



a better world

2019

A young boy in a blue and white striped shirt and dark pants is playing tennis on a paved court. He is holding a tennis racket and looking towards the camera with a smile. In the background, there is a brick building and a stone wall. The image has a soft, purple-tinted overlay.

Change

OUR MISSION: To make a lasting difference in our members' lives by improving their health and well-being.



for the
Better

A better plan.

A better life.

A better world.



Erhardt Preitauer,
President & CEO

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Health care in America continues to become more costly, more complicated and more volatile. The one thing it has not become is *better*.

By:
Erhardt Preitauer,
President & CEO

The rate of change in the world today is increasing at a dizzying pace. Health care becomes a bigger part of this every day. As the only multi-state nonprofit government programs organization in the country, it is more important than ever that we are laser-focused on our mission, values and strategy. CareSource is uniquely devoted to the care and support of those who need help the most, and we have a rich history of going above and beyond in the pursuit of changing lives.

In May of 2018, I was honored to have the opportunity to join CareSource as its President and CEO. I knew CareSource by its impressive national reputation, and it was clear this was a unique opportunity to make a difference. Indeed, CareSource is an incredibly special place—a company driven by amazing associates who are passionate about what they do every day.

As I lead CareSource into its next chapter, our ultimate goal is to continue to cultivate the heart and soul of our mission-focused organization while we extend our ability to drive and execute in an industry-leading fashion.

This will further differentiate us from anyone else in health care and set us up to lead in caring for our most complex members.

We are also focused on leading the industry in innovation. For instance, we have enjoyed tremendous success in reducing opioid abuse among our members by an industry-leading 50%. I hope you'll read our impactful and inspirational story about Joe, demonstrating the value of our unique Life Services.

CareSource has also taken an industry-leading approach to pharmacy, creating the *first ever* totally transparent, value-based, integrated approach on our own custom pharmacy network. The entire industry will likely follow suit, and everyone will win with this approach.

We have launched an industry-leading re-entry program for members that have encountered the correctional system, engaging them to help address their unique needs. I hope you'll read LaTwan's inspiring story about his successful journey.

Additionally, CareSource has focused on building on our industry-leading technology and capabilities to serve populations with special requirements. This has allowed us to extend care to one of our country's most deserving populations—our U.S. Veterans.

All the while, we have continued to create groundbreaking partnerships with innovative community organizations. Recent collaborations have shown great promise in tackling infant mortality, the impact of asthma on our children and advancing long-term care, housing and food insecurity. We continue to search for opportunities to improve the lives of our members, families and communities.

I'm so proud of the work that we do here at CareSource, and I am even more excited about what our future holds as we expand our mission and build upon our rich legacy.

This book details how we believe we can and will

change the world.

For everyone.

For the better.

A Better Plan

For Our Organization

The world of health care is changing rapidly. The ability to have a clear strategy as a company allows us to align within an environment that is becoming more opaque and complex at an increasing rate. Internally, we have a number of goals that we believe will help us grow and adapt to this dynamic marketplace.

We will continue to invest in infrastructure and technology to scale, while keeping a keen eye on information security.

We will continue to improve our operational efficiencies as demands for performance, transparency and accountability continue to rise.

We will plan for smart growth so we can diversify and innovate.

We will seek opportunities for partnerships so we can scale our services to an even broader audience.

We will lead in the industry with a solid grounding of subject matter expertise, foundational perspective and managed care principles and practices.

But ultimately, we will judge our future success on the lasting impact on our members' lives.

Our members and providers can only operate at their best when we operate at our best.

We currently meet all state and federal pay metrics, and our rate of receipts on hand is twice as good as the industry standard.

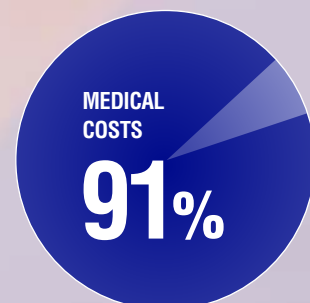
RECEIPTS
ON HAND

<1 Day

CLAIMS OVER
30 DAYS

<0.0001%

CareSource is proud of our best-in-class administrative cost ratio that delivers maximum benefits to members while being responsible stewards of government funds.





Ultimately, CareSource is committed to creating a better world for our members. To lead the way, we are strategically focused on:

LOWERING THE COST OF HEALTH CARE

By keeping costs manageable and reasonable for consumers, providers and government partners

IMPROVING THE QUALITY OF HEALTH CARE

By providing the best possible services including essential preventative care to our members

IMPROVING ACCESSIBILITY TO HEALTH CARE

By assuring that it is available to even the most underserved and vulnerable populations

A Better Plan

For Our Members

As a member-centric company, we are accountable to our members and the communities we serve. To that end:

We will serve our members across the continuum of government programs, coordinating care as their eligibility changes.

We will offer comprehensive member-centric models of care to address our entire population's health and social needs.

We will help our members navigate through daily life challenges and obstacles.

We will remain committed to shifting the cost curve.

A Better Approach

To Behavioral Health

It's no secret that physical health can be greatly impacted by mental health. When our members struggle with their emotional, psychological or social well-being, their overall health will inevitably bear some of that burden, too. Likewise, poor physical health can ultimately affect mental health. Our ultimate goal as a managed care provider is to be equally committed to better health and well-being for our members and to sound practices for our organization. Perhaps nowhere within CareSource is that commitment more evident than within our behavioral health services.

