

FY 2015
to 2016

TELECARE ANNUAL REPORT

Building for the Next 50 Years

Creating a Foundation for the Future



Letter From the President and CEO



ANNE BAKAR, TELECARE
PRESIDENT AND CEO

As Telecare moves beyond its 50th anniversary to build a foundation for the next 50 years, there is one thing we know for sure: the human and social imperatives for effective behavioral health services are becoming *more*, not less, important.

The impact of mental illness and substance use across vast segments of our communities is increasingly apparent, not only in terms of the human suffering involved, but also the social cost. This is evident whether one considers the growing problem of homelessness, the mass incarceration of individuals with mental illness, or the financial cost of untreated mental illness in our health care system, public schools, and retirement communities.

In FY15-16, we were able to tackle these challenges with renewed vigor and resources given the roll-out of Affordable Care Act nationally, as well as favorable mental health legislation in California and Washington. In this year's annual report, we provide compelling highlights of the strides we made together.

We better addressed the physical health and substance use needs of our clients, reduced recidivism in our justice involved programs, partnered to expand housing options, embraced new models of managing populations, and worked towards more data-driven and performance-based services. Moreover, we heard stories of recovery and transformation that we celebrated every day.

As a 51-year-old organization, we also added layers to our foundation that will help us withstand the tests of time. These included strong new leaders dedicated to our core values of respect, recovery, partnership, and results, as well as a new strategic plan for the future. We are building to last, and we are building for a purpose. Thank you for your trust and partnership in this most meaningful and important work.

“I am amazed, but not surprised, at the growth and success of the organization. It has been a wonderful and successful professional collaboration over the years.”

— Mark Refowitz, Director, Orange County Healthcare Agency

We Brought New Leaders to Telecare Who Can Help Us Build for the Future

In an increasingly complex healthcare environment, it is essential to have a leadership team with the expertise and vision to help us manage at a larger scale and remain flexible with the changing needs of our partners. Our new team members bring decades of specialized experience to the task, with backgrounds in public policy, mental health systems administration, evidence-based clinical practice, finance, managed care, sales and marketing, and quality improvement.



MARSHALL LANGFELD
BOARD OF DIRECTORS

RETIRED IN 2016 AFTER 28 YEARS AS TELECARE SVP OF FINANCE AND CFO; WILL CONTINUE AS A MEMBER OF TELECARE'S BOARD OF DIRECTORS



