



WE ARE ADDUS HOMECARE
WE LIVE OUR BELIEFS & VALUES

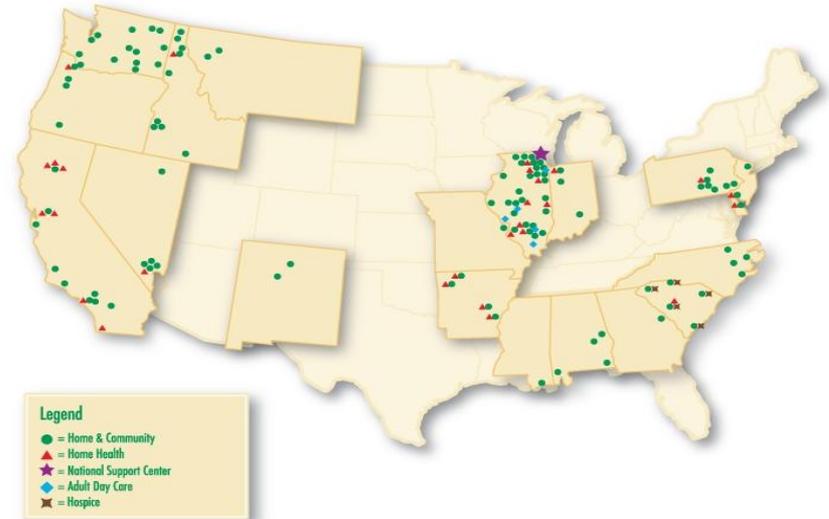


Addus HomeCare
Serving Families at Home Since 1979

WE COMMUNICATE **WE CARE** **WE SUPPORT HEALTH AND WELLNESS** **WE PROMOTE OUR COMPANY** **WE VALUE DIVERSITY** **WE ARE DEPENDABLE** **WE CELEBRATE OUR EVERYDAY HEROES**
WE KEEP OUR PROMISES **WE ARE PROFESSIONAL** **WE ARE FRIENDLY AND FUN** **WE ENCOURAGE PERSONAL GROWTH** **WE ARE COMPASSIONATE**

Organizational Background

- Founded in 1979
- Comprehensive provider of social and medical services in the home
 - Personal Care
 - Homemaker
 - Private Duty
 - Adult Day Service
 - Home Health
 - Hospice
- Two primary divisions:
 - **Home & Community** - social and personal care services (81% in 2010)
 - **Home Health** - skilled, medical services (19% in 2010)
- Integrated care model

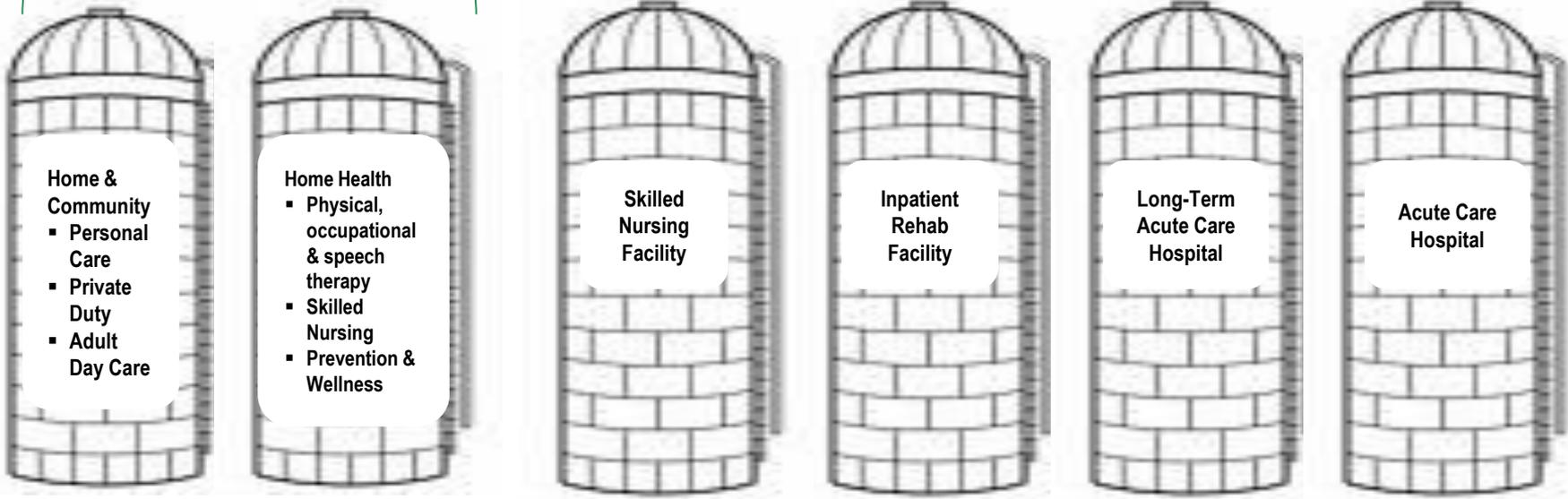


- 129 locations in 19 states
- 13,000+ employees
- 27,000+ consumers (many dual eligible)
- Diversified payor base (200+ payors)
 - Medicaid – 80% of 2010 total revenues
 - Medicare - 12% of 2010 total revenues

