



A MESSAGE FROM DAVID CROSBY,
PRESIDENT & CEO

As with most everything today, telephones and internet access make getting health care quicker and more convenient. For example, with PreferredOne you can go online to research conditions and treatment options. Use your phone to check the status of your claims or order a new ID card. Connect directly with a doctor, nurse practitioner or physician assistant online. You can even get prescriptions—in the middle of the night!



I invite you to explore new health care technologies to see how they can simplify life when you're not feeling your best. Making it easier for you to get the care you need—when and where you need it—is our way of helping you achieve your best health.

Thank you for choosing PreferredOne for your health care coverage and best wishes for a safe and enjoyable summer.

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ELECTION BALLOT

The PCHP board of directors is responsible for governance, policy making and long-range financial planning. ***Please complete the enclosed board ballot and return to PreferredOne.***

CUSTOMER SERVICE

Questions about your benefits or need help finding a provider in your network? Call us between the hours of 7:00 a.m. – 7:00 p.m., Monday - Friday.

Twin Cities Metro Area: 763.847.4488

Toll free: 1.800.379.7727

Hearing impaired individuals: 763.847.4013

Email: customerservice@PreferredOne.com

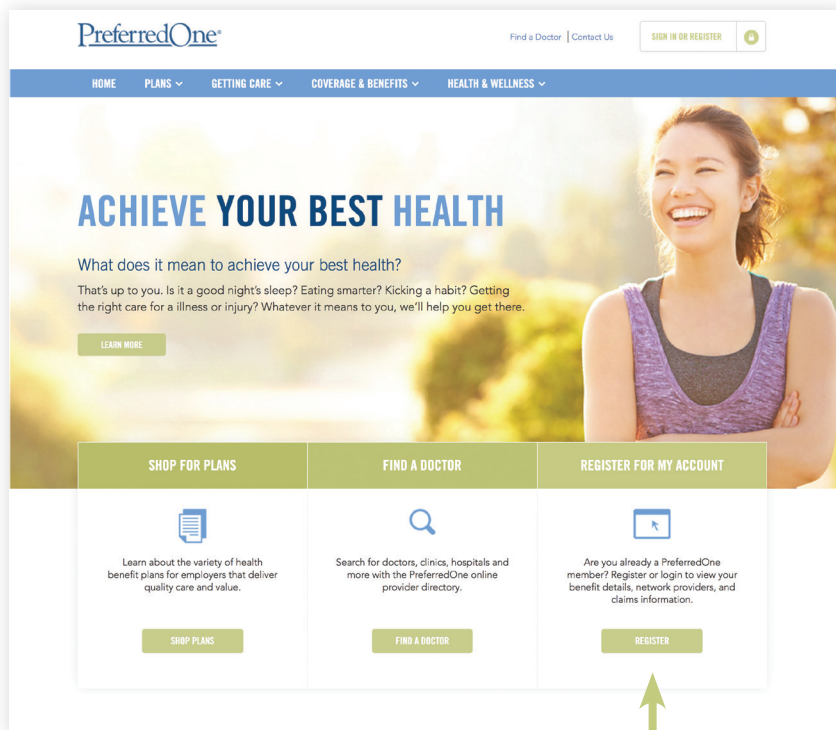
- Learn about your coverage
- Search for participating providers
- Questions about a claim
- Sign up for electronic Explanation of Benefits (EOBs)

PreferredOne provides language assistance service. If you need assistance, please call the Customer Service number listed above.



Register for My Account

And while you're there, check out our new website. It's clean, easy to navigate and adjusts to fit your phone, tablet or other device. Make **PreferredOne.com** your first stop for health information and plan details.



REGISTER HERE

STEP 1

Go to **PreferredOne.com** and select Register for My Account.

STEP 2

Click the **Register Now** button towards the bottom of the page. Be sure to have your member ID card ready.

STEP 3

Once you've entered the necessary information, you will be asked to create a username and password. This unique username and password will allow you access to your benefit information.

STEP 4

You have the opportunity to sign up for electronic Explanation of Benefits (EOBs). A detailed EOB is produced each time a claim is processed.

IT'S THAT EASY!

Care Advantage - Achieve your best health

Questions about your medical condition or treatment plan?

You're not alone. Lots of people still have questions after talking with their doctors. We help people just like you who are uncertain about their medical care. Give us a call. PreferredOne nurses and social workers are here for you and ready to put your mind at ease.

