

Annual Report
Twenty Years
1995-2015



2015



1995

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Letter from our Board Chairman

A milestone anniversary is a good time for an organization to take stock of what its people have accomplished. For everyone who has helped make Community Health Network of Connecticut, Inc. (CHNCT) an organization that serves more than 740,000 state residents, there's a lot to be proud of. From its humble beginnings in 1995 in a small Hartford office, CHNCT has grown tremendously and met myriad challenges without losing sight of its mission: to bring affordable, quality healthcare to everyone who needs it.

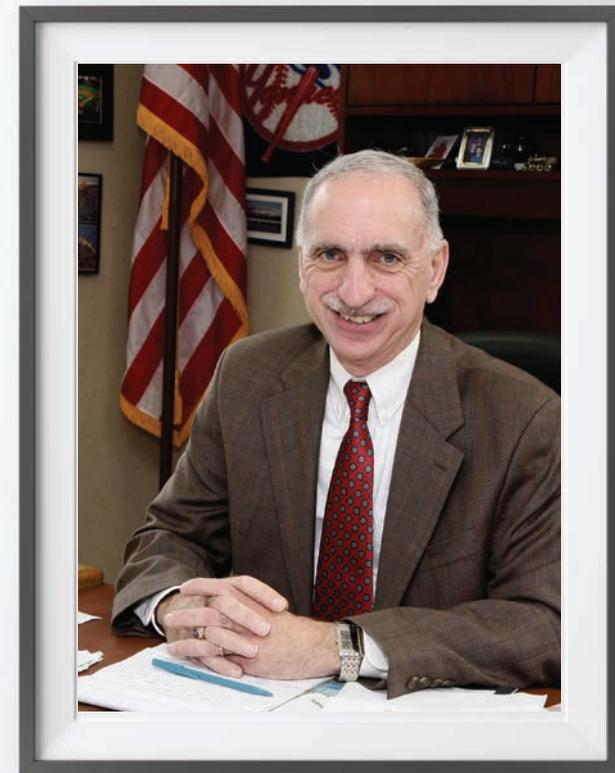
I've been proud to serve on CHNCT's board of directors since 1995, so when I became board chair in 2012, I was fully aware of what we had already accomplished with helping our state's underserved residents to receive the medical services they need. The highlights, as you're about to learn, include initiating programs that encourage wellness; aligning ourselves to meet the needs of the HUSKY Health program and its members; becoming Connecticut's sole medical Administrative Service Organization (ASO); and partnering with other organizations and state agencies to address the socioeconomic barriers to maintaining health and treating chronic conditions.

While focusing on our members and how to better serve them is paramount, I can't reflect on what we've achieved the past 20 years without recognizing all the staff who have made and still make CHNCT so vital to Connecticut and its residents. I'm sure our initial five employees could not have imagined that they were building the foundation of something that would become so large and successful. Our staff today comes

from a variety of backgrounds with an impressive array of skills, and their dedication has such a positive impact on so many lives.

While an anniversary is a good time to reflect on the past, it also lets us think about what lies ahead. In the years to come, I know CHNCT will continue to be dedicated to improving the health outcomes of the state's neediest residents through further innovation, the development of programs for members and providers, and new ways to help providers better serve our members.

—Ludwig Spinelli
Chairman of the Board



Letter from our CEO

In September 2015, I had the distinct pleasure of welcoming all members of the CHNCT “family” to our 20th anniversary celebration. With us that night were the members of our board of directors and the CHNCT Holdings board; representatives from the Department of Social Services; many of our vendors and industry partners; and, of course, our dedicated staff. We all share a common bond: a commitment to improving the health outcomes of Connecticut’s most vulnerable populations.

So many people have contributed to CHNCT and our mission over the years. It is our people and their dedication to our mission which keeps us striving to improve how we serve our members and our providers and keeps us inspired to find creative, effective ways to reduce health care costs while improving health outcomes for the HUSKY Health members who rely on our services.

In 2015 we had many reasons to celebrate. In addition to our milestone anniversary, we achieved significant improvements throughout the year. We grew the provider network and helped more practices join the State of Connecticut Person-Centered Medical Home program. By December, nearly 740,000 members were enrolled in the HUSKY Health program with many who had improved health outcomes. We also increased our efforts to help

address the various social determinants that have an impact on the health of our members.

We’re both grateful for and proud of our role as Connecticut’s medical ASO for the HUSKY Health program. Everyone associated with CHNCT, now or in the past, should be very proud of what we’ve accomplished over the last 20 years and the many lives we’ve touched through our services. CHNCT looks forward to continuing with our mission for many years to come.

