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PASSPORT HEALTH PLAN BOARD ADDRESSES AUDITOR'S REPORT

The University Health Care, d/b/a Passport Health Plan, Board of Directors today announced measures it is taking to address findings in the State Auditor's Report that was critical of business practices of the organization.

Board Chairman and Chief Executive Officer Larry Cook, M.D., announced an immediate search for a full-time interim CEO to oversee the overhaul of the management policies and practices of Passport Health Plan. When this person is identified and in place, Dr. Cook will step down as CEO.

"We have made mistakes in our daily oversight, and we are fixing them," Cook said. "But I hope there is agreement that what Passport has done well is create a nationally recognized managed care organization that renders medical home based, wellness oriented, high quality care to 165,000 people who depend on us for their health care every day."

Other actions taken Thursday by the Passport Health Plan Board include:

- Establishing that all travel and meal expenses must be preapproved by the board or a committee of the board and demonstrate legitimate business purpose
- Confirming there are no outside consulting agreements between current management and Passport vendors
- Beginning a review of all lobbying efforts to determine appropriateness for an organization that is established as an at-risk, provider-sponsored 501(c)3 not-for-profit HMO
- Working with the Secretary of the Cabinet for Health and Family Services to establish a date in the next two weeks to discuss expenditures and actions Passport is taking to address the findings in the audit.

Thursday's actions follow previous plans made by the board that include:

- Reviewing compensation for all current and future employees and establishing an appropriate structure for the organization
- Creating an appropriate infrastructure for Passport to enhance oversight
- Moving positions from a third-party administrator to positions within Passport, including a Chief Financial Officer

- Reviewing any and all contracts for services such as public relations activities to determine their appropriateness.

Cook noted additional Board action will be necessary in the very near future. Some issues raised in the audit, especially related to organizational structure, will require a deliberative process to determine how best to address them.

“When we established Passport Health Plan in 1997, we had several goals; to improve health outcomes for Medicaid members, to control rising costs in the program, and to reorient our health care delivery system away from a sickness-focused program to a medical-home, wellness-based program.” Cook said. “The Commonwealth asked us to develop such a program and I believe we have a very successful, nationally recognized model. I will always have great personal pride and investment in this organization.”

Passport Health Plan, the operating name for University Health Care, Inc., is a Medicaid managed care plan that serves more than 165,000 members in 16 Kentucky counties. The National Committee for Quality Assurance ranked Passport Health Plan in the top 25 of all Medicaid health plans in the country for the last six consecutive years. The plan is currently ranked #15 of all Medicaid Health Plans in the country. The counties of service include Breckinridge, Bullitt, Carroll, Grayson, Hardin, Henry, Jefferson, Larue, Marion, Meade, Nelson, Oldham, Shelby, Spencer, Trimble and Washington. Passport Health Plan is sponsored by Norton Healthcare, the University of Louisville Medical School Practice Association, University of Louisville Medical Center, Jewish and St. Mary’s Healthcare, and the Louisville/Jefferson County Primary Care Association, which includes the Louisville Metro Department of Health and Wellness, and Louisville’s two federally qualified health centers, Family Health Centers and Park DuValle. For additional information, visit www.passporthealthplan.com.