LESLIE DAVIS
SVP FINANCE AND CFO

MBA; 20+ YEARS IN HEALTHCARE; DEEP BEHAVIORAL HEALTH AND INSURANCE EXPERTISE, INCLUDING 11 YEARS AT UNITEDHEALTH GROUP



KENT ELLER
SVP, MEDICAL DIRECTOR

MD; 20+ YEARS OF CLINICAL EXPERTISE IN SMI AND POPULATION HEALTH MANAGEMENT FOR ADULTS AND ADOLESCENTS

132

TELECARE STAFF WERE PROMOTED FROM WITHIN IN FY15-16

96

OF THOSE PROMOTIONS WERE INTO MANAGEMENT POSITIONS



MARY THROWER
REGIONAL DIRECTOR OF OPERATIONS

20+ YEARS IN HEALTHCARE ADMINISTRATION, AWARDED 2016 ELI PICK FACILITY LEADERSHIP AWARD



SCOTT MADOVER
DIRECTOR OF SPECIALTY PRODUCTS, SUDS

OVERSIGHT OF SUBSTANCE USE SERVICES AND CO-OCCURRING TREATMENT IN EXISTING AND NEW BUSINESS



SHANNAN TAYLOR
REGIONAL ADMINISTRATOR

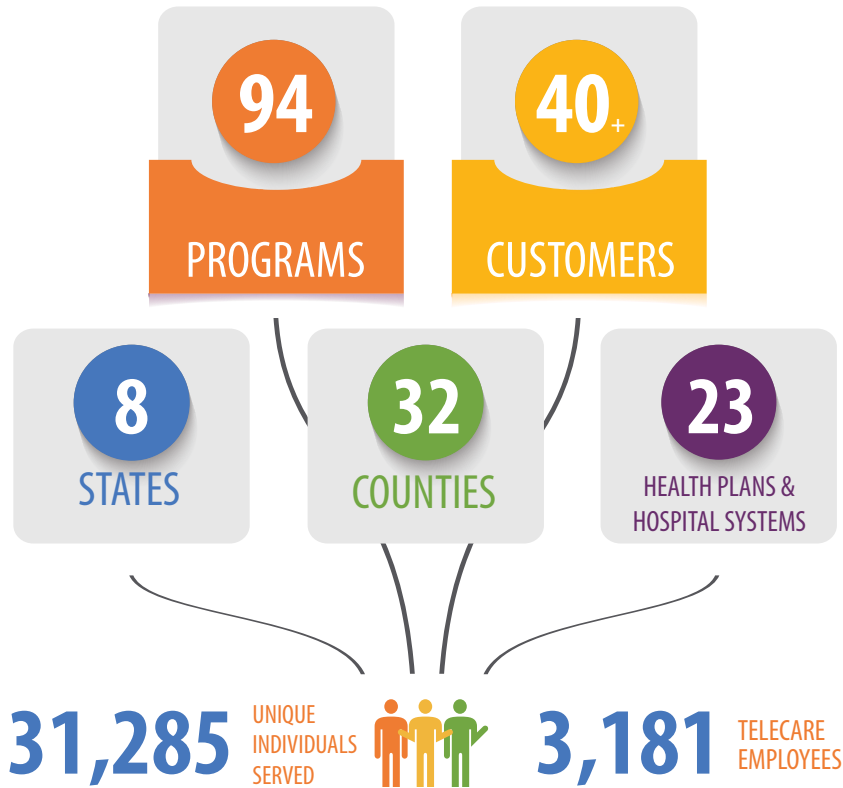
OVERSIGHT OF 3 PROGRAMS ACROSS 2 COUNTIES AND 3 SERVICE TYPES, FOCUSING ON POSITIVE OUTCOMES



BERT NAUGHTIN
VICE PRESIDENT OF CLINICAL QUALITY

OVERSIGHT OF CLINICAL QUALITY AND RISK ACROSS TELECARE

We Continued to Serve a Broad Array of Communities and Customers Across the U.S.



We Added New Customers and Programs

FY15-16 was another year of expansion at Telecare. Much of our growth came from the state of Washington, where we opened new acute programs in the Thurston/Mason and North Sound regions. In FY15-16, we added one new customer and opened and/or expanded a total of 16 programs with current customers.



“Telecare has taken on one of our most challenging projects: a Triage/Evaluation and Treatment facility that specifically focuses on jail diversion and partners directly with the criminal justice system. The experience and knowledge, and the recovery-based, client-centered approach that Telecare offers provides real outcomes and results.

We are thrilled to be partnering with Telecare.”