— *Sylvia B. Kelly*



Twenty Years of Promoting Health & Wellness for All in Connecticut



COMMUNITY HEALTH NETWORK OF CONNECTICUT, INC. (CHNCT) STARTED IN June 1995 with humble beginnings but a

powerful vision: to provide quality healthcare to residents enrolled in the state's Medicaid program. Over the past twenty years, our membership has grown tremendously and we've become Connecticut's sole medical administrative service organization (ASO) for HUSKY Health, the state's Medicaid program. This program also includes the Children's Health Insurance Program (CHIP) for uninsured children, better known as HUSKY B. As the medical ASO, CHNCT continually strives to improve the health of its members by continuously working to improve access to care, implementing wellness programs, and minimizing costs for both the state of Connecticut and our medical providers.

By receiving URAC accreditation, Community Health Network of Connecticut, Inc. demonstrates a commitment to quality health care.



Highlights of CHNCT's First Twenty Years



In 1995, nine federally qualified health centers came together to create CHNCT, a not-for-profit managed care organization (MCO) dedicated to improving medical services and health outcomes for Connecticut's Medicaid-eligible residents. CHNCT began operations in June with five employees in downtown Hartford. That fall, we were serving 94 members when we moved our offices to Meriden. By the end of our first year, our membership reached 10,000 making CHNCT the 6th-largest MCO in the state at that time.

Two years later, we ended our relationship with an outside healthcare management organization and became a self-managed plan. During these formative years, we introduced four programs designed to ensure improved care and health outcomes for members:

- **Care Express** provided transportation to medical appointments for pregnant members
- **Healthy Beginnings** provided education and support to help ensure healthy pregnancies for members and is still a current program today
- **Sun Family Wellness** worked to ensure members access to health care
- **Smoking Cessation Program** provided help and support to members to quit smoking

In 2000, CHNCT's staff had grown to 60 and our membership had grown to 40,000

By the time of our 5th anniversary in 2000, CHNCT's staff had grown to 60, leading us to move to a larger office where we could better serve our growing enrollment of 40,000 members. That same year, the March of Dimes honored the Sun Family Wellness Program, naming it a "Best Practice Model."

In 2003, we expanded our activities to support the health and well-being of Connecticut residents by creating the Community Health Network of Connecticut Foundation. The 501(c)(3) organization's mission is to advance, support, and promote programs and activities that fundamentally improve the health status of the people of Connecticut. To achieve that, the Foundation supports the nonprofit activities of community health centers and other nonprofit organizations that promote health-care services to families in Connecticut.

In 2004, CHNCT became an administrative service organization (ASO) for the Department of Social Service's State-Administered General Assistance (SAGA) program, resulting in a membership increase of more than 50 percent. Our continued growth led to our last move to Wallingford where we now occupy and manage two properties.

In 2004, membership increased more than 50%

1995

2000

2005

A Changing Landscape



Throughout our first decade, CHNCT continued to find ways to successfully adapt to change and new challenges. We stepped up again when modifications to how the State of Connecticut administered its Medicaid and HUSKY B programs led several other managed care organizations to end their contracts with the state. This boosted CHNCT's membership again and by 2010, we were Connecticut's largest MCO.

During our 15th year, we invested in technology to help us identify members who might need case management, disease management, or social services. We also created new programs and strengthened existing ones. Easy Breathing, for example, was introduced to improve the health of kids with asthma while reducing treatment

costs. Meanwhile, we expanded our Healthy Beginnings program to reach and support members earlier in a pregnancy.

CHNCT's role as a major player in Connecticut's healthcare system took a new direction in 2011. That year, the Department of Social Services announced it would stop using managed care organizations and move to a self-insured administrative service organization (ASO) model. This was done with a goal to further improve health outcomes for members, reduce cost for both the state of Connecticut and providers, and improve transparency and accountability. Connecticut is one of only a few states to adopt the ASO model.

In September of 2011, the state gave CHNCT the right to negotiate a contract to become

the sole medical ASO. The arrangement meant we had to prepare for another period of growth in membership and staff leading to the leasing of more space in Wallingford and the hiring of more staff. Our ASO contract and the implementation of the Affordable Care Act in 2012, led to a huge influx of new members and an expansion of the HUSKY D program, which covers low-income residents who don't qualify for other HUSKY Health programs. Enrollment in HUSKY D grew by 78 percent, fueling member growth of 17 percent.

During this time of transition and unprecedented member growth, we continued to expand our services and reach new milestones in helping both members and providers. Here are some examples:

- **In 2011**, we expanded our Choices program to teach children and teens about good nutrition and healthy lifestyles.