For our members, CareSource offers confidential counseling and addiction services as part of our core health plan. For our providers, we have streamlined our business practices to limit administrative burden so members can get the help they need. From an award-winning approach to lowering opioid use in Ohio to a revolutionary program that helps Indiana citizens re-enter society after being in a correctional facility, we are proud of the strides we've made in the behavioral health of our members. And as we push for greater success and efficiencies in the treatment of behavioral health challenges, we are equally efficient in how we administer and account for that care.

30%

**of CareSource members
have been diagnosed as
having a behavioral
health condition**





UNDERSTANDING THE IMPORTANCE OF BEHAVIORAL HEALTH

1 IN 5 adults in America experience a mental illness.¹

Nearly **1 IN 25 (10 MILLION)** adults in America live with a serious mental illness.¹

Depression is the **#1** cause of disability worldwide.¹

Serious mental illness costs America **\$193.2 BILLION** in lost earnings every year.²

Approximately **10.2 MILLION** adults have co-occurring mental health and addiction disorders.¹

90% of those who die by suicide have an underlying mental illness.²

Suicide is the **10TH** leading cause of death in the U.S.²

¹ National Institute of Mental Health. www.nimh.nih.gov

² American Journal of Psychiatry and U.S. Surgeon General's Report

Winning the War on Opioids

And Reframing the Battle against Addiction

Over the last several years, few national health stories have garnered as much attention as the fight against opioid abuse in the United States. Combining highly addictive drugs with over-prescription and loose oversight created a perfect storm of challenges for health care providers, insurers and the members we serve.

But while much of America was tangled up in understanding the problem, CareSource was working on a solution that has reduced opioid use among our members and the over-prescription of their opioid medication.

In 2016, we implemented a prescriber outreach program to notify providers who were prescribing high amounts of opioids to members. Using claims data, we could identify members at risk for substance use disorder, diversion, overdose or other adverse events and alert providers. We also began analyzing the volume of opioids being prescribed to our members as measured by Morphine Equivalent Dose (MED),

which accounts for the number of pills, dosing schedules and strength. Finally, we sent letters to prescribers illustrating how their overall prescribing compares to their peers and presented strategies to reduce opioids in their practices.

At the same time, CareSource made it easier for our members with substance abuse disorders to connect to the services they need. In addition to therapy and counseling services, we also offered focused case management to remove additional barriers to becoming self-sufficient, such as unemployment, no childcare available and lack of vocational training.

Now, nearly three years after implementing the program, the numbers show the dramatic positive response to our efforts. By limiting both the dose and duration of opioid prescriptions, we are not only advocating for healthier and safer treatment for our members dealing with pain, but also helping to assure that their treatment is less likely to progress to a substance use disorder.

PARTNERING FOR PREVENTION

CareSource Special Investigations Unit (SUI) partners with federal and state agencies and has implemented several strategies to address opioid fraud, waste and abuse and over-prescribing.

- We monitor for opioid fraud, waste and abuse using multiple data sources to identify patterns, trends, and data aberrancies/schemes (e.g. high volumes of opioid prescriptions fills) across all lines of business.

- We review and investigate all allegations of opioid fraud, waste and abuse collaborating with local law enforcement, state and federal authorities.

- We serve on the Opioid and Prevention Branch of the Community Overdose Action Team (COAT) in Montgomery, Ohio.

- The COAT team was indicated as a contributing factor in cutting the number of overdose deaths in half from 566 in 2017 to 294 in 2018.

THE BATTLE PLAN

Decrease Opioids

through targeted outreach and benefit design.

Increase Provider Quality

through establishing Medicaid Assisted Treatment (MAT) best practices and lab best practices.

Improve Member Experience

through enhancing the network, increasing communications and coordinating referrals.

THE RESULTS

50%
reduction

in Morphine Equivalent Dose (MED) for member opioid prescriptions.

37%
reduction

in 30-day opioid prescriptions.

31%
increase

in member engagement in Medication Assisted Treatment (MAT) year-over-year.

A Better Future

Joe's Journey from Addiction to Redemption

Joe is living a perfectly happy life. He has a loving wife and a young child, a house and a fulfilling career in social work.

