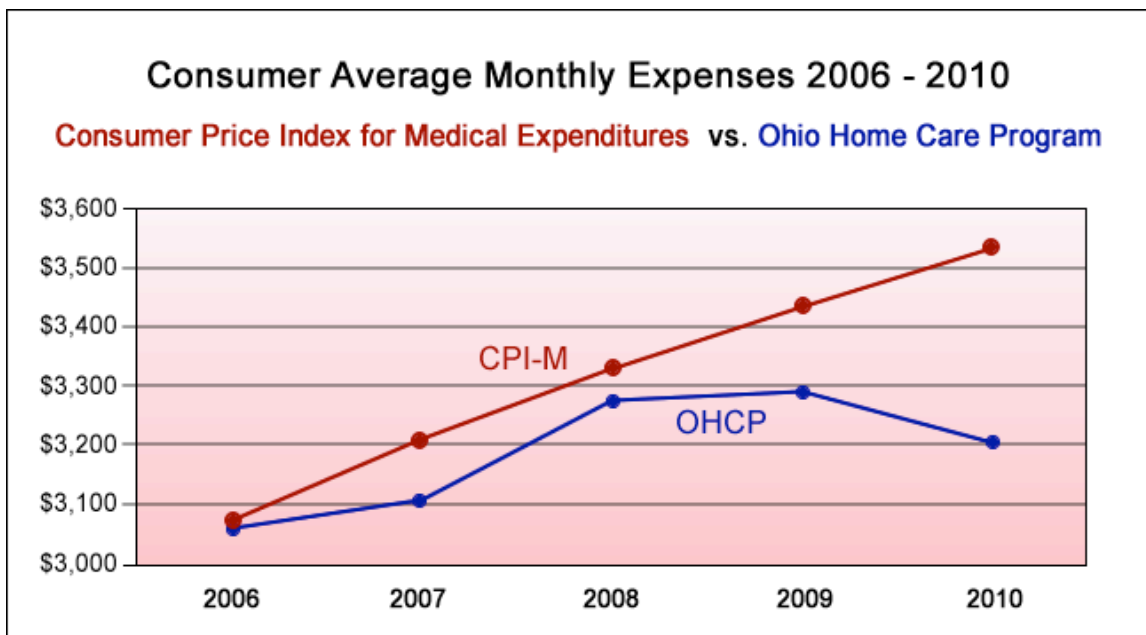


Savings Impact of Case Management-Ohio Home Care Program, 2006-2010

Home and Community Based Services (HCBS) can be delivered and cost effectively managed with the use of comprehensive case management applications. The outlay of public monies for governmental services is under significant scrutiny throughout our nation considering the demand for these services is exceeding the resources available to provide them. However, Home and Community Based Services (HCBS) is a recognized alternative that is consistently proving to be a cost-effective alternative to institutionalized care. CareStar, Inc., a private company based in Cincinnati, Ohio has effectively partnered with the Ohio Department of Job and Family Service's Bureau of Long Term Care Services and Supports under a long term contract to jointly demonstrate significant savings for Ohio taxpayers. Embracing the Center for Medicare and Medicaid Services (CMS) HCBS design, CareStar, Inc provides case management to more than 13,000 medically fragile, disabled consumers participating in one of Ohio's Waivers – the Home Care Program (OHCP). The result is an enhanced quality of life that enables these consumers to remain in their homes rather than a nursing facility.

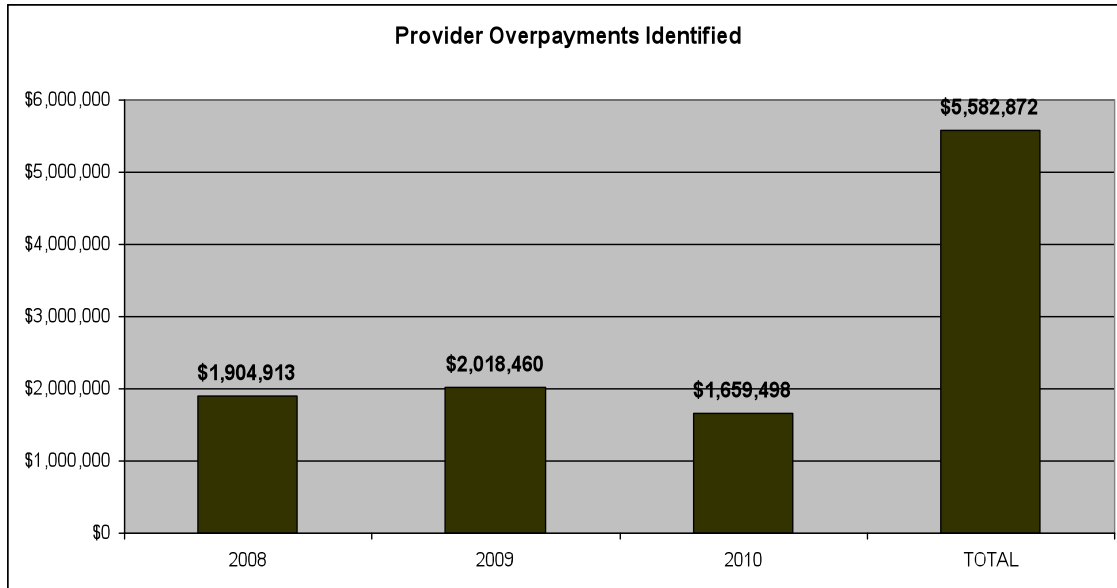
The average cost of services for consumers of the OHCP since 2006 is plotted on the chart below. As a point of comparison, the increase in the Consumer Price Index for Medical expenditures (CPI-M) is displayed for that same time period. The chart depicts the growing savings gap between the average cost of services provided to OHCP consumers and the expected cost if service costs grew at the rate of the CPI-M. The monthly gap per consumer is about \$330 by 2010. The cumulative savings for 2006-2010 are about \$95 million and growing exponentially as the continued impact of the case management work continues and builds. It is estimated that this cumulative amount will double in 2011 if current trends continue.



Another element of the contract between the Bureau and CareStar requires the company to manage the service providers for the consumers of the OHCP. In this role the company

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performs annual billing reviews. These reviews have been conducted since 2005, but CareStar did not begin tracking potential overpayments identified by this work until 2008. For the years 2008-2010 nearly \$5.6 million of potential overpayments have been identified by these billing reviews for recovery for the State of Ohio.



CareStar's comprehensive case management process is unlike the typical MCO telephonic – only style and as a result, is consistently proving that state managed services do not have to be discontinued for the lack of public dollars. Multiple states are recognizing CareStar's process as an effective solution through contracts and/or consultation options for their own state managed Waivers and various systems of care. Public-private partnerships are developing rapidly within numerous systems such as mental health, developmental disabilities, rehabilitation services, and correctional/transitional programs.