367)	1 (18)
<i>Plan Satisfaction</i>	94%	4.5	24 (369)	1 (18)

- **The Healthcare Effectiveness Data and Information Set[®] (HEDIS)** is a tool used by more than 90% of America's health plans to measure performance on important dimensions of care and service.
- **Consumer Assessment of Healthcare Providers and Systems[®] (CAHPS)** is a series of patient surveys rating health care experiences in the United States.

Any data display, analysis, interpretation, or conclusion based on these data is solely that of the authors, and NCQA specifically disclaims responsibility for any such display, analysis, interpretation, or conclusion. Quality Compass is a registered trademark of NCQA. CAHPS[®] is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ). NOTE: "(Out of)" scores change because some plans do not report a sufficient number of measures in the category.



BETTER HEALTH

Improving the health of our members.

Patient-Centered Medical Home (PCMH)

We believe the best way to improve the health of our members and reduce medical costs is to focus on the primary care experience using the PCMH model. A medical home is not a place, but rather, a model for how primary care is delivered. Patient-centered care is a coordinated, relationship-based approach that makes sure the patient receives the care they need, when they need it. It includes a comprehensive care model that focuses on the care of the whole person, physical and mental health care needs, including acute and chronic issues.



Care Teams

An important foundation for the PCMH model is a team approach. Through a renewed commitment, our Primary Care Providers, care team staff, physical therapists, registered nurses, primary care behavioral health consultants, clinical pharmacists and case managers pulled together to provide holistic care to our members.



Extended Care Team Meetings

Through Extended Care Team Meetings, we developed new strategies for managing care using the Population Health Registry. We positively affected care and outcomes for our members with diabetes, chronic pain and asthma.

THE RESULT:

Improved health among our member population.

By implementing PCMH in each of our clinics, we improved the health of not only individuals, but the member population as a whole.

These efforts and outcomes didn't go unnoticed. **In 2017, NCQA awarded all GHC-SCW Clinics with the highest recognition, Level 3 PCMH.** Our clinics are the only Level 3 PCMH certified medical practices in the Dane County area. Our Level 3 designation is a result of improved quality, reduced costs, improved patient satisfaction and improved staff satisfaction.



Improving the health of our community.

In order to serve the health needs of our members, we must address the health needs of our community. In 2017, we supported local causes that align with GHC-SCW's mission, vision and values.



\$1,229

in eye care services to uninsured individuals in our community.

\$8,128,326

in care to our 7,995 BadgerCare Plus members.

\$9,623

in crucial health care services and medications through Bridges to Access.

\$22,273

in health care, including medications, to uninsured individuals living in our community through the Healthcare Access Program.

\$100,388

in primary care services and medications to 150 children in need through the Primary Access for Kids Program.



We helped **66 refugees** establish roots in our community through the Refugee Assistance Program.

\$9,495

in primary care services and medications to uninsured individuals through the Stay Healthy Program.

\$15,252

worth of age and culturally appropriate children's books donated to Reach Out and Read.

\$21,415

in donations to help support our five local schools through the Adopt-A-School Program.



We sponsored and/or voluntarily participated in **nine community races** that promoted health and well-being.

\$547,963

in corporate financial sponsorships to a variety of important causes.

Through our Cooperative's Charitable Giving Campaign, **employees collectively donated \$19,546** to United Way of Dane County, Community Shares of Wisconsin and Dr. Russell Hess Memorial Endowment for School Nurse Emergency Medical Needs.



1 ton of farm fresh produce distributed to four community centers in the area.



LOWER COST

A combination of **higher membership, cost savings** and **organizational efficiencies** allowed GHC-SCW to surpass many of our goals and benchmarks in 2017.



Lower Cost

For the third year in a row, GHC-SCW has posted a positive year-end margin.

1.7%
Higher than expectation

Year End Membership was 75,006 which was 1.7% higher than the forecasted membership of 73,722.

60%
Higher than expectation

Commercial Sales resulted in 959 new members which was 60% higher than the forecasted sales of 600.

12%
Higher than expectation

Medicare Supplement Sales resulted in 29 new members which was 12% higher than the forecasted 26 new members.

\$161,000
in annual savings

Ongoing contract negotiations and formulary reviews allowed our pharmacy department to realize over \$161,000 in annual savings.

605%
Higher than expectation



Individual Sales were 1,941 new members which was 605% greater than the forecast of 275 members, primarily due to an unanticipated increase of 1,041 new Exchange members on January 1, 2017.

KEY

2017 Expected Value
2017 Actual Value



Organizational efficiencies:

- Completed the contract to transition newborn deliveries from SSM Health St. Mary's Hospital to UnityPoint Health-Meriter.
- Began the process of negotiating a new risk sharing agreement with the University Hospital Joint Operating Agreement Team.
- Improved data submissions to Department of Health Services to include GHC-SCW.

2017 GHC-SCW FINANCIAL REPORTS

Statement of Activities

In 2017 there was a \$6.9 million gain in net assets.
GHC-SCW has increased reserves by 35% since 2016.

Years ended December 31, 2016 and 2017
Dollars shown in thousands

	2017	2016
OPERATING REVENUE		
Premium revenues	\$363,696	\$365,568
Patient service revenues	18,648	17,950
Other operating revenues	54	131
Operating revenue total	\$382,398	\$383,649
OPERATING EXPENSES		
Medical costs	\$251,852	\$260,559
Salaries & benefits	64,313	59,301
Supplies & other	58,835	60,610
Depreciation & amortization	2,851	3,868
Loss on disposal of assets	186	-
Operating expense total	\$378,037	\$384,338
OPERATING INCOME (LOSS)	\$4,361	(\$689)
OTHER INCOME AND EXPENSES		
Other expenses	(\$140)	(\$43)
Investment income	1,758	1,423
Increase in net assets before unrealized gains or losses on non-trading investments	\$5,979	\$691
OTHER CHANGES IN NET ASSETS		
Unrealized gain/(loss) on non-trading investments	\$941	(\$276)
Net assets at beginning of year	46,198	45,783
Net assets at end of year	53,118	46,198
INCREASE IN NET ASSETS	\$6,920	\$415

Statements of Financial Position

Years ended December 31, 2016 and 2017
Dollars shown in thousands

	2017	2016
ASSETS		
Current assets		
Cash & cash equivalents	\$11,909	\$19,825
Investments	40,364	34,235
Premium receivables	7,820	3,805
Other receivables	11,243	9,941
Inventory	1,681	1,946
Prepaid expenses & other assets	1,978	1,211
Total current assets	\$74,995	\$70,963
Assets whose use is limited	\$4,567	\$4,325
Property & equipment, net	\$22,155	\$22,585
Other assets	\$1,465	\$1,449
	\$103,182	\$99,322
LIABILITIES AND NET ASSETS		
Current liabilities		
Current maturities of long-term obligations	\$284	\$500
Medical claims payable	21,679	24,343
Accounts payable	5,767	7,277
Accrued liabilities	6,898	5,626
Advance subscriber premiums	10,585	11,499
Total current liabilities	\$45,213	\$49,245
Long-term obligations, less current maturities	\$4,366	\$3,500
Deferred compensation liability	\$485	\$379
Net assets	\$53,118	\$46,198
	\$103,182	\$99,322

TO OUR EXCEPTIONAL GHC-SCW STAFF:

Thank you for your dedication to our members.
We are **BETTER TOGETHERSM**.



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of South Central Wisconsin**

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