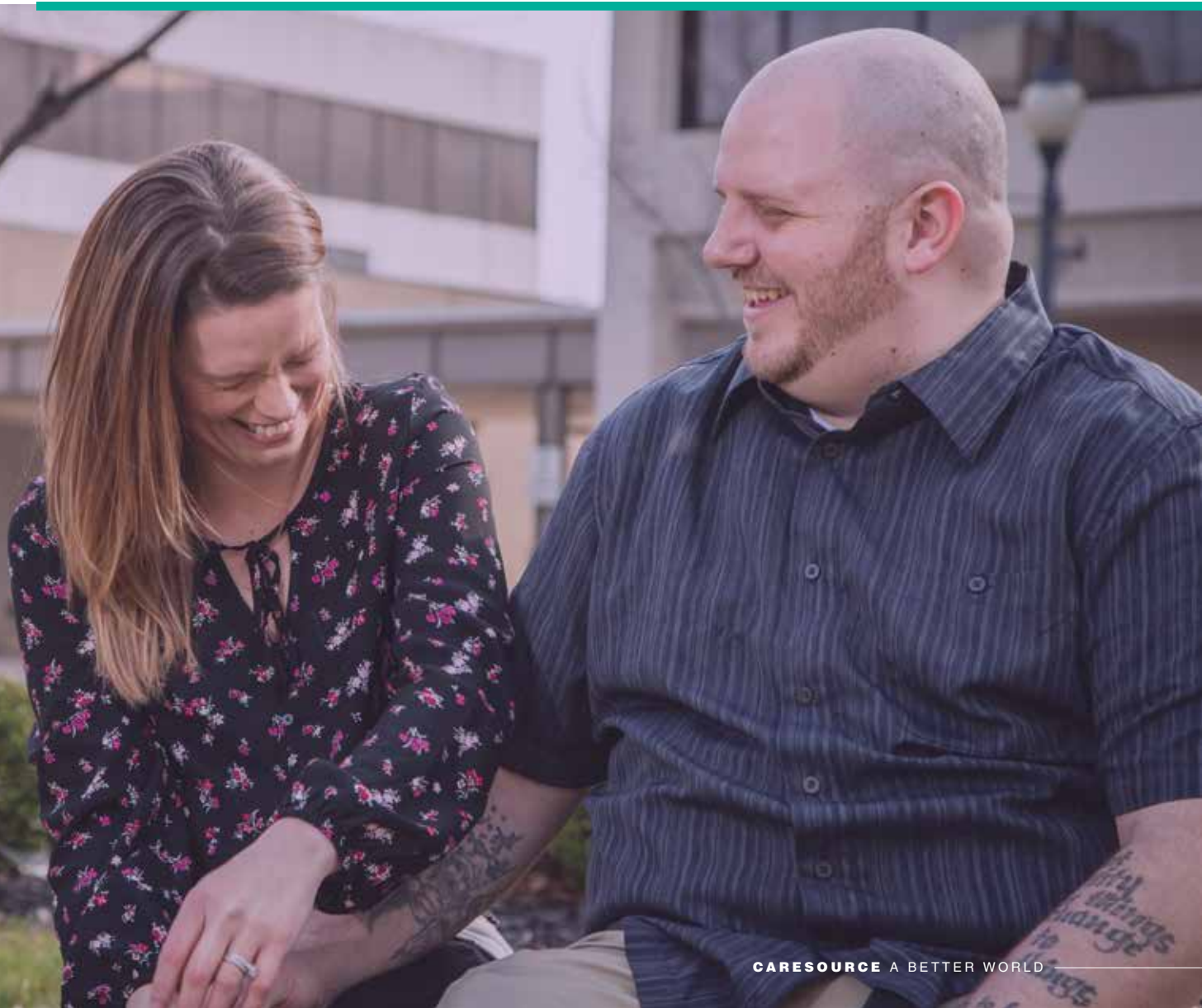
But it's a life he would have never imagined when he woke up on his bathroom floor after a failed suicide attempt in 2016.

Joe's toxic relationship with drugs started at a very early age. From marijuana at 8 to his first arrest at 12 to crack and heroin at 17, he barely remembers a time in his youth when he wasn't high. When he eventually

landed in prison and came out determined to kick the habit, he would find himself using again almost immediately. Determined he would die a junkie, he sat on his bathroom floor and administered what he believed would be a fatal dose of Fentanyl.

But this wasn't the end of Joe's life story. It was the beginning.

After his suicide attempt, Joe was contacted by Eric, a Life Coach for CareSource. Eric remembered Joe from his previous career at a local drug and alcohol treatment center.



Eric explains, "The treatment center does their job when they complete somebody through treatment, but then what? Once I started with CareSource, I knew I had a lot of potential members that I had worked with in the past and Joe was one of the first ones that I had reached out to because I knew he had gotten into treatment, and in reality, what a member needs is so much more than that."

Eric introduced Joe to the CareSource Life Services program.

With his own Life Coach, Joe created a life plan to go back to school, find a better job and instill hope for the future. From there, the pieces of his life finally started falling into place. He earned an Associate's Degree at a local college, began classes for a Bachelor's Degree and then landed a job helping others battling addiction at Rocking Horse Community Health Center in Springfield, Ohio.

Today, Joe is no longer a CareSource Member.

His employer provides the benefits that he and his family need. But CareSource is proud to have given him the tools he needed to get up and out of Medicaid. And Eric knows there are others just like him that need a helping hand.

"Joe's done a fantastic job, but in reality, my focus is on the next member, because it is that next member that needs what we offer right now," he explains. "That's why when we leave here today, it's back to work. That's what we do. It's CareSource."

"I was a high school dropout. My mom can see me graduate now. If CareSource had not come into my life, I wouldn't be where I am today."

JOE

Former CareSource Medicaid Member

[WATCH JOE'S VIDEO](#)



From Prison to Productivity

Positive Results from Indiana's Re-Entry Program

Each year, individuals are placed in prisons with documented substance abuse disorders or behavioral health issues. We know that with the proper opportunities, care and treatment, we can partner with state leaders and our health and social service providers to break the cycle of incarceration that many of them are in.

In 2018, with those challenges in mind, CareSource designed a pilot program with Family Social Services Administration and the Indiana Department Of Correction to assist Indiana citizens re-entering their communities. In the program, the re-entry team creates a unique care and transition plan for each member based on medical/behavioral history, social needs and self-sufficiency goals.

