

FY 2013
to 2014

TELECARE ANNUAL REPORT

Behavioral Health Solutions in a Changing Healthcare Landscape



Letter from the President & CEO



ANNE BAKAR

At the end of each year, we take time as an organization to reflect on what's going on in the world around us and how our industry is changing. How are we adapting and improving? How can we be of greater service, now and in the future? How can we better help our clients to regain health and move confidently toward their goals?

In FY13-14, we worked with our customers to design and launch programs that adapted to this changing world. The catalysts of change included the Affordable Care Act, criminal justice realignment in California, the heartbreaking shootings and tragedies that made mental health a topic of discussion in the national media, the expansion of Medicaid managed care in the public sector, and the increased focus on behavioral and physical health integration.

In this annual report, we give you a quick snapshot of **Telecare today**. We highlight a few **new and notable accomplishments in FY13-14** that resulted from our work in the changing healthcare landscape. In particular, we focus on some of the new customer relationships we have forged with counties and health systems, as well as the exciting care coordination work we are doing with health plans and dual eligible pilots.

We also use this annual report to provide some perspective on how **Telecare has evolved over the decades**: from a single provider of acute inpatient care in 1965, to a national provider of 80+ programs in more than eight states today. This is a prelude to 2015, when Telecare will celebrate its 50th year: a year in which we hope to celebrate with you all that we have accomplished together, and all that we hope to accomplish in the decades ahead.

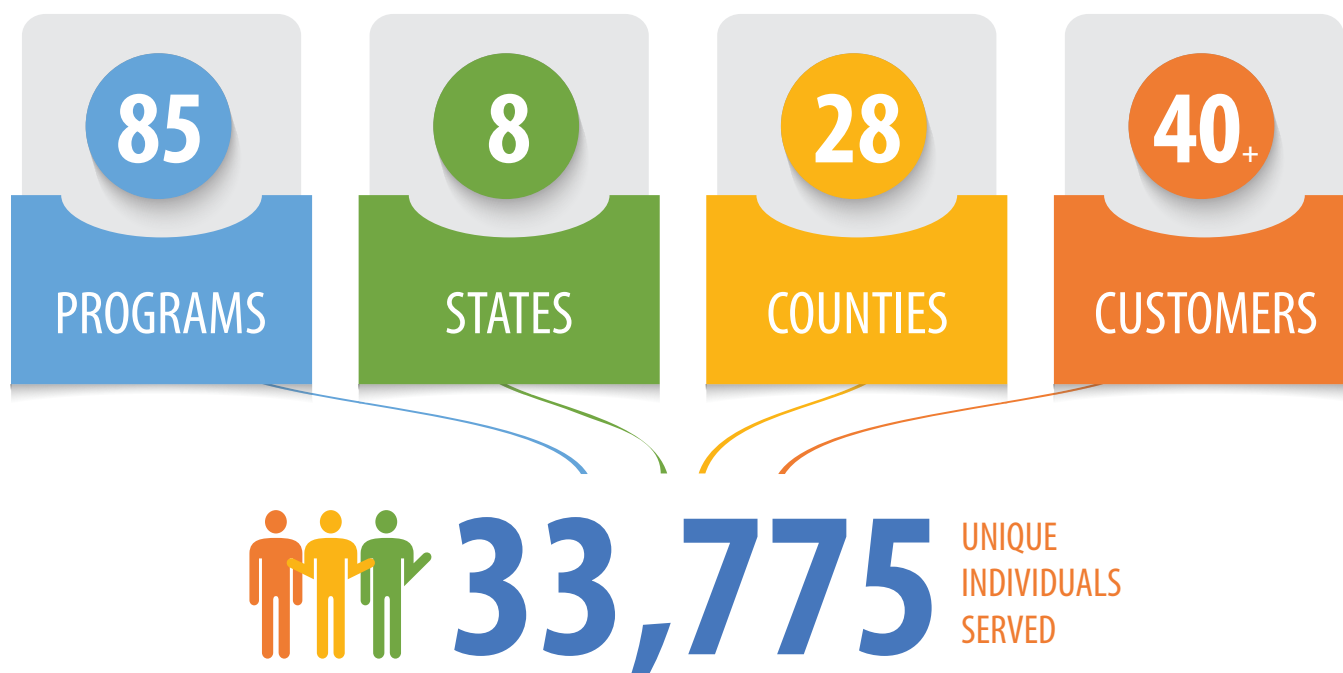


RIBBON CUTTING AT SANTA CRUZ PHF & CSP

TELECARE WITH
TONI ATKINS,
CALIFORNIA'S NEW
SPEAKER OF THE HOUSE

Telecare Today

We Serve Many Communities Across the U.S.



