HEALTHY IS HARDER FOR SOME.

THAT’S WHY WE’RE HERE.
Why is it that people who need the best care are often the ones who get the worst care? It's a question that is at the very heart of our organization. At Commonwealth Care Alliance, we help people with complex medical needs live healthier, more independent lives. Healthy is harder for some. That's why we're here.
WE HAVE A PROBLEM, AMERICA.

Today, people with the most complex healthcare concerns don’t always get the help they need. Why? The traditional healthcare system isn’t designed to help society’s most vulnerable members—individuals who are dually eligible for Medicare and Medicaid. The costs to help these people are high, but quality of care and health outcomes are low. It’s a problem for the elderly, people with disabilities and mental illness, and our society as a whole.

A growing cost to society

- “Dual-eligibles” make up 15% of the Medicaid population but account for 39% of Medicaid spending—and many of their needs are unmet
- Approximately 1.4 million Americans are in nursing homes, at an average cost of more than $80,000 per year, when they could be getting more appropriate, less expensive care in other settings
- About 20% of individuals in nursing homes have no functional disability and some 37% have no more than mild cognitive impairment
- More than 12 million Americans of all ages with functional impairments rely on costly long-term services and supports for help with routine daily activities
- 53 is the average life expectancy of people with serious mental illness—most die from cardiac and metabolic causes that go untreated

The call for a new way to deliver care

We believe that existing models of care need to be transformed and new ones need to be created to meet the needs of individuals with complex care needs. Specifically, our efforts are:

- Creating a system where primary care is moved out of the doctor’s office and delivered by an integrated team where and when an individual needs it
- Emphasizing independence and autonomy so that individuals feel empowered and in control of their own healthcare decisions
- Working to bring more community-based, less medicalized, and less expensive care to individuals with behavioral health issues
- Addressing essential nonmedical needs for vulnerable individuals, like safe housing, access to food, and opportunities for social interaction
OUR STORY BEGINS WITH A VISION AND A PASSION.

In the 1970s, visionary leaders from different organizations teamed up to develop an innovative new care delivery system. They were inspired by the values of human dignity, individual empowerment, and equitable access to care. And they came together to build a community health movement across Massachusetts.

The goal was to support the primary care physician, using an integrated team of nurse practitioners, nurses, behavioral health professionals, social services providers, and other professionals.

These combined efforts were the genesis of Commonwealth Care Alliance. Since our founding in 2003, we have remained committed to three main objectives:

- Enhancing quality of life through better health and greater independence
- Transforming care delivery by focusing on the most complex cases, defining new clinical best practices, and lowering the cost of care
- Reducing health disparities by expanding access to exceptional care, and increasing the return on investment on care for those who need it most

A number of organizations played crucial roles in the founding of Commonwealth Care Alliance, including Community Catalyst, Health Care for All, and the Boston Center for Independent Living.
“WE VIEW PRIMARY CARE IN A VIRTUAL WAY. IT TAKES PLACE IN THE HOME, OR IN THE COMMUNITY. IN A SUPPORTED HOUSING ARRANGEMENT, OR IN A GROUP HOME. UNDER A BRIDGE, OR OVER A SUBWAY GRATE. IT GOES WHERE PEOPLE ARE.”

ROBERT J. MASTER, MD, CEO, COMMONWEALTH CARE ALLIANCE
Consistently recognized for quality.

For four straight years, the Centers for Medicare and Medicaid Services (CMS) has awarded our Senior Care Options plan 4.5 out of 5 stars in its annual quality ratings. Our program is a fully integrated Dual Eligible Special Needs Plan caring for vulnerable, socioeconomically challenged, and frail seniors—and we are consistently rated equally as high for quality as Medicare Advantage plans in Massachusetts that serve healthier and more affluent populations.
At Commonwealth Care Alliance, our innovative demonstration programs have received national recognition for improving outcomes and reducing costs for frail seniors and adults under age 65 with disabilities. Our Senior Care Options and One Care programs have succeeded in helping people with complex physical, developmental, intellectual, and behavioral issues realize their full potential.

**Senior Care Options**
In 2004, Commonwealth Care Alliance launched Senior Care Options, a demonstration program aimed at seniors dually eligible for Medicare and Medicaid. For more than 10 years, our Senior Care Options (SCO) program has achieved significant results.

- **Members are extremely satisfied**—The voluntary disenrollment rate has been approximately 3% since 2004.
- **Our physician partners see value**—In a recent survey, 97% of providers agreed that Commonwealth Care Alliance helps them achieve better outcomes with Senior Care Options patients.
- **Highest in quality**—Our Senior Care Options program achieved a rating of 4.5 out of 5 stars from CMS in its quality ratings, making us a top performer in our genre of Medicare Advantage Plans, Dual Special Needs Plans (DSNPs), and Fully Integrated Special Needs Plans (FIDE) SNPs.

**One Care**
In 2013, Commonwealth Care Alliance was selected to lead our state’s financial alignment demonstration with the One Care plan. Part of the Affordable Care Act, this groundbreaking effort serves dually eligible residents ages 21-64.