Then, we work in conjunction with social workers, nurses and community health workers to address the overall medical and behavioral health needs of returning citizens. The program is not only an extension of our mission to make a lasting difference in the lives of our members but also a vivid example of how we actively engage other organizations in the community to help meet our shared objectives.

The Indiana Re-Entry Program serves an often forgotten population that is surrounded by stigma. Through our efforts, we believe we can lead them down a path to self-sufficiency and hope.

INDIANA RE-ENTRY PROGRAM FAST FACTS

JULY 2016-JULY 2018

450
members

successfully contacted
in-person or by phone.

185
members

have completed a
criminal justice plan.

15
facilities

served.



“Having a listening ear in a world where no one listens to former prisoners gave me the confidence I needed to become self-sufficient.”

LATWAN

Former CareSource Member

Passion and Purpose

LaTwan's Second Act

The numbers are staggering.

When ex-offenders are released from prison, they are 12.5 times more likely to die in the first two weeks after release than the average citizen. With 70 percent of them coping with a substance use disorder and 25 percent having a serious mental health illness, they face myriad challenges to achieving self-sufficiency. Without support, nearly 34 percent of adult ex-offenders in Indiana will return to prison within three years, according to the Indiana Department of Correction (IDOC).

But LaTwan beat those odds.

In 2016, after serving a 12-year sentence for attempted murder, he left prison lacking the basic necessities he needed to get on his feet, like housing, income, food—even a driver's license. That's when his CareSource Life Coach, Becky, enrolled him into the Indiana Re-Entry Program.

Becky helped him enroll in college and get financial aid. She assisted him in applying for a job. Soon he would be attending community college while working full-time.

LaTwan moved into a transition home with low rent, which helped him save money for a car. One year ago, LaTwan landed a job as a chef in the hotel kitchen of a respected chain hotel. He now receives employer-sponsored health insurance and is completely self-sufficient.

“The best thing about my life is going to work every day,” he said. “It's such a miraculous feeling, earning my keep.”

“CareSource has a history of running towards the problem. We do things for the good of the member. That is continuing the legacy of our mission.”

ERHARDT PREITAUER

CareSource President and CEO

A Better Model

CareSource RxInnovations Offers Transparency and Value

Traditionally, health insurance companies like CareSource have relied upon third party Pharmacy Benefit Managers (PBM) to administer pharmaceutical claims, but we have long coveted a better model that offered more transparency,

drove real value for stakeholders, built stronger partnerships with local pharmacies and controlled costs. In early 2019, CareSource announced our own integrated approach to administering pharmacy benefits and services called **CareSource RxInnovations**.

Now, through the integration of all clinical data—medical, behavioral, social and pharmacy—we will be able to provide holistic care coordination, while also meeting the needs of our other key stakeholders—the states in which we do business and our pharmacy partners.

BENEFITS INCLUDE:

Full price transparency validated by an independent third party so states will have full visibility to where pharmacy dollars are being spent for their Medicaid beneficiaries.

Custom pharmacy network to provide the same access members have today while protecting independent pharmacies from volatility created by the traditional PBM model.

Value-based programs that drive increased quality, leveraging incentives to local pharmacists for their critical role in educating patients and preventing adverse drug events.

Improved member health outcomes and lower costs driven by an integrated, industry-leading data platform providing real time opportunities.



CareSource was a national leader in rolling out pharmacist-provided medication therapy management years ago, and this builds upon that foundation.



OUR FOCUS: RxINNOVATIONS

LOWER COST

Drive
pharmacy
savings

with price transparency validated
by an independent third party.

IMPROVE QUALITY

Drive
increased
quality

by leveraging incentives to local
pharmacists for their critical role in
educating patients and preventing
adverse drug events.

INNOVATE CARE

Advanced data
analytics (AI)
integrates member
medical, lab and
pharmacy data

to improve members' lives.



A *Lifetime*

CareSource is a multi-state, multi-plan government health care organization that offers products and services for every stage of our members' lives. From prenatal care to healthy Medicare Advantage plans, we offer our members reliability, superior customer service and health care with heart.

MEDICAID

Ohio, Kentucky, Indiana and Georgia

Health coverage for low-income people, families and children, pregnant women, the elderly, people with disabilities and those receiving home-based and community-based services (HCBS); Medicaid programs vary by state.

MARKETPLACE

Ohio, Kentucky, Indiana and West Virginia

Qualified Health Plans offered through the Health Insurance Marketplace providing low-cost comprehensive coverage for individuals and families.

DUAL ELIGIBLE/ MYCARE OHIO

Ohio

Primary, acute, behavioral health and long-term care services for those who are dual-eligible for Medicaid and Medicare.



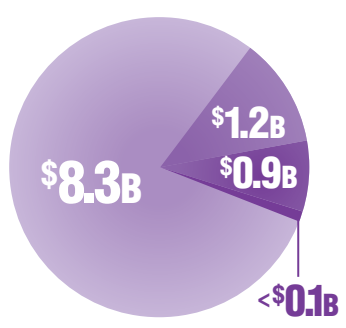
Quality of Support

MEDICARE ADVANTAGE

Ohio

Plans that provide all of the Medicare benefits for doctors and hospital coverage (Parts A & B), combined with Medicare prescription drug benefits (Part D).