We Are Involved in Our Communities

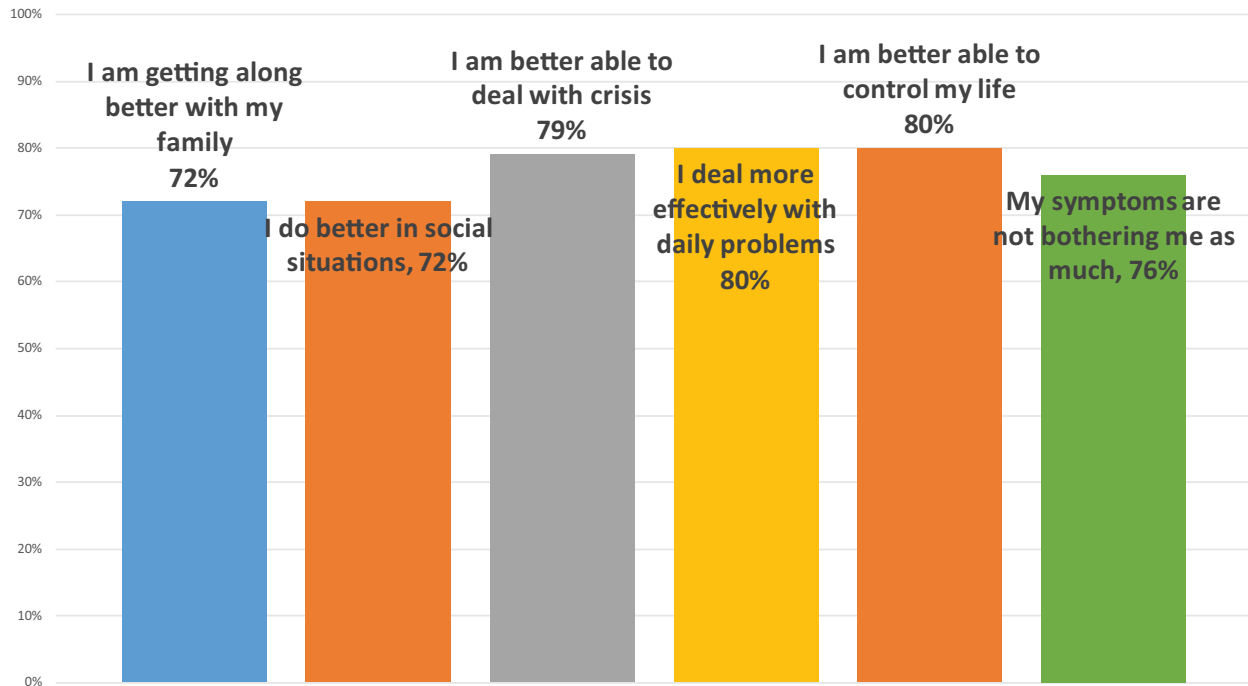
Telecare staff and clients are proud participants in our communities. We focus on issues ranging from stigma reduction and behavioral health legislation to volunteerism, fundraising, education and internships, and contributing to others in need.



Telecare Today

Our Clients Live More Fulfilling Lives

One of the most meaningful measures of success comes directly from the people we serve. In FY13-14, this is how clients self-reported on their lives and recovery:



Families & Clients Find Hope Together

"Our daughter was a patient at Hope House* earlier this year. She was in significant distress when Hope House opened its doors to her.

We are eternally grateful for the compassion they showed her. They listened to her, talked with her, and were there to help her understand what she needed to do to move forward in her life. Hope House is a much needed form of initial treatment for patients that need County assistance.

This experience has given us hope that she can begin a new chapter in her life. **We want to thank the County for having this resource available. This has made a huge impact in all of our lives."**

*Telecare operates Hope House Crisis Residential Program in partnership with Contra Costa County Behavioral Health Services in Northern California.

New & Notable in FY13-14

We Added New Customers

In FY13-14, Telecare partnered with new customers in both public and private health care systems.

Telecare partnered with Riverside County and Santa Cruz County, both in California, to operate co-located acute inpatient and crisis stabilization programs.

We partnered with Contra Costa County to open a new crisis residential program.

