Who is CareSource?

Agenda

Introduction and Overview
Governance, Risk and Compliance
Getting Organized
Implementation and Beyond
Lesson Learned
Our MISSION
To make a lasting difference in our members’ lives by improving their health and well-being.

CARESOURCE
• A nonprofit health plan and national leader in Managed Care
• 27-year history of serving the low-income populations across multiple states and insurance products
• Currently serving over 1.5 million members in Kentucky, Ohio, Indiana, West Virginia
• Preparing to serve Indiana and Georgia

1.52M members

Our COMMITMENT
We will always put people over profit.
• Best-in-class administrative cost ratio delivers maximum benefits to members while being responsible stewards of government funds
• Serving members across the continuum of government programs, coordinating care as their eligibility changes
• Comprehensive, member-centric models of care to address our entire population’s health and social needs
• Help members navigate through daily life challenges and obstacles

Medical Cost Ratio 90-92%
Administrative Costs 6%
OBJECTIVES
Governance Risk & Compliance

With the highly evolving regulatory landscape, healthcare payers are facing numerous compliance challenges and stringent regulatory scrutiny.

Mitigating risks of non-compliance with evolving regulations is a top priority in the industry today; making healthcare organizations move towards adopting GRC solutions.

Governance Risk and Control (GRC) solutions offer benefits for successfully managing regulatory and compliance challenges.

- Get a single source of truth for all compliance, risk, and quality data
- Streamline and automate GRC processes
- Improve collaboration and coordination across GRC activities
- Transform real-time risk data into valuable business intelligence
- Simplify compliance with regulations, corporate policies, and quality standards through a common compliance framework.

INTEGRATED GRC
Second Level

THE GOAL
Bring people together by coordinating efforts and sharing resources.

GRC TERMINOLOGY
Compliance And Control
Enterprise Risk Management
Integrated Assurance

ORGANIZATIONAL FOUNDATION
Compliance And Control
Enterprise Risk Management
Integrated Assurance

START WITH THE END IN MIND
Reporting Expectations
Executive Level Risk
Agility When There Are Changes

GRC AUTOMATION
Our Journey
Planning and Strategy

PLANNING

Develop your plan BEFORE starting GRC implementation.

ROADMAPS
Technology Implementation and Foundation First

FOUNDATIONAL ELEMENTS
Determine Scope of Implementation Process, Controls, Metrics, Risk, etc.

HIGH LEVEL PROCESS
Understand Critical Steps Evaluate Process Be Flexible

HIERARCHY
Determine Reporting Capability Segment Tie to Financial or HR Systems

FOUNDATION ELEMENT
Basics

Compliance
Internal Controls
Risk
GRC
Foundation

Vendor
Procurement
Vendors

GRC Foundation
Compliance
Internal Controls
Risk
Vendor Procurement

Compliance
Internal Controls
Risk
GRC
Foundation

Vendor
Procurement
Vendors
FOUNDATION ELEMENT
Example Risks

HIGH LEVEL PROCESS

PLANNING
Support Model

DEDICATED STAFF
Internal Staff
Vendors

PARTNER WITH ANOTHER ORGANIZATION

UNDERSTAND THE TOOL
Understand Functionality

PARTNER WITH THE VENDOR
Frequent Connection Points
Develop Escalation Paths
Determine Willingness to Modify the Product Roadmap

WORK WITH END USERS
Understand Functionality
**CONSIDERATIONS FOR ROLE ASSIGNMENTS**

- Security
- Reporting Needs
- Activity Input vs. Supervisor Approval
- Executive
- Same for all modules or can vary by module
- Multiple roles per user
- Place primary and backup people in each role

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**ROLE ASSIGNMENTS Example**

<table>
<thead>
<tr>
<th>Role Activity</th>
<th>Role Activity Mapping</th>
<th>Notes</th>
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**PLANNING Governance Model**

**STEERING COMMITTEE**
- Review and monitor overall program progress
- Specifically oversee any customization decisions
- Monitor budget and implementation timelines
- Includes executive sponsor, senior leaders and key stakeholders

**WORKGROUP COMMITTEE**
- Discuss and decide on implementation needs
- Collaborate on central functions
- Benchmark and share best practices
- Includes business owners from all departments using system
Implementation Steps & Outcomes

IMPLEMENTATION STEPS

Rollout Strategy

Phase 1
- Governing structure & hierarchy
- Issue management
- Compliance management

Phase 2
- Internal Audit
- Enterprise Risk Management

Phase 3
- Vendor Management
- Regulation Change Management

BACKGROUND

Case Study - Complaints

Complaints received from State Regulators require formal and comprehensive responses according to the regulator specified timelines. The expectation is 100% on-time response rate and greater than 90% “first-response” resolution.

During 2015, response rates performed at 92% on-time and first-response resolution performed at 65%.

Previous system for managing complaints did not allow simultaneous interactions from multiple business owners impacting the thoroughness of the response and causing delays in timely responses.
IMPLEMENTATION ACTIONS
Case Study - Complaints

Determined requirements for successful management of complaint activity
Cross business collaboration
Identification of SMEs across business areas
Tracking of business owner activities
Tracking of response activities
Ability to report trends and themes

Engaged business in developing the solution

RESULTS
Case Study - Complaints

Through the implementation of our new GRC tool, we improved on-time response rates to regulators from 67% to 99.9% for complaints.

Through business owner engagement and collaboration in the solution, the response rates improved internally.

First-response resolution also improved from 55% to over 90%.

SAMPLE REPORTING
Case Study - Complaints

SAMPLE ONLY
Lessons Learned

BEST PRACTICES

Do The Foundation Work First
Learn The Capabilities Of The Tool
Establish Change Control Structure
Configuration Vs. Customization
Consultants Onsite For Key Milestones To Ensure Engagement
Readiness Checklist
Plan For Reporting

CONTACT US

• Kurt Lenhart
  • VP, Corporate Compliance Officer
  • Kurt.Lenhart@CareSource.com
  • 937-531-2028

• Margaux Frazee
  • Director, Medicaid Compliance
  • Margaux.Frazee@CareSource.com
  • 937-531-3338

• Sean Woodson
  • GRC Implementation Lead
  • Sean.Woodson@CareSource.com
  • 937-531-2734