2018 REVENUE



\$10.4B

2018 REVENUE TOTAL

- Medicaid
- Marketplace
- Dual-eligible/MyCare Ohio
- Medicare Advantage

A Better Place

Bonnie's Journey to Regained Independence

Just like most CareSource MyCare members, Bonnie has complex medical issues.

She is a paraplegic facing the daily struggles of living with Multiple Sclerosis. Just like other dual-eligible members, her health and well-being are often complicated by factors in her environment.

When her husband unexpectedly passed away in 2014, Bonnie and her faithful dog, Kahlua, would begin a life-changing journey that would lead them from heartbreak to happiness.

At CareSource, our mission is to make a lasting difference in our members' lives by improving their health and well-being. We view that success collectively by our expanding ranks of membership, but we experience that success individually through our members' individual stories of hope and resilience.

THE
HEART
OF OUR
MISSION



Because of her health care needs, Bonnie would be placed into an Assisted Living facility. Then, over the next four years, she would move into three different facilities, never finding comfort in the institutional settings. As a 62-year-old woman with a sound mind, she knew she was too young to be in a nursing home environment. Eventually, she would drain all of her financial resources. And that's when, just when she considered her situation the most desperate, she chose CareSource and met Katrina, a CareSource MyCare Case Manager who helped her find a solution.

Working with a pilot program that helps Ohioans transition from institutional settings to home and community-based settings, Katrina helped find Bonnie an apartment near her family and friends. Bonnie needed not only a home that was accommodating to her and her physical condition but also to her canine companion. Katrina helped find the apartment and then ensured that the place was properly accessible and that Bonnie's move was as smooth as possible. **Since Bonnie moved into her apartment in early 2019, she is thriving with her new independence, and both her—and her loyal dog—are off all anxiety medications. Bonnie is unquestionably in a better place.**

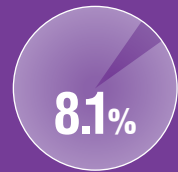
Bonnie's CareSource MyCare Ohio plan coordinates the benefits of Medicaid and Medicare in order to:

Increase the quality of member care

Improve member health

Reduce overall health care spending and reduce costs

While still a pilot program in Ohio, its early success indicates an opportunity for growth and success in serving our dual needs population.



DECREASE IN PER-MEMBER, PER-MONTH (PMPM) COSTS FROM 2016-2017

"Bonnie's mind is able to do things her body cannot. I acted as her legs."

KATRINA

CareSource Case Manager

[WATCH BONNIE'S VIDEO](#)



A Work in Progress

Nate Benefits from Life Coaching

CareSource Life Services JobConnect helps remove life barriers that keep members from achieving their goals and dreams. In his young life, Nate had encountered his share of obstacles.

While he wanted to attend college, he struggled in a traditional high school classroom environment. And when he dropped out in August 2017, his mother became concerned about his path. She knew he would need his GED if he wanted to continue his education but she couldn't afford the cost.

Nate took advantage of CareSource JobConnect, a groundbreaking program that gives our members the tools to balance work and life by removing barriers that stand in their way and linking them to community resources for:

Professional Development

Community Support

Access to Food Care

Legal Aid

**Budgeting and
Personal Finance**

Housing Resources



She knew he had the capacity to succeed but she was often too sick to provide the push he needed.

That's when she reached out to CareSource.

Immediately, his CareSource Life Coach enrolled Nate in JobConnect Georgia and our GED Assistance Program and created a plan with the school counselor, Nate and his mother. He was so motivated to finish school that he completed his GED in just two weeks.

Upon completion of the GED, Nate was hired as a restaurant cook making \$9 per hour, but he found himself at odds with his managers and soon quit. After further life coaching, he learned to better understand accountability and working with others. He refined his soft skills, and after two months, he found work in a bakery making \$12 per hour. His CareSource Life Coach continues to help him refine his life skills and often meets with him to discuss the next steps on his life's journey.

During each of these setbacks, Nate could have easily become another sad statistic. Another unskilled high school dropout. Another poor Medicaid member struggling to find his next break. But because of CareSource's holistic view of our members' wellness, he's much better positioned for success as a young adult. It's a prospect that gives Nate confidence and eases his worried mother's mind.

"It takes a village to raise a child; I didn't expect my Medicaid plan to be part of my village."

NATE'S MOTHER



Leading the Fight

For Those Who Fought for Us

Perhaps no issue in health care is more disheartening than the difficulty of our American military veterans to receive the benefits they have earned through their service to our nation. There are too many stories of our veterans who are inhibited in their efforts to get proper care, often resulting in tragic consequences.

That's why CareSource was recently honored to announce a unique partnership with AMVETS (American Veterans), a national Veterans Service Organization, to explore ways to improve veterans' access to care. CareSource and AMVETS are partnering with the US Department of Veteran Affairs (VA), the veterans community and stakeholders to develop innovative ways to serve veterans and ensure that they have access to their full health care benefits.

Following the passage of the groundbreaking VA MISSION Act in June 2018, AMVETS met with senior executives from CareSource to discuss the future of veterans' health care and how the two organizations could play an active role in supporting VA's implementation of the law.

As part of that effort, CareSource has also partnered with TriWest Healthcare Alliance, VA's contractor for the Choice and PC3 community care programs for veterans.

Through this unique collaboration, 46,500 veterans in Ohio, Indiana and Georgia now have access to CareSource's network of health care providers as part of the Choice and PC3 programs. As VA implements the MISSION Act, CareSource will continue to work with TriWest to enhance and improve the access and quality of care those veterans receive.