— Kristy Lysell, Provider Network Coordinator, Thurston County, WA

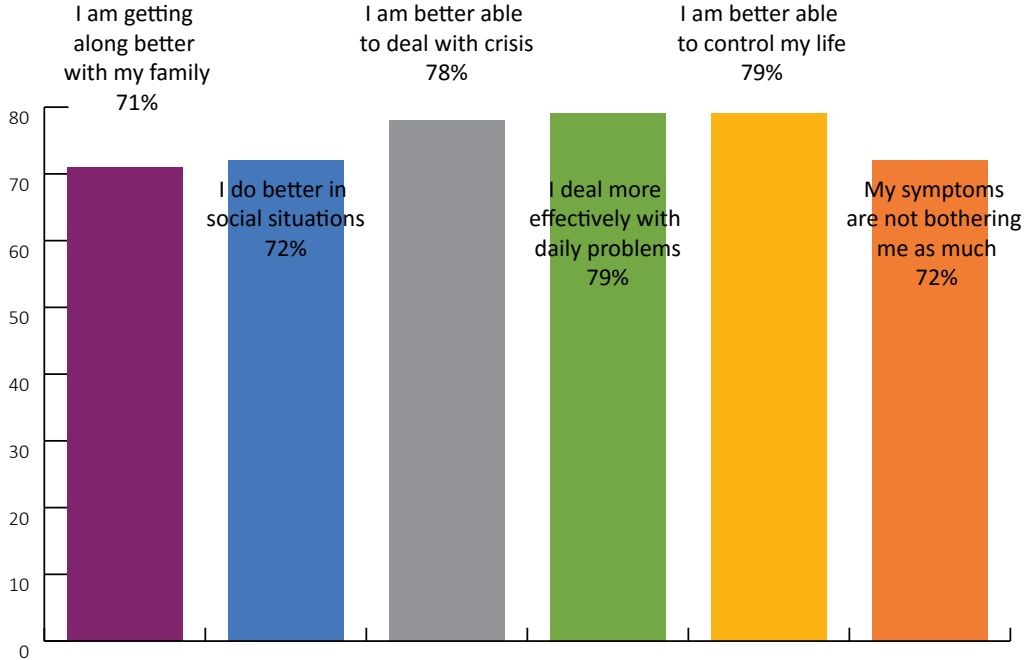


“(Regarding) your motto, “Respect, Recovery, Results”... I want to point out the connection. Without respect, there is no recovery. Without recovery, there are no results... I would like to thank all of you for having the leadership to provide the resources that are necessary for us to make the world a better place for people with mental illness and their families.”

— Marvin Southard, Former Director of Mental Health, Los Angeles County, CA

Our Clients Felt Better and Stronger in Health, Relationships, and Everyday Life

We continued to focus on improving the day-to-day lives of those we serve. The Mental Health Statistics Improvement Program (MHSIP) scale measures clients' self-reported improvements. In FY15-16, Telecare clients felt improvements in a number of areas.



We Heard Stories of Recovery and Transformation



“I learned skills not only to help me cope with what happened, but other life skills as well that helped me learn more about myself. The experience made me realize my true potential and I feel that it really brought out the best in me.”

— Member, Discoveries, Bellflower, CA



“I feel that if it hadn't been for the program, her life would have been totally different—she wouldn't be as successful as she is right now.”

— Family Member, Discoveries, Bellflower, CA

We Strengthened Our Technology Infrastructure

Building for the future means leveraging the advantages of technology. We developed tools to improve care, identify trends, automate and streamline processes, and use data to make informed treatment and operational decisions. This year, we made progress across several important fronts.

Telepsychiatry

Under the leadership of TLC, Telecare's physician services organization, we have expanded the use of telepsychiatry this year. In particular, we focused first on rural locations, such as our North Sound Evaluation & Treatment Center in Washington State. It has enabled us to get up and running and serve clients faster, despite having a shortage of doctors in the area. We hope to expand to several new locations in the year ahead.

5

PROGRAMS
NOW USING
TELEPSYCHIATRY

Adverse & Sentinel Events

Our data management team introduced a tool to help us manage risk and improve the safety of our staff and clients. The Adverse & Sentinel Events tracking system gives us data about events within a matter of days, rather than weeks or months. This allows leadership to quickly identify trends or alerts which may need immediate attention, as well as better understand the precursors to high-risk situations. The system also helps us in our ongoing efforts to reduce sentinel and adverse events and improve our clinical practice.

93%

REDUCTION
IN SUBACUTE
SECLUSIONS
SINCE 1998

50%

REDUCTION
IN SUBACUTE
ASSAULTS
SINCE 1998

Decision Support

Our data management team launched a new tool this year with the goal of helping our leaders manage their programs in a data-driven way. The Integrated Ops Report offers 19 metrics ranging from safety to budgets to overtime. This helps leaders assess performance, spot issues, and track trends on a program-by-program basis, as well as across the organization. We are also using Pat Deegan's CommonGround across the company to help caregivers make joint decisions with persons served.

