



Family Health Network, Inc.
910 W. Van Buren Street, 6th Floor
Chicago, IL 60607



Family Health Network Overview

- FHN provides access to cost effective quality health care for people who could not otherwise afford it through enrollment in our health plan and the support FHN provides Safety Net Providers
- FHN is a Managed Care Community Network (MCCN) and is contracted with the IL Department of Healthcare and Family Services (HFS) for the Voluntary Medicaid Managed Care Program.
- FHN, founded in 1995, is a not-for-profit corporation directed by local health care providers with all operations local. Retained earnings stay local to support access to health care.
- November 1st, 2010 enrollment was 53,397 Medicaid Managed Care members in Cook County.
- Low administrative expense. FHN administrative expenses (excl. sales and marketing) are less than 7%. Consistently one of the best performing plans in the country.
- Operational for 15 years while other provider sponsored and for-profit plans have come and gone.
- The FHN model has been successful because it aligns provider incentives which results in integrated, quality care for enrollees. Providers are a partner not just a "contractor" paid for "piecework".
- Providers, including hospitals, are rewarded for efficiencies and quality outcomes.
- Capitation payment and enrollee list on the first of each month. Easier to manage patient panel. All claims paid within 30 days of receipt.
- Provider/Member services unit ranked as one of the best in the country.



FHN Governance

Founded by Safety Net Hospitals, FHN's Board of Directors has 7 voting members comprised of the CEO or designated Senior Executive of the Sponsor Hospitals listed below, a physician, and the CEO of FHN:

Mount Sinai Hospital and Medical Center

Norwegian American Hospital

Resurrection Healthcare

Saint Anthony Hospital

Saint Bernard Hospital

*Resurrection Healthcare is an FHN Sponsor via the acquisition of Saint Mary's Hospital



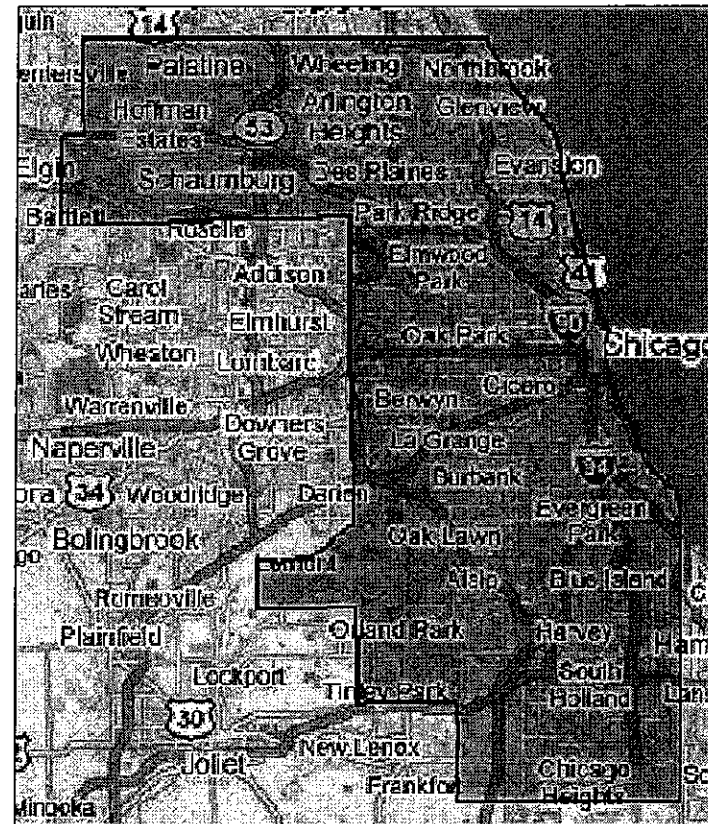
FHN Provider Network

591 Primary Care Physicians

1,960 Specialists

271 Behavioral Health Providers

33 Hospitals



Visit our website: www.fhnchicago.com



FHN Standard Compensation Model

FHN's standard provider compensation model is a hybrid global capitation and gain share not unlike some of the new provider compensation models being advocated under health care reform to drive cost reduction and improve health outcomes.

FHN has successfully employed its compensation model for the last 15 years.

FHN's Compensation Model is designed to:

- Compensate Providers Fairly and reward excellence by allowing top performers to earn more
- Offers direct and powerful incentives for providers to drive efficiency and better outcomes
- Encourages Medical Providers to work together and take collective responsibility for a patient's health
- Provides a realistic framework to transform a fragmented and inefficient system into one that is far more integrated, accountable, and focused on creating healthy communities

Care Integration and Medical Home

FHN's Model promotes Care Integration and reinforces the Medical Home Concept

Financial

- Financial Integration through FHN's Compensation Model promotes teamwork and collective accountability among doctors and home hospital
- Pay For Quality reinforces primary and preventive care delivery by the PCP (medical home) and adherence to evidenced based measures and clinical pathways

Tools and Support

- Referral requirement - reinforces Medical Home and Care Coordination
- Health Risk Assessments and Risk Stratification
- Disease Management - Brighter Beginnings, Diabetes, and Asthma
- Utilization and Case Management (e.g. clinical pathways)
- Hospitalists to supplement engaged PCP when necessary
- Facilitated access to Specialty Care
- Preventive care incentives for members

Questions?