These new collaborations between CareSource, AMVETS, VA, TriWest, veterans and the health care community will protect veterans, improve their care and promote accountability. CareSource's vast experience working with special populations makes us uniquely qualified to support veterans through innovative health and life services programs. These promising partnerships will assure all veterans that we will be there to defend them, just as they have defended us.

ABOUT THE VA MISSION ACT OF 2018

President Trump signed the Mission Act into law June 6, 2018. The new law was enacted to correct gaps in care due to funding issues associated with the VA Choice Program, and it consolidates the funding streams used to pay for care in the community. It will also provide funding for the education, training and recruitment of clinicians, VA infrastructure review, caregiver support expansion and pilot programs that explore innovative practices. Veterans will still have the option to receive care in the VA, but they will also have access to walk-in care in the community, under the new law, without pre-authorization in areas where quality and timely VA care is inaccessible.

A National Voice

For Veterans' Rights

On July 3, 2018, Joseph R. Chenelly, the national executive director of AMVETS and Erhardt Preitauer, the President & CEO of CareSource, co-authored an opinion article for the Washington Post. Below are selected excerpts from that article:



This Fourth of July, it's time for veterans to declare their independence from the status quo: A fragmented health care framework that's starving for innovation and limits access to care, rather than one that empowers veterans to overcome barriers to access through expanded care options. Thankfully, when it comes to health care, the veterans' declaration of independence was recently codified in the VA Mission Act...

...That's why AMVETS, the nation's most inclusive congressionally-chartered veterans service organization, and CareSource, a leading nonprofit managed care organization that offers health care options for those who need it most, have recently partnered to define what it means to provide real and viable independence in health care access for veterans—a joint effort that offers no easy answers or quick solutions.

The VA Mission Act is a unified statement of independence at a time when an appetite for consensus over conflict rules the day among legislators, veteran service organizations and a public starved for progress.

Independence, however, must be more than a matter of principle and compromise, especially where veterans are concerned.

It must be about the actual enjoyment of life through effective health care, liberty through the freedom to choose among viable choices and a pursuit of happiness through the full realization of wellness for those who have faced the enemy, sacrificed on behalf of the nation, and now just want to be made whole. Then, and only then, does Independence Day in our country retain its true meaning.

A Better Insight

Making Informed Decisions for Brighter Outcomes

CareSource has never been content to simply administer health care benefits. Instead, we strive for new ways to advance our care model as a whole. Incorporating both social and clinical insights, we are committed to improving the quality and access to health care while still keeping a responsible eye on costs. Evaluating the needs of members in this holistic manner, we help afford them access to high quality care. We call this the CareSource Population Health Model.

The CareSource Population Health Model relies upon gathering proven and reliable information to help us make sound decisions. Using a mix of analytic and predictive data, we can learn from the information of yesterday and today to help create better outcomes for tomorrow. Our multi-disciplinary team of health professionals, working with community and health partners, helps our members through all stages of their health while avoiding unnecessary and costly duplication of services.

OUR FOCUS: POPULATION HEALTH

LOWER COST

Helps to avoid

unnecessary and often costly duplication of services.

IMPROVE QUALITY

Provides a robust and actionable

approach to improving health outcomes.

IMPROVE ACCESSIBILITY

Identifies and addresses

social and economic barriers that stand in the way of our members' optimal health care.

Gathering Data, Gaining Knowledge

The CareSource Population Health Model is grounded in the principles of population health and focuses not only on coordinating care for members with increasingly complex needs, but also on:

**Facilitating access
and removing barriers
to appropriate care**

**Considering the social
determinants that impact care**

Managing chronic conditions

Preventing illness

**Promoting the health
of our members**

Addressing Infant Mortality

Through Housing Interventions

POPULATION HEALTH STUDY: HEALTHY BEGINNINGS AT HOME

AUGUST 2018:

Mothers enter the program

MARCH 2019:

Enrollment in program ends

DECEMBER 2020:

Final report to be released

THE PROBLEM:

Franklin County, Ohio faces staggering infant mortality rates. Three families lose a baby every week—a statistic that's been increasing since 2015 and disproportionately impacts African American babies who are dying at nearly three times the rate of white babies. This disparity is the result of a myriad of health care, social and economic factors that influence the health of a woman over her lifetime.

THE PROGRAM:

Studies show that health outcomes are influenced by a “neighborhood effect” in which health outcomes vary based on where a person lives. The neighborhoods most affected by housing, education, hunger and food insecurity, poverty and employment issues are also those most affected by infant mortality. With support from the CareSource Foundation and in collaboration with CareSource, CelebrateOne is implementing Healthy Beginnings at Home. This Housing Stabilization Pilot Program for Pregnant Women enrolled with CareSource is designed to assess whether housing stabilization intervention and rental subsidies—when compared to the usual care low-income pregnant women receive—will result in improved birth outcomes, decreased rates of infant mortality and stronger health outcomes for women and their infants.

THE RESULTS:

This program is currently active and a final report on its findings will be released in December 2020. In the meantime, we are encouraged by the results of a 2017 micro-pilot program funded by the CareSource Foundation and implemented by Community Development for All People (CD4AP). **All 10 babies delivered full term, full weight and reached their first birthday, a key milestone.** Ultimately, we believe this first-of-its-kind research will help solidify a model for scale and repetition and add essential information to the growing body of work focused on social determinants of health.