Our Unique Perspective

- Long history of providing home and community based services in California
 - First contracted with San Diego county for IHSS in-home care in 1988
 - Have served in IHSS in 14 different California counties in 21 years (1988 to 2009).
- Utilizing Technology to efficiently and effectively manage and evaluate service delivery from referral to discharge including an integrated IS platform (McKesson) and GPS Telephony
- Strong Industry presence with established professional relationships in 19 States including State Agencies/Divisions, AAAs, Aging and Disabled Advocates, Insurers, Provider Networks
- Longstanding cooperative Labor agreements in place with SEIU and UDW
- Dozens of contracts with managed care organizations for traditional indemnity products, MA plans and Medicaid managed care programs
- Have experienced the implementation of integrated managed care programs in several other States

The Current Healthcare “Continuum”



LOW

COSTS

HIGH

- Solution is a low cost service model providing:
 - Pre-acute services reducing risk of high cost acute intervention
 - Traditional post-acute home health and hospice care



Our Integrated Services Model



Mrs. Johnson's Services

- Receiving Personal Care 2 days/week since 1/1/2008
- Aide reported swelling of limb and wound on 1/23/2010
- Home Health initiated
- HH to provide skilled nursing 2X/week and H&C to provide additional aide services 3X/week
- Outcome: Hospitalization avoided
- Personal Care continues

"Mrs. Johnson"



Who is "Mrs. Johnson"

- Length of stay – 20 months
- Common health and social issues include hypertension, diabetes, limited mobility, depression, stroke, dementia, orthopedic recovery, social isolation, general frailty

Acute & Institutional Care

Benefits

Payors

- Early identification of medical issues
- Limit preventable hospitalization/nursing home
- Lower cost

Consumers

- Receive care at home
- Coordination of providers / one provider
- Better overall outcomes

Addus

- Long-term clients / many dual-eligible
- Risk diversification/growth
- Sustainable model

Highlights of an Integration Program

- **IHSS allows for provision of low cost services leading to:**
 - **Lower utilization of acute care services through;**
 - **Basic health screening (i.e. taking and reporting weight, cognitive status)**
 - **Emergency check in services at Case Management's request**
 - **Early Identification of deterioration in condition through regular wellness checks**
 - **Communication of Member's condition through phone calls, pictures or video**
 - **Intermittent telephone contacts to evaluate the members health condition, provide medication reminders and identify any gaps in service**
 - **Improve Member compliance by:**
 - **Transporting and/or Escorting Members to and from medical appointments or tests**
 - **Picking up prescriptions**
 - **Assistance with grocery shopping and nutritional management**
 - **Increased Member education and satisfaction by providing:**
 - **Assistance with medications**
 - **Education regarding their disease, medications, nutrition and treatment**
 - **Home safety evaluations identifying unsafe or unsanitary environments**

Expected Outcomes

- **We would expect Members receiving these services to have:**
 - **Improved compliance with;**
 - **Medications**
 - **Medical visits and appointments**
 - **Diet and nutritional restrictions**
 - **Lower utilization of acute care services**
 - **Fewer hospitalizations**
 - **Fewer ER visits**
 - **Fewer readmissions**
 - **Increased education regarding their disease and contributing environmental or behavioral factors**
 - **Better reporting to Case Managers, Physicians and MCO**
 - **Positive Member, Physician and Case Manger satisfaction**

Challenges to Integrating IHSS

- Highly fragmented delivery system with disparate incentivization
 - Choice is not currently available in all areas of the State
 - There is an inconsistent level of service (hours and tasks) across the State
- Lack of education/understanding among the provider community of HCBS/IHSS services
- The actual cost of service provision is not easily determined and varies based on County structure
- Rate reductions will ultimately not result in savings

Recommendations

- A Fully Integrated Service Program will:
 - Provide for all available care models and consumer choice
 - Align and provide incentivization / risk opportunities to all providers
 - Rewards for positive consumer outcomes should be available at all levels of care
 - Evaluate the relative costs of service provision (transparency)
 - Preserves rates to employers/employees
 - Includes IHSS/Long Term Care service plans as part of the post acute care continuum
 - Above all else, ensures consumers and their families receive the care they need to remain safely in the least restrictive environment