Serving Washington communities for over 25 years
Our mission is to deliver accessible managed care services that meet the needs and improve the health of our communities and make managed care participation beneficial for community-responsive providers.

Our Executive Leadership Team

(Front left to back right)
Leanne Berge/Chief Executive Officer, Stacy Kessel/Chief Financial Officer, Marilee McGuire/Chief Operating Officer, Patty Jones/Senior Vice President, Health Services, Alan Lederman/Chief Administrative Officer, Abie Castillo/Senior Vice President, Provider Services/Network Development, Barbara Westlake/Senior Executive Assistant & Board Administrator, Keith Brown/Chief Medical Officer
Dear friends,

Looking back on 2017, we have been through some truly remarkable times together. Some years, we may coast along on gentle seas, confident that the winds are at our back and the skies are clear. Other times, we are faced with choppy waters and battering storms. Last year, we navigated through some stormy seas, but we were able to move our ship forward in the right direction, because we followed our north star. Our mission provides us with the guidance we need. These continue to be challenging times for our country, but the greatest threat to our work – the attempt to repeal the Affordable Care Act and dramatically cut back on Medicaid and CHIP funding – at least for now has passed. We also faced threats to critical funding for our Community Health Centers, but are now confident that such funding is in place, at least for the next few years.

Despite these threats, we have had a year of big accomplishments. We are proud of our political work with our healthcare advocate allies, and even more directly, we are proud of our own organizational achievements. Most notably, we brought medical management services “back home” to best support our members’ needs and our provider partners in their delivery of integrated whole person care to our members. We are now able to directly support and coordinate medical, behavioral health and social services through integrated care teams to address the range of factors that impact our members’ health.

We continue to be challenged by the political climate in Washington with threats to our immigrant families, our environment, our public safety and our democratic institutions and principles. We expect to see continued attacks on the healthcare and social safety-net. And, we are all at risk when any segment of our country feels alienated from the democratic process. For us to stay successful, we cannot “look the other way.” On the contrary, we must stay involved and vigilant in order to be true to our mission.

A year ago, I told you I was confident our values would not change in the face of obstacles. What I didn’t fully appreciate at the time was that our values give us the energy and direction to achieve even more during these times. With our renewed sense of purpose, we have strengthened our ability to respond to the needs of our members and improve their health. Our accomplishments derive from our mission – we know why we matter and what we stand for. And we have kept our mission firmly as our guide.

This year’s Annual Report focuses on our recommitment to our value to our community. Read on to see how we have found new ways to deepen our long-standing community ties to meet the challenges of the times. It is my privilege to be engaged in this commitment as we work together toward our common purpose: to improve the health and well-being of our communities.

Leanne Berge
Chief Executive Officer
Keys to Successful Integration

Even though we are Community Health Plan of Washington, we are also a part of a broader community—a community of health care organizations and experts across the country focused on healthcare system reform and improvement. When we have experience with a care model that yields positive results for our members, we are happy for the opportunity to share it with colleagues in other states. In turn, we are always looking for opportunities to learn from innovative demonstrations in other states. By thinking beyond our borders, we have the opportunity to continually improve the way we deliver care to our own communities and build on our collective knowledge to improve the healthcare system in this country.

Following our successes with integrated managed care in southwest Washington and given our history of innovative strategies for improving healthcare of our members, our CEO Leanne Berge was approached by Managed Healthcare Executive, a healthcare industry trade publication, to share our experience with improving health for the more complex populations who suffer from serious mental illness and understanding how our experience can be helpful for healthcare organizations more generally. Leanne described the underlying problems facing the U.S. healthcare system as follows:

“Despite outspending other developed nations in medical services, the U.S. continues to see poorer outcomes, higher mortality rates, and a greater prevalence of illness. These results can generally be attributed to our fragmented healthcare system in which hospitals, primary care providers, and specialists of all sorts, provide services in their own silos without approaching care from the patient's perspective and in an integrated model.” Leanne further explained the most important foundations for change:

“Building meaningful partnerships and a team-based approach to service delivery will lead to lower total costs, improved outcomes, and a better experience for the patient and provider.”
**Incentivize whole person care.** “Although it takes time to build communication and trust across providers, building a financial model that aligns incentives for overall outcomes is a foundational component to change. Since investments in data exchange, care coordination, and team-based care are required, a value-based payment model is needed to encourage this change. Such efforts and investments will be more than offset by the reduction in unnecessary hospitalizations, specialty services, and high-cost pharmaceuticals and procedures.”