In collaboration with

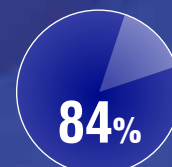




PILOT ENROLLMENT DEMOGRAPHICS



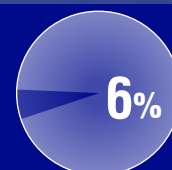
FIRST-TIME MOTHERS



AFRICAN AMERICAN



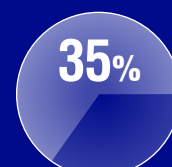
EDUCATION LEVEL LOWER THAN
HIGH SCHOOL GRADUATE OR GED



HOMELESS AT ENROLLMENT



HOMELESS IN LAST 12 MONTHS



MOVED 3 OR MORE TIMES
IN PAST 12 MONTHS

HEALTHY BEGINNINGS AT HOME AT A GLANCE:

Pregnant women who meet the Healthy Beginnings at Home criteria and who are CareSource members are separated into a control and intervention group. Based upon assignment, members may receive:

Identification and outreach

Rapid connection to safe and affordable rental apartments

A two-year transitional rental subsidy

Housing stabilization services

**Maternal and child health support services, including
CareSource JobConnect life coaching**

CareSource health care and behavioral health services

**A flexible funds pool for payment of incidental expenses
that serve as barriers to stable housing**

Breathing Easier

Better Access for Better Asthma Health

POPULATION HEALTH STUDY: DAYTON PUBLIC SCHOOLS ASTHMA RESEARCH STUDY

JANUARY 1, 2016:

Pre-program data gathering

JANUARY 1, 2017:

Launch of study

DECEMBER 31, 2017:

End of study

MARCH 1, 2019:

Analysis reported

THE PROBLEM:

There is an undeniable link between health and education. And asthma is a leading cause of both health and educational setbacks in urban public school systems. African American children are twice as likely to have asthma as their white peers and two to three times more likely to die from asthma than any other racial group. Children with poorly-controlled asthma are at risk for increased absenteeism, often leading to poor academic outcomes. Many children in the predominantly African American public school system in Dayton, Ohio are faced with these challenges. At Dayton Public Schools (DPS), breathing problems are the primary illness-related reason for school health office visits and calls to 911.

In collaboration with



THE PROGRAM:

In 2017, the CareSource Foundation provided a \$125,000 grant to Community Health Centers of Greater Dayton (CHCGD), a non-profit organization that provides health care for medically underserved residents in and around Montgomery County, Ohio. The donation helped launch and staff a Mobile Health Unit (MHU), giving DPS students better access for asthma care. The Mobile Health Unit traveled to DPS elementary schools, giving students with asthma the opportunity to be evaluated and assessed no less than three times per school year. The MHU staff provided comprehensive asthma care including asthma well-checks, medical treatment for asthma and allergies, asthma action plans, asthma education, care coordination and referral services. While the Mobile Health Unit provided additional care for students, CareSource also used the opportunity to study how this better access to care would ultimately affect health care costs.

THE RESULTS:

In the end, the program not only expanded access to all DPS students for well-child exams and reduced asthma-related school absences, but it also dramatically reduced asthma-related emergency department and inpatient hospitalizations. By working with a community partner to bring quality care and health education to the students of Dayton Public Schools, we have also created better tools for understanding health care for underserved populations and a scalable model which may one day be implemented for a broader cross-section of CareSource members.

[WATCH DPS'S ASTHMA VIDEO](#)



\$100,727.06
ADJUSTED TOTAL
EMERGENCY ROOM SAVINGS

\$126,149.66
ADJUSTED TOTAL
INPATIENT SAVINGS

\$28,878.06
ADJUSTED TOTAL
OTHER SAVINGS

(\$10,724.82)
ADJUSTED TOTAL
PRESCRIPTION SAVINGS

\$245,029.96
ADJUSTED TOTAL
SAVINGS

1.96
RETURN ON INITIAL
\$125,000 INVESTMENT

DAYTON PUBLIC SCHOOLS ASTHMA RESEARCH STUDY AT A GLANCE:

The DPS Asthma Research Study selected 183 students as the intervention group and identified another 574 students with similar

geographic and socio-economic factors as the control group. By comparing records from 12 months before and after the Mobile Health

Unit launch, the final numbers showed a dramatic cost savings for members of the intervention group while the control group showed none.

We Are Built Upon

a Solid

Foundation

As CareSource continues to grow as an organization, we continue to align the focus of the **CareSource Foundation** with the strategies of our business, our markets and the social determinants of health.



To that effort, we invest in communities for programs that focus on:

Eliminating poverty/economic instability

Collaborative partnerships to address critical health trends and build healthy communities

Positive birth outcomes

Domestic violence/child abuse

Hunger and nutrition

Sustainable housing solutions

Population health issues

Health disparities

Mental and behavioral health

tion.

AN INVESTMENT IN OUR COMMUNITIES

2018

130 grants

\$1.15 million

2006-2018

1,338 grants

\$17.55 million

We're proud that CareSource gives more than checks—we also give our time. In 2018, over **1,000 CareSource employees** provided more than **3,500 hours of support** to our nonprofit partners in each of our markets.