We also partnered with Mercy Hospital, a private hospital system in Oklahoma, and the non-profit Jewish Home of San Francisco, to deliver acute inpatient services for seniors aged 65+.



JEWISH HOME

 Jewish Senior Living Group





We Further Integrated Behavioral Health & Substance Use Services

In FY13-14, we completed development of a co-occurring education curriculum for clients living with behavioral health and substance use disorders.

Designed to be delivered in groups, the 16-session program provides information and engages clients in discussion about the impact substances have had on their hopes and dreams, brains, families, and behavioral

health. The curriculum encourages healthier choices for all clients — regardless of their readiness for change around substance use.

A total of seven Telecare sites (including community-based, sub-acute, and SNF sites) will pilot the curriculum in the year ahead, measuring changes in participants' hopefulness, as well as their drug and alcohol use.



TELECARE STAFF MEMBERS PILOTING THE CO-OCCURRING MATERIALS.

New & Notable in FY13-14

We Made a Difference for People With Complex Physical and Behavioral Health Needs

Telecare customers continue to look for improved ways to serve clients with complex physical and behavioral health needs. In FY13-14, Telecare used its high-touch, on-the-ground, wraparound approach to improve both physical health and behavioral health outcomes, while reducing total healthcare expenditures.

Telecare Inland Empire (TIE) Coordinated Care program has achieved significant results since opening in 2011 and will be expanding in the year ahead. The program coordinates care between clients, Inland Empire Health

Plan (IEHP), and the wide network of other IEHP providers and services available to clients. The program helps clients build health and prevent hospitalizations, and saves money for IEHP in the process.

Our Kaiser Downey Intensive Recovery Treatment Program (IRTP) provided post-hospitalization discharge support and integrated case management to 30 clients. This intensive level of support helps prevent readmissions, while saving money and creating greater stability for the people served.

TIE Coordinated Care Impact:

*81% reduction in
medical ED utilization*

*76% reduction in
psychiatric bed days*

*61% reduction in psychiatric
hospital admissions*

Kaiser Downey (IRTP) Impact:

*180% decrease in hospitalizations
among program clients*

*41% reduction in 7-day
admission rates*

*25% reduction in 30-day
admission rates*



TELECARE'S COORDINATED CARE PROGRAM WITH IEHP IS EXPANDING IN THE YEAR AHEAD.

New & Notable in FY13-14

We Added Tailored Options to Better Serve People in Crisis

Some of the biggest challenges our customers faced in FY13-14 included overcrowded emergency rooms, a lack of inpatient psychiatric beds, and the need to prevent hospital readmissions. However, different customers needed different solutions that worked with their systems of care.

Crisis Residential Services: We opened a 12-bed crisis residential program in Contra Costa County, CA, for people who need a bit more time to stabilize before returning to the community.

Acute-Only Services: We opened a 16-bed acute program in Stanislaus County, CA, filling a service gap for people with a need for short-term acute inpatient care.

Co-Located Acute & Crisis Services: We open co-located acute and crisis programs in Riverside and Santa Cruz Counties in California, which enable faster access to the right level of services for clients and families, while capitalizing on efficiencies in infrastructure and staffing.



HOPE HOUSE CRISIS RESIDENTIAL



SANTA CRUZ PHF AND CSP

We Reduced Jail Recidivism

In FY13-14, our CORE Los Angeles program helped give ex-offenders a path to recovery. This high-intensity, ACT-based program helps ex-offenders reenter the community with greater success. The model has been so effective the California Department of Corrections and Rehabilitation (CDCR) is doubling the program size to support more people in their reentry process.

CORE Los Angeles Impact:

96% reduction in incarceration days (pre-enrollment vs. post-enrollment)

We Reached More At-Risk Young Adults

Early intervention and treatment can halt the progression of serious mental illness. In FY13-14, Los Angeles County partnered with Telecare to bring two new early intervention programs for transitional age youth to underserved areas in LA. Both programs use the research-based CAPPs (Center for the Assessment and Prevention of Prodromal States) model.



TELECARE DISCOVERIES 6 AND 7 OPENED IN L.A.

New & Notable in FY13-14

We Specialized Roles to Deliver Better Service

In FY13-14, the healthcare, technology, and legislative landscapes underwent a great deal of change. Our leadership team continues to become more focused and specialized to help our organization respond effectively and offer better services to clients and customers alike.