**Set the stage for integrated care.** “It’s critical to tap into the community and align non-traditional providers and community-based organizations, including behavioral health organizations and non-medical partners, such as social service agencies, to address the needs of the person in an integrated patient-centered model. Building meaningful partnerships and a team-based approach to service delivery will lead to lower total costs, improved outcomes, and a better experience for the patient and provider.”

Leanne concludes: “The financial and patient-centered model components go hand-in-hand. If we take these steps and eliminate barriers to truly integrated care, we will see improved health for our communities. These learnings can be applied in a variety of settings and populations and we appreciate the opportunity to share our real-life experiences with the larger community of healthcare organizations and reformers. Together we will find ways to improve our healthcare systems in this country for the betterment of us all.”
Data-Driven Health Decisions

Appropriate use of data plays an important role in making health decisions for our members. For many years, Community Health Plan of Washington (CHPW) and the Community Health Network of Washington (CHNW)’s statewide network of community health centers have connected electronic health records (EHR) with CHPW claims data for improving patient care. This aggregate information is shared with providers for improving the quality of care for their patients through a Clinical Integration Solution (CIS) platform.

Providers can view the full picture of their patient’s health history by utilizing the aggregated data in reports and real-time user formats—including specialty and pharmacy information—beyond what would be available through their own EHR systems. These integrated health histories enable providers to identify gaps in care and health risk and provide services to achieve higher quality care for their patients.

CHPW and CHNW facilitate a host of programs to improve and support the use of data and analytics to better serve our providers and members. In 2017, our Pay for Performance program created significant incentives for providers to improve HEDIS measures and leverage the Clinical Integration Solution tools to close gaps in care. By using comprehensive data sources and analytic algorithms, the CIS can pinpoint patients’ risk gaps throughout the year and give users information in real-time to address these gaps.
Many new clinics participated in the CIS platform in 2017. As a result, CHPW made significant investments in training and developing best practice resources for use of CIS. This included in-person training, online resources, webinars, and community learning sessions.

CHPW is committed to helping providers make better decisions about patient health, shaping a more efficient health delivery system, and enabling a healthier member population.

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Diversity and Inclusion: Starting the Conversation

Our mission is focused on enhancing the communities in which our members reside—but what about the community that is us? What are we doing to make Community Health Plan of Washington (CHPW) itself a diverse community where everyone feels welcome, included, and valued? A new internal advisory group was established at CHPW last May to support the efforts throughout the organization to achieve these goals: The Diversity and Inclusion Advisory Group, also known as DIAG.

Once assembled, DIAG began the discussion at the ground level. What is diversity? What is inclusion? Right from the start, the advisory group could see this wasn’t a “project”; it is about conversations and interactions—and it will take time. “It’s a journey with no end,” says Kim Smith, HR Business Partner and Chair of DIAG. “We won’t ever ‘finish’ the work, and at first we had to wrap our heads around that. Once we did, it was easier to have the conversation.”

CHPW prides itself on its diverse staff that serves a diverse member population. But there are always opportunities for improvement. What are we doing to leverage the diverse and unique talents of our employees? To keep these goals in the forefront of our conversations and interactions, DIAG has chosen the tag line: “Thinking Differently Together.”

One of CHPW’s Core Values is “Every Person, Every Idea Counts.”
DIAG has been meeting regularly to suggest ways to foster a culture of commonality where every employee will feel that CHPW is a great place to work. To begin, DIAG recommended an inclusion-themed question be asked on the 2017 CHPW Employee Engagement Survey, to take the pulse of how our employees feel. “The leadership at my organization has clearly encouraged diversity and inclusion through their words and actions.” Results revealed an overall positive feeling about diversity and inclusion at CHPW, yet there is more to be done.

Recently, DIAG was asked to review CHPW employee policies from the lens of diversity and inclusion, and recommend any changes to ensure CHPW is demonstrating our commitment to a culture of commonality, equity, and non-discrimination. The group will also unveil Inclusion Feedback Boxes in 2018—and employees will be encouraged to voice their thoughts so that CHPW can continue to advance its values within its own culture.