19

PROGRAM
PERFORMANCE
METRICS

Our Vision for the Future

“We are working to integrate technology into how we partner with the people we serve. In the future, we will use technology to engage our clients in every step of their recovery journey: capturing their hopes and dreams through RCCS tools in our Electronic Health Records, tracking their health vitals through remote monitoring apps, and making shared treatment decisions using tools like CommonGround. This important information can also easily be shared with our customers and other providers, ensuring a continuum of care that can improve their outcomes over time.”



— Chin Chao, SVP, Chief Information Officer

We Focused on Integrated Whole Person Care

“We can begin the process of eradicating the health-care disparities that exist in persons with mental illness by developing a whole person treatment plan that assists our members with behavior change that will affect their physical health.”

— Dr. Kent Eller, SVP, Chief Medical Officer



70%

TELECARE PROGRAMS NOW OFFERING COEG CURRICULUM TO PERSONS SERVED

Co-Occurring Education Groups (COEG)

In FY15-16, we expanded our ability to provide integrated substance use services. COEG is a Telecare-developed, 16-week educational curriculum (not a treatment program). It is unique in targeting people who are in the pre-contemplation or contemplation stages of change—individuals who are not yet ready or willing to discuss their use, address high-risk behaviors, or engage in treatment. COEG helps them become more aware of the risks of their substance use and move them closer to positive change. This year, more than 70% of Telcare programs (including nearly all of our community-based and subacute programs) successfully completed COEG facilitator training and launched COEG groups for the people they serve. We are striving to complete COEG implementation at our remaining programs by the end of FY16-17.

“We’ve had more people come to our COEG group than any other group here at CHANGES. The staff love it, too. They’re making a huge effort to increase participation. They see the change in their clients as a result of going to the COEG groups, and the discussions that COEG sparks. What’s more, it’s helping them to do their job more effectively. It has been very inspiring to see how many staff want to jump in and get trained. We see positive changes happening because of COEG.”

Health & Wellness Curriculum

Telecare is implementing new ways to provide integrated physical and mental health care in a recovery-focused, collaborative way. In FY15-16, we finalized our Health & Wellness Curriculum, an online education program that prepares providers to identify high-risk health issues and better support clients in making healthy lifestyle choices. The 16-hour curriculum focuses on eight chronic conditions that most frequently affect our members. This July, some programs began training and using the 20 accompanying client education handouts. We are striving to have all Telecare providers fully trained by May of 2018.



— Dani Marchman, Clinical Director, CHANGES Dual Recovery Program

We Embraced Models of Managed Care

With the Affordable Care Act, we increasingly see managed care plans taking a more active role as partners in Medicaid management and system delivery. With this evolution, Telecare is experimenting with plans and other customers on new strategies for delivering effective and efficient services that meet the needs of specialized populations.

We Built New Models for Managing Populations

In the population management model, providers take responsibility for a defined group of individuals within a system of care—and help those people improve their health and outcomes by screening and tracking high-risk conditions, effectively accessing and coordinating the available services and resources, and enhancing their motivation to make healthier choices. The goal is to deliver better care to a defined population in the most cost-effective way. We focus on:

- Being the primary care coordination lead — helping the people we serve to get timely, appropriate mental health, physical health, and substance use care
- Reducing unnecessary hospitalization through symptom and health management efforts, as well as wraparound services and crisis support
- Providing community-based case management
- Delivering person-centered services that are based on each individual's life and wellness goals



STAFF AND CLIENTS AT PARTNERS FOR WELLNESS PARTICIPATE IN THE SILICON VALLEY NAMI WALK



“We’re excited about this model because it goes to the heart of serving high utilizers of behavioral health with complex needs. This is a population where we have specialized expertise and can have high impact. Our approach goes beyond being responsible for a program to being responsible for a specific population.

