



State of North Carolina
Office of the Governor

Michael F. Easley
Governor

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GOV. EASLEY ANNOUNCES COMMUNITY CARE SAVES TAXPAYERS \$231 MILLION
Program Wins Top Harvard Government Innovations Award

Raleigh - Gov. Mike Easley announced today that Community Care of North Carolina saved North Carolina taxpayers more than \$231 million dollars in state fiscal years 2005 and 2006. That news comes as Harvard University announced the program is one of seven winners of this year's Innovations in American Government Awards. Community Care is the state's integrated health care network serving more than 725,000 Medicaid patients.

"Community Care is a good example of how we can be smarter in what we do," Easley said. "The long-term goal is to raise the quality of health care for the patient while at the same time making it cheaper for the state. We are pleased to be able to share our health care strategies nationwide to continue improving the quality of health care for citizens."

A new report on Community Care cost savings shows that the program saved \$77 to \$85 million in fiscal year 2005 and \$154-170 million in fiscal year 2006, when the program covered a larger portion of North Carolina Medicaid recipients. The report was prepared by Mercer, a consultant specializing in analysis of program effectiveness.

Community Care of North Carolina is a program of the N.C. Department of Health and Human Services. The program's doctors serve as a "medical home" for Medicaid patients and coordinate all the patient's health care needs. The network includes 3,500 primary care physicians in all 100 counties, plus pharmacists, local health departments, social services agencies and community support providers. The network provides information and training to doctors so they can prescribe the most effective treatment for chronic diseases.

Case managers in the network provide ongoing support to patients to help them keep appointments, take medications, and follow diet and other doctors' instructions. The personal attention each patient gets helps avoid unnecessary hospitalizations and repeat visits to the doctor which results in costs savings for the state.

Community Care received the 2007 Annie E. Casey Innovations Award in Children and Family System Reform given by the Ash Institute for Democratic Governance and Innovation at Harvard University's John F. Kennedy School of Government. The award includes a \$100,000 grant for state-level and national promotion efforts, and was announced at a reception held Sept. 24 in Washington, D.C. Each year, the Ash Institute holds a competition to honor the nation's most innovative programs that link citizens with important public services.

"Community Care's approach makes a lot of sense in delivering health care and shows us what works in this critically needed area," said Douglas W. Nelson, president of the Annie E. Casey Foundation. "We are very pleased with the selection of Community Care as the second winner

of the Annie E. Casey Innovations Award in Children and Family System Reform. The fact that other states have developed pilot programs based on the Community Care model emphasizes that this program has made a strong connection with communities that are serving low-income children and families.”

“Community Care of North Carolina effectively demonstrates that collaboration across physician practices and social services programs can and does work to improve health care delivery while keeping costs low,” said Stephen Goldsmith, director of the Innovations in American Government Program at the Ash Institute. “We are pleased to honor the achievements and innovation demonstrated in this program and look forward to celebrating its future success as its best practices in managed health care are shared across the nation.”

The Innovations in American Government Award is a program of the Roy and Lila Ash Institute for Democratic Governance and Innovation. The Ash Institute advances excellence in governance and strengthens democratic institutions worldwide. To learn more, please visit www.ashinstitute.harvard.edu.

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