We started our diversity and inclusion conversation in earnest in 2017—and our work has only just begun.
2017 was a year with a clear purpose for Community Health Plan of Washington (CHPW)—to transform our organization’s capabilities to most effectively support whole person managed care. Our effort to reshape how we deliver utilization management and care management services was a significant initiative. It required assistance from all parts of the organization, as well as our external partners in the delivery system.

At the beginning of 2017, we were contracting with a vendor to deliver medical management services on our behalf. In order to leverage innovative best practices and optimize the delivery of CHPW’s services, we decided to rebuild the capability to perform these functions in-house. To help us realize this vision, we sought the assistance of Milliman, an internationally recognized consulting firm, and Patty Jones, RN, MBA, who was serving as Principal for their Healthcare Management Team.

Patty brought to CHPW a long track record of success in MCO medical management services, with expertise in quality improvement concepts and standards as a NCQA surveyor. She had the ideal background to guide the team of talented and dedicated professionals who spearheaded the design and execution of our vision.

In September, CHPW was fortunate to convince Patty to join our team permanently as our new Senior Vice President of Health Services. She has been a firm proponent of our whole person integrated care model, and we appreciate her steadfast leadership, ensuring the successful launch of our new Health Services by March 1, 2018, as planned.

As the Health Services division was being created, the prior Medical Management division was also undergoing significant change. To further support the transition to integrated, whole person care,
Our new leaders in Medical Management and Health Services are helping us realize our vision. Along with our community partners across the region, we are excited to improve the health and well-being of our members and communities by delivering integrated managed care.

CHPW sought a Chief Medical Officer with broad managed care experience, including expertise in mental and behavioral health. In October, we found just the right candidate in Keith Brown, MD.

Dr. Brown has a clinical background in childhood mental health, extensive experience managing behavioral health services and integrated care in Washington State, and experience working with local Behavioral Health Organizations (BHOs). This makes him uniquely qualified to take the reins of our Medical Management division and partner with Patty and her team as we integrate supports across the continuum of care.

Our new leaders in Medical Management and Health Services are helping us realize our vision. Along with our community partners across the region, we are excited to improve the health and well-being of our members and communities by delivering on the promise of integrated managed care.
Supporting Primary Care and Behavioral Health Integration

As the state moves forward with transforming the way we integrate managed care services for Apple Health members with serious mental health or substance abuse diagnoses, work is ongoing to improve the integration of care for all patients needing mental health services, including those receiving services in primary care settings. The importance of appropriately reimbursing providers for this care is being recognized at the state and federal level as policymakers and advocates recognize the importance of the primary care setting for addressing mental health concerns and the connections between physical and behavioral health in achieving better overall health outcomes.

This year, Community Health Network of Washington (CHNW) and Community Health Plan of Washington (CHPW) worked with the state legislature to improve reimbursement and billing practices, which are two crucial components to ensuring the smooth integration of needed services for patients. Providers would have difficulty sustaining funding for critical services—like case management and psychiatric consultation—for their patients without appropriate reimbursement for innovative, evidence-based models for integrated care.

CHNW and CHPW urged legislators to require Medicaid reimbursement to follow Medicare’s lead, which already reimburses providers for behavioral health services integrated into primary care through the evidence-based Collaborative Care Model. This model includes such services as case management and provider consults and is not adequately funded under the traditional fee-for-service model that only pays on a per-visit basis. CHPW was an early proponent of the Collaborative Care Model and has provided subsidies under contracts with clinics to support these services. However, on a larger scale, a change in Medicaid policy was needed to ensure the viability of the model.

Despite a difficult state budget session, the legislature appropriated $4 million over the next two years to reimburse primary care providers who use the Collaborative Care Model in serving their Medicaid patients. On May 5, after strong advocacy from CHNW and CHPW, Governor Jay Inslee signed into law a bill that mandates the Health Care Authority to review behavioral health payments and make changes to support bi-directional integration. This will support providers’ ability to offer integrated care in both primary care and behavioral healthcare settings, as well as enable a sustainable path for expanding evidence-based behavioral health services.
Fighting for the Affordable Care Act

This past year saw multiple attempts at the federal level to repeal the Affordable Care Act (ACA) and replace it with a law that would result in millions of Americans losing their health insurance.