It is also about working with our customers on new reimbursement strategies that make our services more data-driven and performance-based.”

— Anne Bakar, Telecare President and CEO

We Built a New Funding Model

In FY15-16, Telecare opened the first pay-for-success mental health program in the United States, in partnership with Santa Clara County Behavioral Health and Third Sector Capital. The performance-based program, called Partners in Wellness, opened in August 2016.

Telecare will work with Santa Clara County and Stanford University to evaluate the project's impact on participants' use of emergency and acute psychiatric care, as well as IMDs. The program's funding is tied to specific utilization and clinical outcome targets to help program participants achieve improved health and wellness, informed by standardized health, mental health, and substance abuse screening tools.

Partners in Wellness will serve a maximum of 175 participants a year, or approximately 250 unduplicated participants over the course of the six-year project period.

We Reduced Recidivism in Our Justice Involved Programs

As the Washington Post recently reported, “...imprisoning people for low-level offenses and keeping them there for years—is ruining hundreds of thousands of lives, wasting billions of dollars and having little effect on public safety.” In FY15-16, we’ve seen progress on both fronts in our recovery-centered justice involved mental health (JIMH) programs.

Behavioral Health Court Services & Forensic ACT Services

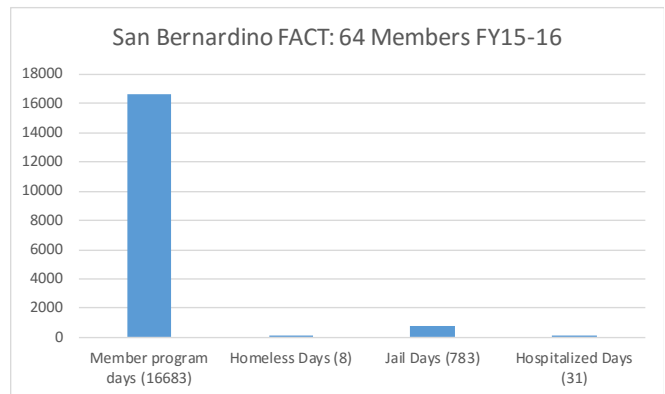
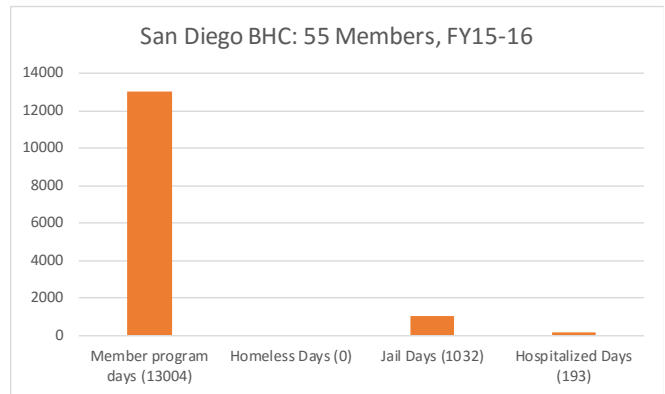
In FY15-16, two of our JIMH programs—the San Diego Behavioral Health Court program and the San Bernardino Forensic ACT (FACT) program—have demonstrated what is possible when we deliver effective mental health services in a respectful, empowering, and inclusive environment. We teach life skills and address the underlying mental health issues that can perpetuate criminal behaviors. By using this approach, both programs have had significant success in reducing homelessness, limiting jail and hospital days, and assisting individuals in rebuilding their lives.

Recovery-Centered Criminogenic Practices

In FY15-16, Telecare identified the Risk, Needs, Responsivity (RNR) model to build and enhance its JIMH programs. With RNR, we identify those individuals who are the highest risk for reoffending and returning to jail. We then identify the criminogenic need(s) that influence behaviors which may lead to recidivism, and apply the appropriate service or tool to best serve our member. One of the many tools we use is Moral Reconciliation Therapy (MRT). MRT is a cognitive behavioral counseling program that combines education, group and individual counseling, and structured exercises designed to foster moral development. Other practices currently in use in our 13+ JIMH programs include trauma-informed care, Thinking For A Change, and cognitive behavioral therapy (CBT), all used in tandem with our Recovery-Centered Clinical System (RCCS), to help reduce the risk of recidivism.