- **In 2012**, our Human Services Specialists worked with community organizations to help almost 2,500 members with issues such as finding food and housing resources, getting donations of food and clothing, and meeting other service and educational needs.
- **In 2013**, we grew the Person-Centered Medical Home (PCMH) program, which was introduced the previous year. PCMH is a model of care which emphasizes bringing members and their primary care providers together in a relationship that stresses a holistic, person-centered approach to healthcare.

In 2012, CHNCT became the sole medical ASO for the HUSKY Health program

In 2013, we grew the Person-Centered Medical Home (PCMH) program

2010

2015



The People Who Have Made the Past Twenty Years Possible

OUR MEMBERS

From those first 94 members in 1995, CHNCT now has approximately 740,000 members receiving affordable, high-quality medical care. By working with the Department of Social Services, other state agencies, and the other ASOs that provide behavioral and dental health services and transportation services, we help our members address and manage their medical and socioeconomic needs.

While our growth in membership over the last 20 years is impressive, our members are not merely numbers. We know

they are people who may be struggling with personal issues while also trying to manage their medical needs. Members can count on us to champion their interests and help in any way we can to support their medical care and social needs. CHNCT's Member Advisory Workgroup brings together active members, reflective of the diverse demographic we serve, with representatives of the Department of Social Services and several of our departments. This workgroup gives our members a voice to help us ensure that we are providing the programs and information they need to access their care and benefits.

OUR PROVIDERS

We couldn't help our members be as healthy as they can be without a large pool of dedicated medical providers. We work closely with providers to improve member health outcomes in a cost-effective way. Our services to providers include:

- Helping them become part of the Person-Centered Medical Home program through the Glide Path, which provides technical and financial support to practices seeking PCMH recognition

- Offering our Intensive Care Management program to provide care coordination for members with chronic or complex conditions
- Visiting practices to address issues such as enrollment problems, member missed appointments, and claims resolution
- Providing extensive, ongoing training and important information through media including the HUSKY Health website, informative webinars, our Healthy Connections provider newsletter, and our provider collaborative program

OUR STAFF

The five people who worked in our first office in 1995 probably never imagined that CHNCT's staff, including offsite employees and consultants, would grow more than a hundredfold in just 20 years. During those two decades, our staff had to respond quickly to changes in how the State of Connecticut runs its Medicaid program and adapt to new technologies. Through all challenges, our staff never lost sight of our goal to arrange quality healthcare for the state's most underserved populations.

While CHNCT focuses on improving the lives of our members, we also strive to make sure our employees have a fulfilling work environment. We have an employee Health and Wellness Program, and in 2015 we had our inaugural Employee Health Fair, which offered education and health

screenings to promote employee wellness. To keep staff informed and connected, we hold All Employee Meetings. And for an afternoon of fun, we bring our employees together for our annual pizza party.

Our staff takes pride in helping others, and various events throughout the year provide opportunities for them to donate time and money to serve our local community. We hold an annual food drive at Thanksgiving, give to Toys for Tots, and raise money through Jeans Weeks; employees can wear jeans to work one week each month by making a contribution to the Foundation. Our staff also take part in the Foundation's Walk for KHAIR, a fundraiser for its program which supports at-risk teenagers in our community.