An extra set of hands

Unexpected illnesses or worsening conditions such as cancer or diabetes may leave you and your family concerned and confused. Don't worry. Our registered nurses and social workers reach out to you with phone calls and letters.

They'll help you make informed choices about your treatment plan, financial considerations and the most effective ways to help you regain your health. We help you make sure the treatment your doctor recommends is covered by your health plan and takes place in the best facility for your condition.

Consider us as an extra set of hands to answer questions, arrange travel, find home or hospice care, or walk you through the confusing aspects of health care.

Start today

Care Advantage is free, confidential and waiting for your call. 1.800.940.5049, enter 1 and ext. 3456. 8:00 a.m. - 5:00 p.m. CST.

NOT SURE WHERE TO GO?

Go to My Account at [PreferredOne.com](https://www.preferredone.com) to find doctors, clinics and hospitals in your network. Search for names and locations by specialty. That way, you know for sure you're choosing a doctor that's covered in your PreferredOne network through your health plan. Here's where to find care arranged by least to most expensive.

- Free** If you have questions or need quick advice, try visiting [PreferredOne.com](https://www.preferredone.com) for information or answers about your condition and options to treat symptoms at home.
- \$** If you need minor care immediately, try online care 24/7 or find a nearby convenient care center such as those in retail and drug stores.
- \$\$** Visit your in-network doctor or clinic when you need advice, tests, procedures, diagnoses or preventive care. Many clinics offer extended hours and same day appointments.
- \$\$\$** Urgent care is for more serious or unexpected illnesses or injuries. Be sure to choose an in-network facility to avoid expensive surprises.
- \$\$\$\$** Emergency room care is the most expensive option—use this for life threatening situations.
- \$\$\$\$\$** Out-of-network providers do not participate with your health plan. You can still use those providers but they will cost you more money in deductibles and coinsurance. Also, some out-of-network services are not covered.



Specialty Medications

If you use expensive specialty medications for conditions such as rheumatoid arthritis or multiple sclerosis, make sure to order them from Fairview Specialty Pharmacy or fill them at Thrifty White retail pharmacies. You'll get the best value and advice from doctors and pharmacists familiar with your condition and the medications that treat it.

Fairview Specialty Pharmacy 1.800.595.7140 or 612.672.5260

Thrifty White 1.888.558.9941

Prescription drug tips

- Don't like to make a lot of trips to your pharmacy? Ask about a 90-day supply of your medications.
- If you really don't like visiting your pharmacy or it's difficult to do so, sign up for our mail order service to get your maintenance medications delivered right to your door.
- Buyer beware. Prescription drug coupons may lead you to purchase expensive brand medications. Then, when the coupon expires, you're left to pay the difference in copays and coinsurance. Ask your pharmacist for the drug's actual cost so you're prepared. You'll also want to ask about less expensive generic alternatives. Note that when you use coupons, PreferredOne adjusts your deductible and out-of-pocket maximums to reflect the amount you actually paid out of your pocket.
- Learn more about your pharmacy benefit on your My Account page, which includes your formularies, network pharmacies, mail order options and more.

Staying Healthy & Well

Eating healthy, managing stress and keeping physically active are important to your health. As a PreferredOne member you have easy online access to information and health & wellness programs to help you achieve and maintain your health goals.

Fitness Advantage Program

Work out 12 times a month and earn \$20 per month towards your dues at participating fitness centers. Sign up at your health club today.

Vital Worklife Employee Assistance (EAP) Program

Get 24-hour free and confidential telephone consultation and professional support for financial issues, legal issues, marital problems and more. Contact Vital Worklife at 800.383.1908 or VitalWorklife.com.

Healthy Member Discount Program

PreferredOne teamed up with a variety of organizations to provide member discounts. Check out the options on the right side of the page or access My Account to learn more about the programs available to you.

Tobacco Cessation Program

PreferredOne offers Quit for Life,[®] a tobacco cessation program for our members. This telephone consulting program helps participants successfully quit their tobacco habit. For more information, contact Quit for Life[®] at 1.866.784.8454.

Healthy Mom & Baby Program

This is a maternity management program for all PreferredOne members. The goal of the program is to educate expectant mothers, reduce and/or prevent pre-term labor/delivery and screen for postpartum depression. To learn more, call PreferredOne at 1.800.940.5049, enter 1 then ext. 3456.