“Behavioral Health Court offers a win-win solution where the offender becomes an integrated member of society, avoids further victimization of other members of our community, and it solves the root issue.”

— Summer Stephan, Chief Deputy District Attorney, San Diego County



We Partnered to Address Social Challenges

Preparing for the future means we must continue to creatively and proactively address the problems and important issues of today: increasing access to affordable housing through work with housing providers and developers, reducing hospitalizations, and cultivating environments that promote and support recovery.

Expanded Housing Options and Improved Community Stability

Telecare served 6,957 clients in its 40 community programs in FY15-16, helping to provide essential supports that

66%

REDUCTION IN HOMELESS DAYS IN TELECARE COMMUNITY PROGRAMS OVERALL

allow a reduction in homeless days and incarcerations, as well as improved community tenure. Through working with community partners and providing

dedicated housing experts at many of our programs, our community programs have reported a 66% reduction in homelessness overall during a person's first year in the program, as compared to the year prior to enrollment. Some examples of our work:

- Telecare Transitions, a Full Service Partnership in San Mateo County, was recognized by the county for excellence in providing stable housing for people with mental health and substance use issues. They accomplished this by using a master leasing strategy, with 24/7 on site clinical support for residents.
- Sonoma ACT has been providing mental health services in Sonoma County for 10 years—and for the past three years, has been running an innovative housing project with HUD and Sonoma Housing Authority. Of these members, 90% have stable housing.
- There are 33 Alameda STRIDES members admitted since January 1, 2000 who have been there 6 years or more. Of these, only 3% experienced homelessness in their first two years. This is an 83% reduction in homelessness for these members.



Improved Supportive Culture to Enhance Community Connections

Telecare's Recovery-Centered Clinical System (RCCS) empowers people

who might otherwise be isolated and lost to reconnect to family, community, and work. In FY15-16, we conducted a company-wide assessment of our own recovery culture—the culture of our employees. Using our own research-validated Recovery Centered Measures (RCM) tool, we surveyed 75 programs, 1,500 staff, and 2,200 persons-served, across six states.

97%

OF CLIENTS SURVEYED SAID "STAFF MEMBERS INSPIRE ME TO PURSUE MY RECOVERY"

The Recovery-Centered Measures (RCM) tool is designed to measure a recovery-centered culture in five key areas: respect, non-judgment, power-sharing, motivation, and individual uniqueness.

Results are used to identify and grow strengths within a program as well as to provide an opportunity for cultural improvement initiatives. The RCM can be readministered to track progress. It is now administered every two years, across the entire organization.

We Made Strategic Plans for the Future

In FY15-16, we completed a planning process to help our organization better understand the needs of our customers and communities, and to chart a course for the future. We have created a five-year plan to help us make headway in the following areas.

Organizationally

- Maintain our focus on people with the most complex conditions
- Enhance our data and evaluation capacity
- Enhance our staff and human resources (recruitment, retention, training, and leadership development)

Substance Use Disorder Services (SUDS)

- Improve our capacity to deliver integrated substance use supports and treatments for people with SMI
- Design and implement robust treatment models in our programs, such as Medication Assisted Treatment (MAT)
- Deepen clinical skills in staff and leaders through targeted training

Justice Involved Mental Health Services (JIMH)

- Enhance and expand our programs clinically to address criminogenic needs in recovery-centered ways
- Design and implement new program types to meet unique population needs and prevent recidivism

Population Management Services

- Continue building our whole health initiative
- Strengthen our capacity to address co-occurring physical health needs
- Expand partnerships with community and customer resources to better deliver integrated, whole health care

Developmental Disability/Mental Illness Services (DD/MI)

- Enhance our DD/MI clinical model to integrate RCCS and behavioral interventions
- Design and implement additional treatment models



“Our planning process was incredibly valuable and invigorating. It provided us an opportunity to step back and look at everything: our clients’ needs, our customers’ needs, and the myriad of market changes relating to health reform, parity, integration, Medicaid managed care, and other changes.