Linda Reese
Vice President
Acute Operations

Linda now oversees all of Telecare's traditional inpatient acute operations and our acute involuntary crisis stabilization programs, as well as our contract management services. She provides direct management of multiple sites in several states. Linda has been with Telecare for 18+ years.



Laura Milano
Vice President
Revenue Cycle

Laura continues to oversee all of Telecare's accounts receivables, however, her work has broadened to include strategic planning and solutions to spread revenue cycle knowledge and help us adapt in this era of health reform. Laura has been with Telecare for 11+ years.



Chin Chao
Senior Vice President
Information Systems

Chin was promoted from VP to SVP of Information Systems. He continues to oversee enterprise-wide advances in technology, including design and implementation of our EHR and integrated payroll/HR system. Chin has been with Telecare for 3+ years.



Ross Peterson
Vice President
Government Relations

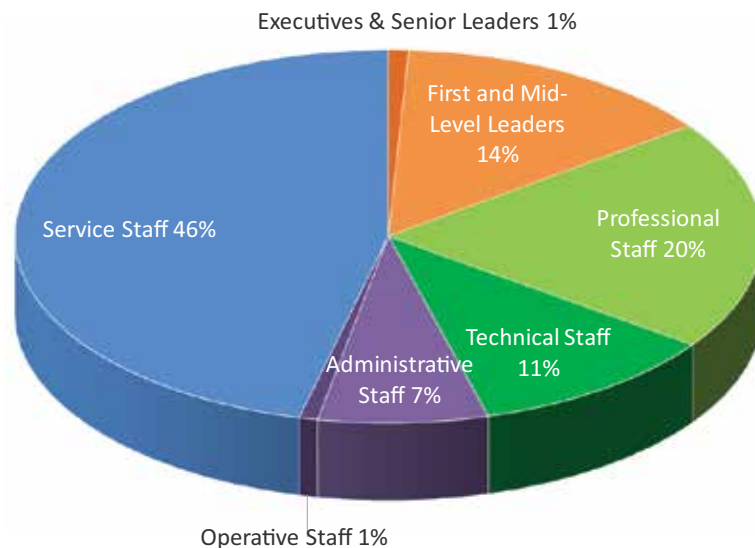
Ross now oversees Telecare's work to stay current and active in behavioral health policy and legislation, as well as maintain strong partnerships with regulatory agencies and key policy makers. Ross has been with Telecare for 33+ years.



Stacey Calhoun
Vice President
Special Projects

Stacey now oversees Telecare's development of data and evaluation tools; heads Telecare's Non-Violent Environments initiative, and is deeply involved with standardizing the use of RCCS across Telecare. Stacey has been with Telecare for 19+ years.

Telecare-Wide:
2,788 employees
26% multilingual



Telecare Then & Now

In 2015, We Celebrate 50 Years of Service

As we head into 2015, we wanted to take a moment to reflect on where we began — and to give you a glimpse of how we've evolved over the years, working with customers, clients, and the communities we serve to meet growing and changing needs.

Telecare was founded in 1965 by Art Gladman, a psychiatrist; Lida Hahn, a psychiatric nurse; and Morton Bakar, a businessman — three individuals who were committed to a belief in the rehabilitation potential of people with serious mental illness.

Art, Lida, and Morton believed that clients could achieve better results when they received services that were individualized, focused, and provided in a more home-like setting. They placed the client at the center of the organization and created a culture where employees and clients were supported in reaching their full potential.