The first proposed replacement was called the American Health Care Act (AHCA). The AHCA would have phased out Medicaid expansion by 2020 and provided less money to states for their Medicaid programs. CHNW and CHPW leadership worked tirelessly with healthcare advocates to make sure Washington’s federal representatives and senators knew what the AHCA would mean to their constituents. In the end, all of Washington’s Democratic representatives and two Republican representatives helped to vote down the AHCA.

The second attempt to replace the ACA was called the Better Care Reconciliation Act (BRCA). Once again, CHNW and CHPW leaders helped protect access to healthcare by hosting press events, sharing patient stories with our elected officials, and serving as trusted subject matter experts on Medicaid and ACA issues for our lawmakers. BRCA went through numerous last-minute revisions and was ultimately defeated.

While it appears that Congress has shelved plans to repeal the ACA for the time being, we continue to be vigilant. With regular budget crises, we are focused on ensuring critical programs are funded and we are in close touch with our elected officials to protect healthcare against any future attacks.
Living our Mission in our Communities

Community Health Plan of Washington (CHPW) employees are dedicated to meeting the evolving needs of our most vulnerable residents through volunteer work, new partnerships, and company-wide drives to help provide everyday support to our neighbors in need. CHPW’s employee-led Mission Committee launched two new initiatives in 2017, one to collect new socks for Seattle’s homeless population and another to teach art classes at the Pike Market Medical Clinic.

The sock drive came to us through TOEvember, a grassroots organization that helps collect and distribute new socks across the state. Homeless shelters identified socks as some of the most needed and under-donated items. Inadequate foot protection can lead to infection, frostbite, and blood poisoning. CHPW collected a total of 875 pairs of socks, most of which were distributed directly to our members by our community health workers. The remaining donations went to the Seattle Downtown Emergency Services Center.

While the Pike Market Medical Clinic has been hosting community art classes prior to 2017, this was the first year CHPW got involved. The classes were a perfect fit for Colby Klingele, a member associate at CHPW who plans to become an art therapist.

“Through each class I witnessed [students’] confidence grow and saw their individual personalities come out in their artwork,” Colby said. She believes the classes at Pike Market Medical Clinic give members a chance “to experience a sense of artistic humanity that they’re so often denied.”
Committed to Giving Back

Building up the communities we serve continues to be central to our mission. CHPW employees are encouraged to use their 40 community service hours provided each year. In 2017, employees spent a total of **3,326 hours volunteering** and collected supplies for four seasonal drives. Twenty-nine employees earned super-volunteer status, using 35 or more of their 40 available community service hours.

In March, CHPW donated nearly **300 books** to the Valley View Health Centers. In June, **253 pounds of food** were collected for the Pike Market Food Bank. CHPW donated over **100 stuffed backpacks** and **10 bags of school supplies** to Mercy Housing in August. During the holiday season, a **$1,000 cash donation** along with numerous gift items were donated to Treehouse, a non-profit that aids foster kids.

Inspired and Engaged

We believe CHPW employees are inspired by our mission to deliver accessible managed care that improves the health of our communities and benefits community-responsive providers.

After the 2017 Employee Engagement survey, we found it’s more than a belief. It’s a fact. When asked if they believe in their organization’s values, 91% said yes, and 84% reported being strongly committed to helping CHPW achieve its vision and goals.

Those are some inspiring numbers!

Community Health Plan of Washington employees are dedicated to meeting the evolving needs of our most vulnerable residents.
2017 Year in Review

Data for Providers
The Clinical Integration Solution (CIS) platform is expanded in the community health centers. The CIS allows providers to help improve patient care through a robust use of data and analytics.

Our 25th Anniversary
Beginning in April, CHPW kicks off our 25th anniversary year with a variety of activities celebrating our history and values. Festivities are held throughout the year culminating in a celebration in November with our founding community health centers and other dignitaries.

Bring it Home
Beginning in March, we launch our design to “bring home” CHPW’s medical management functions, which brought utilization management, case management, disease management, and care coordination back in-house.