CareSource Foundation

Highlights

The Healthy Beginnings at Home and the Dayton Public Schools Asthma Research Studies are meaningful examples of how the CareSource Foundation aligns with the goals and strategies of our business. They demonstrate how we utilize empirical data and predictive analytics in determining the efficacy of care for our members. These two research studies (pages 26-29) were funded by the CareSource Foundation. In addition to these studies, a few of our other 2018 highlights are:

- Addressing a 49% child poverty rate in Ashtabula, Ohio, we helped to create a one-stop, **school-based community hub** providing social, health and workforce development supports focused ultimately on economic stability.
- We provided funds to launch the first-ever **digital preschool** for low-income children in Toledo while delivering focused training and support for parents, cutting costs by almost 50% and creating excited kindergarten-ready learners.
- Working toward re-orienting the entire mission of community development in Cleveland, we funded a “**Community Health Catalyst**” pilot for 30,000 residents and business owners.
- Improving key health outcomes in seven rural Appalachian regions of Southeast Ohio, we helped create intensive, **community-driven action plans** focused on environment, mental health, social isolation and access to healthy foods.



■ In Kentucky, we provided key funds, which will be used for **food access and food delivery innovation**. In Indiana, we will focus on leading-edge **approaches to social determinants of health**. Over 400 organizations throughout both states will have access to these groundbreaking, new grant opportunities.

■ Since launching our **poverty simulation partnership** with the Springfield, Ohio-based nonprofit, Think Tank, we have reached more than 3,200 community leaders. As a result, we have heard from legislators who are now advocating for substantial policy change, college administrators who are increasing scholarship programs for low-income students and corporations who are shifting their charitable funding to a stronger health/human services focus. Our partnership included a massive poverty simulation for first-year medical students at Wright State University.

■ As a result of our grant to the Children's Hunger Alliance, we have officially implemented the **free-breakfast program** serving 6,000 students in 176 low-income Cleveland schools. The Cleveland City Council is now committed to sustaining the program. Since the inception of the program, behavioral issues are down and academic success is on the uptick.



What's Next?

The year 2018 was both a transitional and transformative year for CareSource.

IN THE YEARS AHEAD, WE WILL BECOME:

An agent of positive change
for veterans' services

A growing voice in
Medicare Advantage

A champion of underserved
foster care populations

A leader and innovator in
complex care

An economic force expanding
our infrastructure and
technology to accommodate
large-scale growth

CARESOURCE WILL BE REGARDED AS:

A major thought leader
in the industry

A key influencer for
public policy

A driver of change
for how government
programs are delivered

A pioneer in Life Services
addressing social, economic
and behavioral challenges to
impact the health and overall
well-being of our members

With credibility, capability and confidence, we will position ourselves as a top organization, capturing every key opportunity to improve health care and the lives of our members.

We will
change the world.

For the better.

A Better World
is Here.

An Even
Better
One is **C**



oming.

One of the most critical responsibilities of the CareSource Board is to ensure an orderly CEO succession and stability of the leadership process. To that end, in May of 2018, for the first time in 29 years, the board unanimously elected Erhardt Preitauer to succeed Pamela Morris as President & CEO of CareSource. Additionally, board succession is critical in bringing new and progressive thinking that is fresh, strategic and forward-focused. Over the past year, five new Directors have joined the CareSource Board and two have retired. We are pleased to welcome new Board members Edward T. Brodmerkel, David T. Miller, Erhardt H.L. Preitauer, Anthony J. Principi and Patrice Wolfe.

CareSource Board members are from diverse professional backgrounds, yet their commitment to CareSource members is steadfast. CareSource Board members have been a guiding force in ensuring we have never strayed from our mission. They have led us through obstacles and times of significant growth. While they have seen the best and most challenging of times, their commitment to the mission has been at the foundation of the company CareSource has become.

CARESOURCE MANAGEMENT GROUP CO. BOARD OF TRUSTEES

Kevin R. Brown	Chairman of the Board, President & CEO, CaseNet LLC, Retired
Edward T. Brodmerkel	President & CEO, KMA Holdings, LLC
Craig J. Brown	Chief Financial Officer, Standard Register, Retired
Michael E. Ervin, MD	President & CEO, Wright Health Associates, Retired
Ellen S. Leffak	Director of Insurance & Risk Management, Dayton Power & Light Co., Retired
Patricia A. Martin	Senior Director, Eli Lilly and Company, Retired
David T. Miller	Chief Financial Officer, The Children's Medical Center, Dayton, Retired
John P. Monahan	President, WellPoint, Retired
Erhardt H.L. Preitauer	President & CEO, CareSource
Anthony J. Principi	President, Principi Group LLC, Former U.S. Secretary of Veterans Affairs
Terence G. Rapoch	President, Wright State Applied Research Corporation, Retired
Patrice Wolfe	General Partner, Bulldog Innovation Group

FOUNDATION BOARD OF TRUSTEES

J. Thomas Maultsby	Chair, President & CEO, United Way of Greater Dayton
Erhardt H.L. Preitauer	President & CEO, CareSource
Lisa Grisby	Executive Director, Film Dayton
James W. Gross	Health Commissioner, Public Health Dayton & Montgomery County, Retired
RoNita Hawes-Sanders	CEO, Dayton Contemporary Dance Company
Kenneth Herr	Vice President of Business Services, Strategic Leadership Associates, Inc.
William F. Marsteller, DC	Owner, Centerville Chiropractic
Pamela B. Morris	President & CEO, CareSource, Retired

