



April 8, 2011

RE: Passport's Mission Goes On

Dear Passport Health Plan Provider,

In our continued effort to regain the trust of the people of the Commonwealth of Kentucky, our Board of Directors has unanimously voted to end the opposition to the ruling that Passport Health Plan is a "public agency" for the purposes of applying the open records statutes of the Commonwealth.

If you did not already read this in the Courier-Journal, please see the enclosed Op Ed that was printed on April 7, 2011.

Thank you for your continuing support and commitment to the members we serve.

Sincerely,

A handwritten signature in black ink that reads "Mark B. Carter".

Mark B. Carter
Interim CEO

Enclosure

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Mark B. Carter

Passport's mission goes on

7:37 PM, Apr. 6, 2011

On Wednesday, March 30, 2011, the Board of Directors of Passport Health Plan voted unanimously to end the organization's opposition to *The Courier Journal's* open records request. This decision was not based upon legal advice but was made as part of the continuing evolution, perhaps even transformation, of the Plan.

In 1996, Passport Health Plan (PHP) began as an experiment proffered by the Patton administration to change the delivery of Medicaid services in 16 counties of the commonwealth. The organization was made possible by the investment of money and time by five visionary tax-exempt health care organizations and a number of energetic individuals with full knowledge that the experiment might well fail. Despite the odds, they came together to establish a network that would provide quality care to Medicaid members.

Passport Health Plan agreed to accept 95 percent of what the commonwealth was spending to provide for the physical health needs of Medicaid members in the service area. PHP was fully “at risk,” meaning that any surplus or losses experienced by the Plan were its responsibility. The Plan was expected to manage the delivery of health care services, while also playing a key role in funding medical education and the health care safety net — two often overlooked, underappreciated and under-funded community obligations.

University Hospital, University of Louisville Physicians (the U of L medical school faculty), Norton Healthcare, Jewish Hospital and St. Mary's HealthCare, and the Louisville Primary Care Association (consisting of Family Health Centers, Park Duvalle Community Health Centers and the Louisville Metro Department of Public Health and Wellness), all critically important community assets, provided the vision and the drive to coordinate Medicaid health care services through a model that is now the priority of federal policymakers. Passport Health Plan seeks first to keep its members healthy through a relationship with their primary care provider and then work to heal them when they are sick or injured. But for the funding and participation of those organizations and individuals, Passport Health Plan simply would not exist today.

For years, Passport Health Plan has been a top performer within its industry sector, a reputation earned based upon unquestioned achievement of its core mission of improving the health and quality of life of our members within the fiscal constraints of annual contracts with Kentucky. Considering all the recent challenges encountered by federal and state governments, and its early financial losses, it is no small achievement that Passport Health Plan has consistently met its budget. Of late, the organization has taken a significant public beating. The criticism could have produced a defensive “bunker mentality,” or even led the founding organizations to throw in the towel and return responsibility for Medicaid to the state. That has not been our approach.

While we do not necessarily agree with every allegation set out in State Auditor Crit Luallen's November report, we do not question the sincerity of the effort, nor the basic thrust of the findings. That report has served as a very beneficial wake-up call to our organization. From my first day on the job in early December, our board of directors has demonstrated a real commitment to addressing the findings, recommendations and conclusions of the state auditor. The commitment was, and still is, to examine and modify existing governance, to redefine accountability, to open an ongoing dialogue with state government at many levels, to shed certain existing relationships, and to take to heart the criticisms, constructive and otherwise, leveled at this organization. Dropping the appeal of the open records case is consistent with this approach, and I am happy to report that board approval was unanimous.

But this is not an occasion to be self-congratulatory, for there is much work to be done quickly. Passport Health Plan is an experiment no more. It is a long-standing institution undergoing dramatic change in difficult and challenging times. Not only must we put our own house in order, but we must also succeed in our aspiration to serve as a model for others in our commonwealth who may face even greater and even more urgent challenges. We simply cannot fail.

Finally, I can report that the commitment to the mission — improving the health and quality of life of our members — on the part of the entire organization, our providers, staff and board of directors, has never wavered and remains the driving force for all of us. We look forward to working in partnership with the Cabinet for Health and Family Services to continue our vital service to this community.

Mark B. Carter is interim chief executive officer of Passport Health Plan.