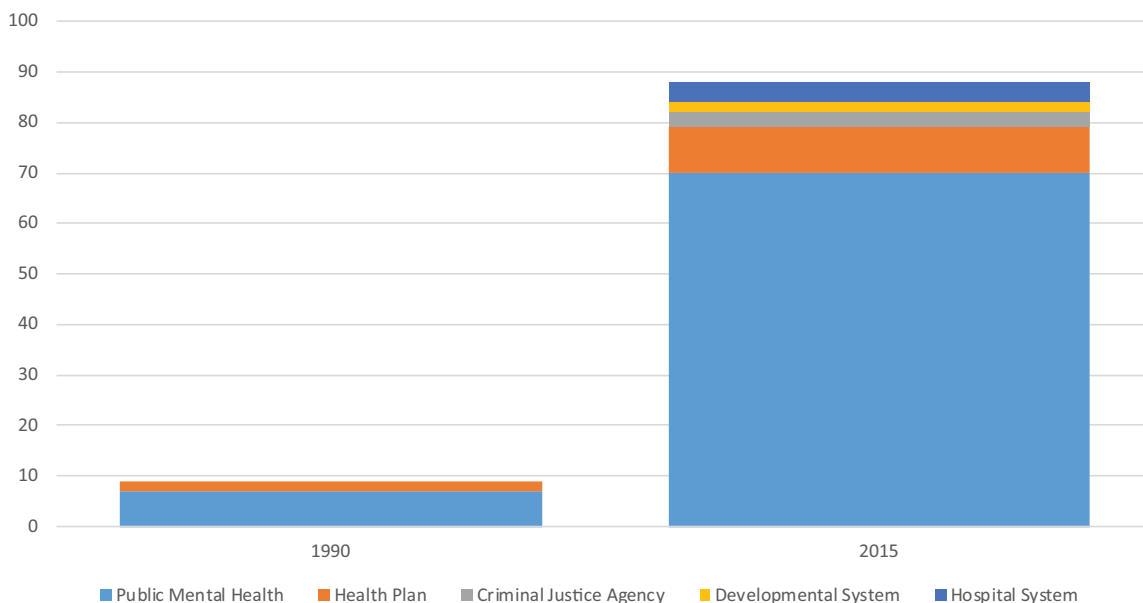
Their vision still guides Telecare today — 50 years later — and is carried on by Anne Bakar, Telecare's President & CEO, and daughter of co-founder Morton Bakar.

Yet, even though we have grown in size, scope and complexity, there is one thing that will always remain the same: our commitment to recovery — helping people to recover their lives and reclaim their hopes and dreams. We thank you for being a part of this journey. We look forward to a bright future ahead.



Our Customers Have Grown More Diverse

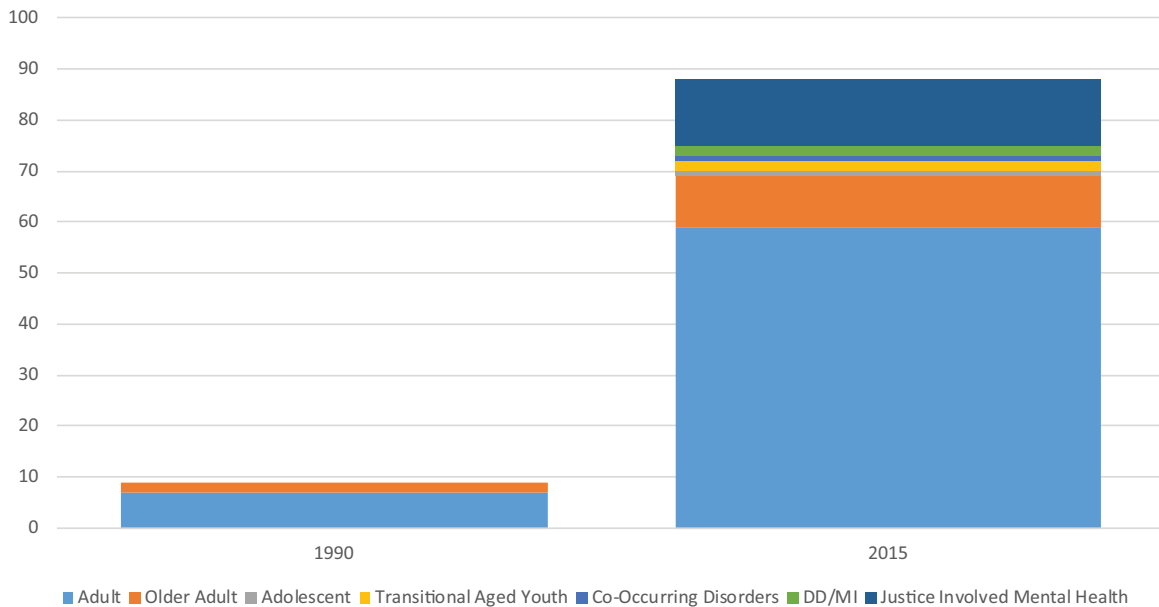
In 1990, Telecare predominantly served county and state behavioral health systems (public mental health). Today, we partner with both public and private agencies, including: the developmental disability system, the criminal justice system, private hospitals, and large health plans.