The process has helped us prioritize the areas where we can deepen and grow our services and abilities. It has also helped us identify new ways we can bring value to customers and deliver better care to our clients.

Telecare staff are excited about our plans for the future. We always want to make a difference in people’s lives. This is a great time to do better—and do more.”

— Faith Richie, SVP of Development

“You’ve encouraged the entire system to rethink what they are doing and to make positive course corrections.”

— Mary Ellen Copeland, author, educator, mental health recovery advocate, and creator of WRAP

We Are Grateful for Our Partners & Friends



ANNE BAKAR AND FORMER
SENATE PRESIDENT PRO TEM
DARRELL STEINBERG



GARY HUBBARD, HOLLY SALAZAR,
MARY WOODS, SAN DIEGO BEHAV-
IORAL HEALTH COURT OPEN HOUSE



DR. CHRISTINA CLARK, CHRIS
IMHOFF, FAITH RICHIE,
NORTH SOUND E&T OPEN HOUSE



THOMAS SMITH*, DOWNTOWN LA



RHONDA HIGGINS, LA CORE



KIANA MOTEN, RICH WIDERYNSKI,
LONGEVITY CELEBRATION



ALICE JOHNSON, MARSHALL
LANGFELD, BESSIE GRAHAM,
LONGEVITY CELEBRATION



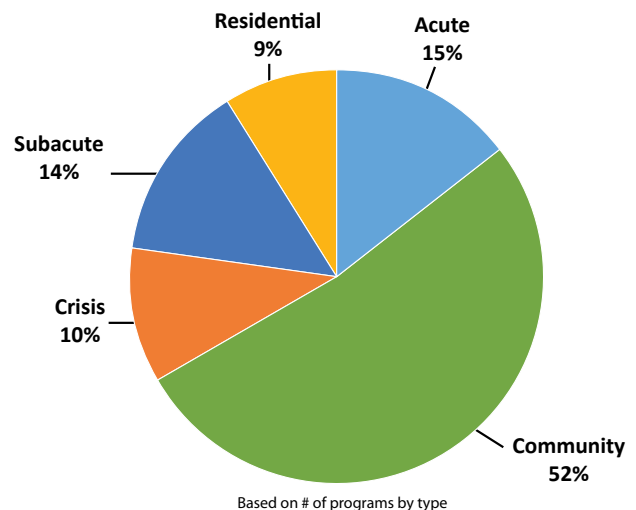
JAY MAHLER,
JAY MAHLER RECOVERY CENTER

About Telecare Corporation

Since 1965, Telecare has continued to evolve to better serve and support people with serious mental illness (SMI) and complex needs. We are a family- and employee-owned organization with a long track record of excellent behavioral health inpatient and outpatient services. We specialize in serving adults, older adults, and adolescents, particularly those with co-occurring issues such as physical health conditions, challenges related to substance use, histories of criminal justice involvement or incarceration, developmental disabilities, or complications associated with aging.

TELECARE PROVIDES A FULL ARRAY OF SERVICES FOR INDIVIDUALS WITH SMI AND COMPLEX NEEDS

- **Outpatient** services include ACT/FSP wraparound, case management, prevention, and early intervention.
- **Acute** services include short-term stabilization in smaller inpatient settings.
- **Subacute** services include longer-term stays and intensive recovery in inpatient settings.
- **Residential** services provide both transitional and longer-term settings, as well as shorter-term crisis residential.
- **Crisis** services include crisis walk-in urgent care and up to 23-hour crisis stabilization.
- **Hospital management** services include geropsychiatric acute care in medical/surgical facilities.



*Name has been changed for confidentiality.