One Care seeks to offer a better, simpler way for people with disabilities to get all the care they need in one streamlined, integrated, person-centered plan. Specific goals include:

- Improved experience of care
- Fewer avoidable hospitalizations and emergency room visits
- Greater independence in the community and at home for people with disabilities
According to the Congressional Budget Office (2013), some 30% of dual-eligible Americans have been diagnosed with a mental illness, and many don’t have access to adequate care. These individuals face significant social and economic barriers, as well as an almost total absence of community-based treatment facilities that could serve as alternatives to psychiatric hospital inpatient care. Commonwealth Care Alliance is taking bold steps to fill the enormous gaps in the system.

Through a partnership with the Commonwealth of Massachusetts, our coordinated, integrated team approach is being used to help people with complex mental illnesses. An alternative to psychiatric hospital admission, Commonwealth Care Alliance’s Community Respite Program supports and stabilizes people in an acute behavioral health situation, strengthens their coping resources, and helps them transition back to living independently in their communities. The program will improve patient compliance, reduce hospitalizations, and save significant healthcare dollars while providing better, more appropriate care to these individuals. Other efforts include:

- Integrating primary care with behavioral health to offset primary care’s issues of being under-resourced and poorly designed for those with serious mental illness
- Developing additional short-term care facilities for people in a crisis situation who don’t belong in a psychiatric hospital, enabling us to provide community-based, less medicalized services to the individual while cutting costs

ADDRESSING A GROWING CONCERN: MENTAL HEALTH CARE.
Some 30% of dual-eligible Americans have been diagnosed with a mental illness, and many don’t have access to adequate care.
At Commonwealth Care Alliance, our values include a commitment to our members, their caregivers, and the communities we serve. We build partnerships with those receiving care and those who provide and manage care. We are dedicated to improving the experience of providers and our most vulnerable citizens, and we strive to continuously innovate to deliver the highest quality.

With our values in mind, we’ve launched programs and initiatives to take on the factors contributing to the current health crisis. These include:

- The Commonwealth Care Alliance Ethics Committee, which educates clinicians and supports them in delivering care that conforms to the highest ethical standards. At monthly meetings, clinicians discuss difficult situations they’re facing with members. These discussions help them become more adept at recognizing, addressing, and resolving ethical dilemmas on their own.

- A residency program to train nurse practitioners and other healthcare professionals on facing the specific challenges that come with caring for vulnerable individuals in the dual-eligible population.

- Expanding our unique disability competent primary care model across Massachusetts by working with our clinical affiliate, Commonwealth Community Care—a primary care practice with more than 40 years of experience working with people with disabilities.

- Delivering “disability competent care” by making sure individuals with disabilities have access to appropriate medical equipment, behavioral health services, and supports.

- Our statewide palliative care program, which has consistently increased the number of members who are able to die in accordance with their own wishes, such as in home and community settings.

To learn more about our programs and services, visit commonwealthcarealliance.org.
To learn more, visit commonwealthcarealliance.org.
# Financial Summary

Commonwealth Care Alliance, Inc.
Consolidated Statements of Operations
Years Ended December 31, 2014 and 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$587,663,295</td>
<td>$300,658,754</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical care expenses</td>
<td>494,250,495</td>
<td>245,889,013</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>88,259,534</td>
<td>62,568,132</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>2,072,952</td>
<td>1,119,294</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>584,582,981</td>
<td>309,576,439</td>
</tr>
<tr>
<td><strong>(Deficit) excess of revenue over expenses</strong></td>
<td>$3,080,314</td>
<td>($8,917,685)*</td>
</tr>
<tr>
<td><strong>Member months</strong></td>
<td>173,222</td>
<td>70,349</td>
</tr>
</tbody>
</table>

*Reflects investments in personnel, IT, and operational infrastructure necessary for the launch of the One Care program.
Executive Team
Robert J. Master, MD, Chief Executive Officer
Lois Simon, MPH, President
Nancy J. Roach, Chief Operating Officer
Cindy Nguyen, Chief Financial Officer
Jan Levinson, Senior Vice President for Senior Care Options Program
Lisa M. Fleming, General Counsel and Senior Vice President for Regulatory Affairs
Lawrence Gottlieb, MD, MPP, Senior Vice President for Medical Affairs and Chief Quality Officer
Leanne Berge, Senior Vice President for One Care Program
John Loughnane, MD, Senior Vice President of Medical Services
Mary Glover, RNP, Senior Vice President of Clinical Services
Bill Perez, Chief Human Resources Officer

Board of Directors
Dean Richlin, Attorney, Foley Hoag Attorneys at Law
Scott Miyake Geron, Director and Principal Investigator, Institute for Geriatric Social Work, Boston University School of Social Work
Sergio Goncalves, Athletic Facilities Operation Senior Supervisor, UMass Boston
Frances Hubbard, Community Volunteer
Lisa I. Iezzoni, MD, MSc, Professor of Medicine, Harvard Medical School, Associate Director, Institute for Health Policy, Massachusetts General Hospital
Thomas Lynch, CEO, Lynch, Ryan Associates
Mary Lou Maloney, Disability Consortium
David Margulies, MD, Executive Director, The Gene Partnership, Boston Children’s Hospital
Robert Restuccia, Executive Director, Community Catalyst
Mark Reynolds, President, CRICO/RMF
Jeff Scavron, MD, Medical Director, Brightwood Health Center
Phil Thompson, Associate Professor of Urban Planning, Massachusetts Institute of Technology
Nancy Turnbull, Associate Dean for Educational Programs, Harvard School of Public Health