NCQA Accreditation
In 2017, CHPW successfully achieved renewed NCQA Health Plan accreditation status. The accreditation lasts for three years and we have already created a proactive work plan for the next survey cycle.
More Stars
CHPW was given a 3.5 Star Rating for Community Health Essentials, our Medicare product. Stars is Medicare’s way of rating a plan’s performance. This reflects the hard work put in by both the plan and the CHCs.

Thinking Differently Together
The Diversity and Inclusion Advisory Group, known as DIAG, is formed in May. One of the internal workgroup’s key tasks is to foster a culture of commonality so that every employee feels CHPW is a great place to work.

A Box for Baby
The Baby Box program debuts in July to educate our members who are new parents on the importance of safe sleep for babies. The box includes a mattress that can serve as a bassinet and includes a sleep sack, onesies, and other items for baby.

New Counties for Medicare
Our Community Health Essentials Medicare plan expands into six more counties: Thurston, Lewis, Kitsap, Chelan, Adams, and Douglas.
25 Years of Delivering Accessible Managed Care Services

In 2017, Community Health Plan of Washington celebrated 25 years of serving and connecting Washington's most vulnerable populations with quality healthcare.

We marked our silver anniversary with a number of exciting events and activities throughout the year. The festivities culminated with a celebration that included representatives from founding community health centers, founding CEO Dennis Braddock, and other special guests including Frank Chopp, Washington State Representative and Speaker of the House.

Founded in 1992 by a group of community health centers, we are still the only local, not-for-profit Medicaid managed care organization in the state. “We are Washington’s health plan,” says Leanne Berge, CHPW’s CEO. “For over 25 years, CHPW has worked in the community to provide quality Medicaid and Medicare services to the people who need it most. We are proud of our accomplishments and more determined than ever to provide the best managed care possible for the people of Washington.”
January 1997
The name of our managed care network becomes Community Health Network of Washington

June 1997
Plan is incorporated in CHNW as not-for-profit cooperative corporation

June 1998
Started covering PEBB, the Public Employee’s Benefit Board

May 2000
Children’s Health Insurance Program launches

January 2003
Network grows to approximately 110,000 Healthy Options, 94,000 Basic Health, 1,600 Children’s Health Insurance Program, and 2,500 state employee managed care clients, served by more than 1,000 primary care providers and 6,000 specialists

January 2000
Metropolitan Park
CEO Cassie Undlin 2000-2002

January 2004
Olive Way
CEO Darnell Dent 2002-2008
20th Anniversary Medicare Advantage enrollment breaks records: Most growth in the entire country at 132% during the Annual Election Period

July 2010

Washington Health Program launches

July 2012

20th Anniversary Celebration of Community Health Plan of Washington

March 2014

Community Health Essentials is introduced as a new individual commercial insurance product

May 2015

CHPW introduces its Mentorship Program spearheaded by Human Resources and designed to create new avenues for career growth

January 2010

CHPW begins our partnership with Seattle Sounders FC
CHPW among the “early adopters” to be the first to offer Fully Integrated Managed Care (FIMC) combining medical and behavioral health to better treat the whole person in SW Washington.

Transition to ICD-10 diagnostic coding implementation included training for both internal CHPW staff and CHC claim staff.

CHPW develops a digital process that allows the monthly data conversation of the Provider Directories for web viewing and real time print saving print dollars and man hours.

CHPW opens our satellite location in SW Washington.

25th Anniversary Celebration of Community Health Plan of Washington.

Downtown Seattle CEO Leanne Berge 2016-Present
25 Years
Member Enrollment
As of December 31, 2017

**Apple Health**

- 2016: 303,458
- 2017: 284,232

**Health Essentials**

- 2016: 68
- 2017: 317

**Special Needs Plan**

- 2016: 3,246
- 2017: 3,406

**Medicare Advantage**

- 2016: 3,979
- 2017: 4,339
Composition of Expenses
For the year ending December 31, 2017

- **2%** Premium & Other Taxes
  - $21M

- **8%** Administrative Expenses
  - $82M

- **90%** Claims Expenses
  - $972M

Financial Strength
For the year ending December 31, 2017

**Assets**

- Cash & Investments: $440.9M
- Other Assets: 41.7M

**Total Assets**: $482.6M

**Liabilities/Surplus**

- Operating Liabilities: $276.7M
- Debt: $0.0
- Surplus: $205.8M

**Total Liabilities/Surplus**: $82.6M