Telecare Then & Now

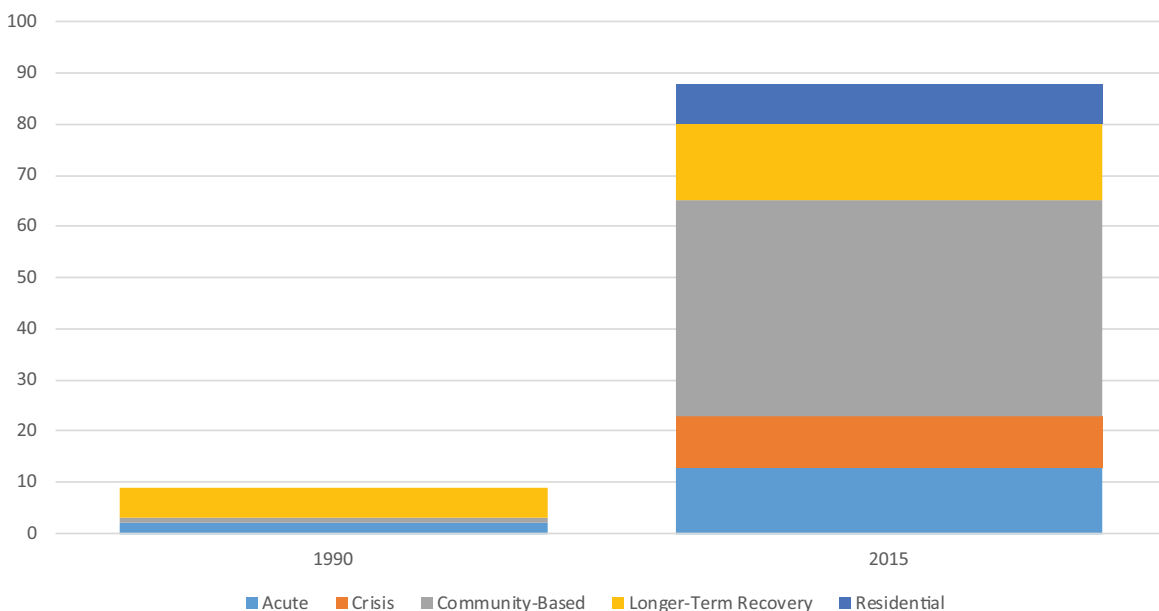
Our Clients Have Broader, More Complex Needs

In 1990, Telecare primarily served adults with serious mental illness and older adults with serious mental illness. Today, we serve people of all ages, as well as those with SMI, co-occurring issues, and complex needs.



Our Program Types Offer a Spectrum of Care

In 1990, Telecare primarily provided longer-term inpatient programs (subacute). Today, we offer a wide variety of program types to better meet the full spectrum of client, community, and customer needs.



Telecare Then & Now

Our Executive Team Is Ready for the Future

Our executive team has also evolved as well, bringing more specialized knowledge and large-scale expertise to help us be efficient, effective, proactive, and responsive to changing customer and industry needs.



ART GLADMAN, LIDA HAHN, AND MORT BAKAR WERE TELECARE'S FOUNDERS AND ORIGINAL MANAGEMENT TEAM.

OUR MANAGEMENT TEAM TODAY IS SKILLED,
CREATIVE, COMPASSIONATE, AND DIVERSE.



Anne Bakar
President & CEO



Marshall Langfeld
SVP of Finance, CFO



Anita Barnas
SVP of Operations



Faith Richie
SVP of Development



Marcie Atchison
SVP of Human Resources



Steve Wilson
SVP, Corporate
Medical Director



Chin Chao
SVP, Chief
Information Officer



Mike Wiederstein
SVP of Acute Operations



About Telecare

In 2015, Telecare celebrates its 50th anniversary. Since 1965, we have evolved to address the changing needs of people with serious mental illness (SMI) and complex needs.

Today, Telecare provides and manages an array of services — from inpatient and community-based programs to crisis, residential, and care management. We also offer specialized services to individuals who face other challenges in addition to their mental illness. These individuals may be homeless, incarcerated, developmentally disabled, or have medical issues, including those associated with aging or addiction.

Telecare serves adults, older adults, and adolescents — particularly those who may require more intensive, recovery-centered behavioral health services.

We believe our recovery culture is an important part of our effectiveness, our creativity, and our longevity.

We are proud to share that in 2014, Telecare was once again recognized by the *San Francisco Business Times* as a Best Place to Work in the Bay Area. This marks the 10th time in 11 years that Telecare has been recognized on the list.