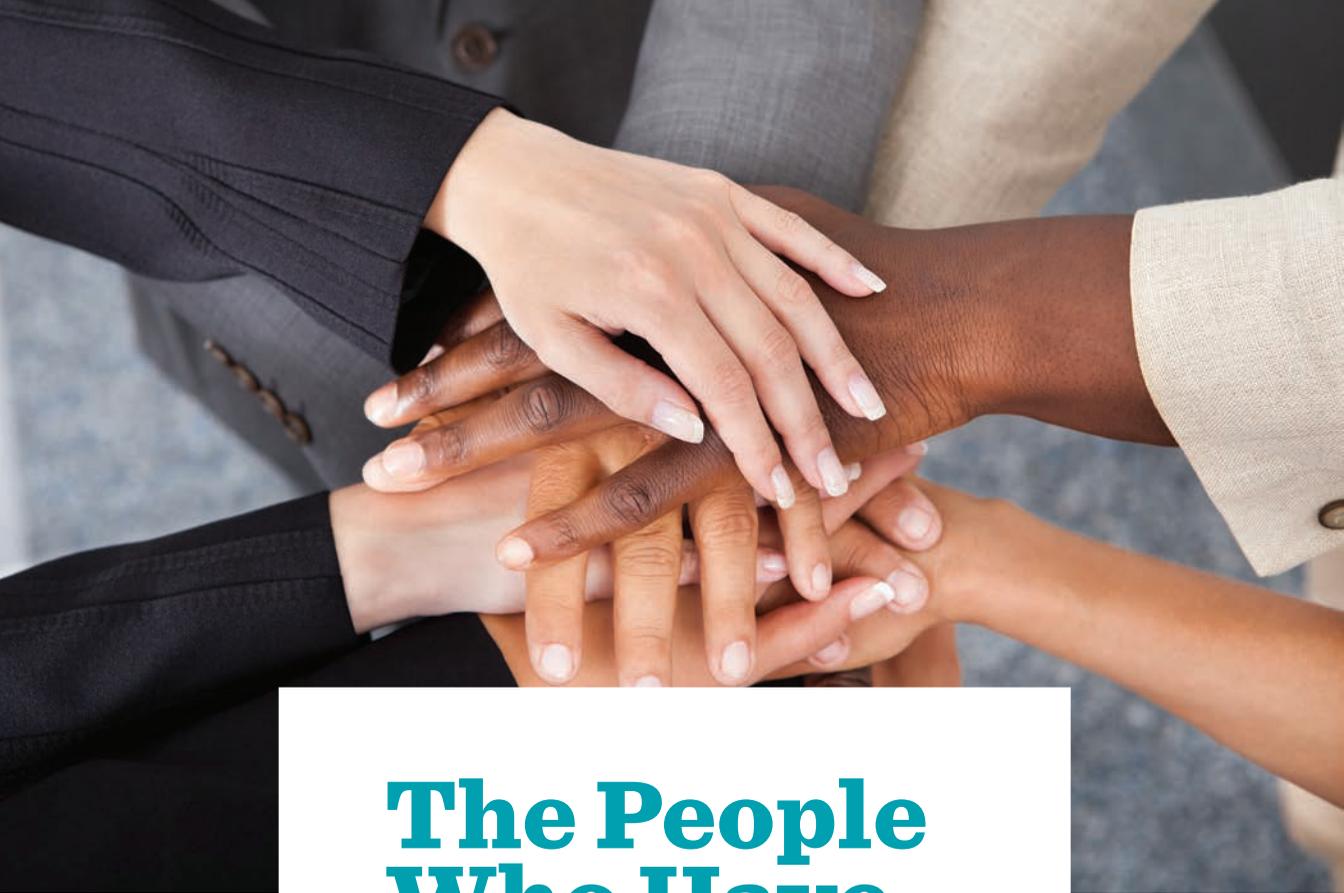
Financials

CONSOLIDATED STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<i>Revenue:</i>		
ASO revenue	\$80,756,954	\$77,588,543
Program contract revenue	\$1,617,240	\$1,068,627
Other revenue	\$431,110	\$399,986
Net investment income	\$232,747	\$94,663
Total revenue	\$83,038,051	\$79,151,819
<i>Expenses:</i>		
ASO expenses	\$78,305,134	\$74,674,249
Program contract expenses	\$1,617,240	\$1,060,278
Medical costs (benefits)	(\$174,963)	(\$387,659)
Other administrative expenses	\$2,425,438	\$2,306,840
Total expenses	\$82,172,849	\$77,653,708
Excess of revenues over expenses	\$865,202	\$1,498,111
<i>Other comprehensive income:</i>		
Changes in net unrealized (losses)/gains on investments	(\$406,886)	\$91,263
Comprehensive income	\$458,316	\$1,589,374

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
<i>Current assets:</i>		
Cash and cash equivalents	\$19,648,319	\$30,283,953
Investments in debt securities, at fair value	—	\$700,318
Investments in equity securities, at fair value	—	\$1,568,558
Investments in mutual funds, at fair value	\$9,309,714	—
Restricted cash - R2Q	\$86,655	\$107,836
Accounts receivable	\$3,055,237	\$3,580,057
Deposits	\$36,343	\$30,013
Other current assets	\$3,145,172	\$2,237,727
Total current assets	\$35,281,440	\$38,508,462
Investments in debt securities, at fair value	—	\$4,092,856
Property and equipment - net	\$6,663,035	\$8,153,079
Total assets	\$41,944,475	\$50,754,397
LIABILITIES AND NET ASSETS		
<i>Current liabilities:</i>		
Funds held for R2Q	\$72,892	\$105,836
Unearned revenue - DSS ASO	\$1,079,738	\$7,358,106
Accounts payable and accrued expenses	\$5,730,231	\$8,687,157
Total liabilities	\$6,882,861	\$16,151,099
<i>Net assets:</i>		
Contributed capital	\$748,984	\$748,984
Unrealized (losses)/gains	(\$190,020)	\$216,866
Accumulated earnings	\$34,502,650	\$33,637,448
Total unrestricted net assets	\$35,061,614	\$34,603,298
Total liabilities and net assets	\$41,944,475	\$50,754,397



The People Who Have Steered Us in the Right Direction

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Evelyn Barnum
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CEO, Community Health Center Association of Connecticut

Sylvia B. Kelly
(Ex-Officio)
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