MEMBER DISCOUNTS

Fitness Centers, Coaching & Classes

- Anytime Fitness
- Curves[®]
- Fit4Mom[®]
- Haute Barre[™]
- KoKo[®] FitClub
- YMCA[®]

Athletic Apparel & Equipment Discounts

- 2nd Wind Exercise Equipment
- Erik's Bike Shop
- DICK'S Sporting Goods
- Diamondback Bikes
- Raleigh Bicycles

Healthy Eating & Weight Management Discounts

- BiPro
- Healthy Simple Life
- Metabolic Meals[®]
- Seattle Sutton's Healthy Eating

Medical Discounts

- Amplifon Hearing Health Care
- Ideal Hearing Benefits[™]
- QualSight LASIK

Other Discounts

- All Things Diapers
- Hand & Stone[®] Massage and Facial Spa
- Made from Earth
- MyPillow

2016 PCHP Financial Statement

As a non-profit organization, PreferredOne Community Health Plan (PCHP) continued to have a stable financial position in 2016. Our financial results reported net income of \$119,000 for the year compared to a net loss of \$874,000 for 2015. The 2015 loss was due primarily to medical expenses being higher than expected and the impact of Affordable Care Act regulatory changes. PCHP continues to focus on delivering high quality care while reducing medical costs.

STATEMENT OF ASSETS, LIABILITIES & SURPLUS

As of December 31, 2016

ASSETS	LIABILITIES AND SURPLUS
Cash & Invested Assets	Total Liabilities
\$4,497,000	\$2,155,000
Other Assets	Total Surplus
\$1,158,000	\$3,500,000
Total Assets	Total Liabilities & Surplus
\$5,655,000	\$5,655,000

STATEMENT OF REVENUE AND EXPENSES

2015 and 2016 Revenue and Expenses

	2015	2016
Revenue & Investment Income	\$26,750,000	\$10,395,000
Expenses	<u>27,624,000</u>	<u>10,276,000</u>
Net Income (loss)	(\$874,000)	\$119,000

Per 12/31/16 Audited Statutory Basis Financial Statements

CHANGES IN REVENUE AND EXPENSES

2015 and 2016 Per Member Per Month (PMPM)

	2015	2016	% Change
Member Months	66,017	27,914	(57.7%)
Revenue			
Premiums	\$393.49	\$376.64	(4.3%)
Taxes & Assessments	<u>(10.89)</u>	<u>(9.03)</u>	(17.0%)
Net Revenue	\$382.60	\$367.61	(3.9%)
Expenses			
Hospital Inpatient	\$88.14	\$19.38	(78.0%)
Outpatient Facilities	51.11	56.46	10.5%
Physician Services	136.46	145.48	6.6%
Pharmacy	51.16	69.52	35.9%
Other Medical	41.94	27.50	(34.4%)
Improving Health Care			
Quality Expenses	<u>4.46</u>	<u>3.47</u>	(22.3%)
Subtotal	\$373.27	\$321.81	(13.8%)
Commissions	\$11.13	\$11.84	6.4%
General Administrative	<u>21.33</u>	<u>33.16</u>	55.4%
Subtotal	32.46	45.00	38.6%
Total Expenses	\$405.73	\$366.81	(9.6%)

KEEPING YOU UPDATED

Access the notices below by visiting PreferredOne.com and login to your My Account or contact PreferredOne Customer Service.

■ PreferredOne Privacy Notice

At PreferredOne we respect the confidentiality of your health information. We are committed to protecting your information in a responsible and secure matter.

■ Your Member Rights & Responsibilities Notice

It is our commitment to treat our members in a manner that respects their rights and expectations.

■ Required Coverage for Reconstructive Surgery following Mastectomies

In accordance with the "Women's Health and Cancer Rights Act of 1998," coverage is available under the plan for members receiving eligible services in connection with a mastectomy.

QUALITY MANAGEMENT (QM) PROGRAM

The mission of the QM Program is to identify and act on opportunities to improve the quality, safety and value of care provided to you and other customers. We do this by working both independently and/or collaboratively with contracted practitioners and community efforts.

Visit PreferredOne.com for:

- PreferredOne QM Program Description
- 2016 Year-End QM Program Evaluation

Go to PreferredOne.com, click *Benefits & Tools*, then *Quality Management*. If you would like to request a paper copy of either of these documents, please contact Customer Service at 763.847.4488 or 800.379.7727 or email us at quality@PreferredOne.com.