

Let's Surge to the Top










2012 was a pivotal year for HealthSmart. Even though there was uncertainty about how healthcare reform would impact our business model, we stayed focused on our mission—to reduce healthcare costs and improve member health. The competition to retain current business and to keep growing became tougher. Through it all, our team has risen to each challenge.

There were growing pains as we made important acquisitions and HealthSmart became the largest independently owned third-party administrator in the U.S. In continuing to broaden our national footprint, we closed the year by acquiring Mountain States Administrative Services (MSAS), a division of Lovitt & Touché, Inc., based in Tucson, Arizona. This acquisition provides strength in a region of the country that has great potential for 2013 and going forward. [Click here for the full press release.](#) Currently, we are in negotiations—with draft letters of intent in the works—to acquire four more third party administrators.



Our revenue target range for 2013 is between \$110-\$135 million (depending on acquisition targets). These acquisitions, along with an aggressive and effective sales strategy, will fuel the fire in the coming months. However, it is an all hands on deck proposition. Each and every department within HealthSmart will play pivotal roles in making these goals a reality.

Key Service Objectives for 2013 include:

-  Achieve our revenue and retention goals through aggressive salesmanship and unrivaled customer service
-  Improve the customer experience throughout the company
-  Take our care management capabilities to a best-in-class model that provides true cost control
-  Expand our national footprint through our newly formed regional markets—East, Central and West
-  Process 93%+ of ALL claims in less than 10 working days
-  Integrate completely onto the ppoONE repricing platform
-  Manage our success in relationship to our speed of play: “one minute touchdowns”

These are big goals and demand that we create an outstanding corporate culture and stay more closely aligned with our Core Values to achieve them. We plan to have periodic “face to face” meetings with our Middle Management and Senior Level Teams throughout the year, which will provide necessary exposure across regions. Communication will be paramount—we are committed to keeping you informed about additional acquisitions, product updates and organizational changes. Mark Stadler, Executive Vice President of Sales and Marketing, will continue to send sales updates and reports to all employees on a monthly basis. Our SharePoint site will soon have a President’s Corner section that will feature a blog style component that will enhance our communications across all levels of the organization.

Finally, as I’ve said before, we are a sales-driven company. There is great opportunity in this time of great change. Our success depends on making sales and on retaining those hard-won victories. Thanks for all your hard work and efforts this past year. Let’s work together to make 2013 our best year ever.

Jim Pennington,
President



Second Annual Fantasy Healthy 15



The Second Fantasy Healthy 15 began October 22, 2012 and concluded January 13, 2013. This was a results-focused Challenge that included nutrition assessments, a nutrition education program, focused weekly challenges and team-building activities.

Two new components of this Challenge were the Nutrition Webinars and working to meet a personal challenge. Some participants chose to focus on losing body fat, while others strove to lose weight. There are few things more satisfying than reaching a goal; it usually motivates us to set new and even higher ones!

In addition, teams worked together to create a healthy recipe, compile a group photo and coordinate walks with other HealthSmart employees. That's just another benefit of the Challenge: getting to know team members in our various departments!

Members of the winning team will all receive Apple iPads, as will the individual with the most points. Team members who achieve at least 85% of the total challenge points will receive a \$50 FSA card and the top five participants after the Fantasy Healthy MVP will receive HealthSmart Fleece Pullovers. Team Captain Carol Schmidt (The Fitness Fans) won a bike at the mid-season drawing.

In addition, there were weekly drawings. Stacy Cochran won a HealthSmart lunch bag and water bottle; Michelle Torrez and Tom Morrissey won HealthSmart duffle bags and water bottles; Team Captain Jamie Austin (Eat, Drink and Be Healthy) and Janet Olayinka won Healthy 15 socks and water bottles; Pam Briles won a HealthSmart lunch box and pedometer; Chris Oldham and Deborah Wantland won HealthSmart lunch boxes and socks; and Tom McMaken and Rob Marks won HealthSmart duffle bags and pedometers.

The prizes are wonderful, but the results can be life-changing. The Healthy 15 Challenge delivers great results when you work it! We have several customers that have copied this program. It not only benefits your individual health, but also the health of our benefit plan and our Company. If you have never participated in a Healthy 15 Challenge, you are missing out on camaraderie, prizes and most importantly, getting healthier.

The Final Four teams were: Eat Drink and Be Healthy (Jamie Austin, Captain), The Workout Warriors (Grant Nollman, Captain), The Melt Aways (Cindy Price, Captain) and The Health Force (Susan Thompson, Captain). Stay tuned for the final results of the Smart Bowl!

Thanks to Our Wellness Representatives!

Mike DiFilippo (Alaska)

Tina Awaldt (Charleston)

Wendy O'Connor (Cleveland)

Tabitha Stallman (Denver)

Jamie Austin (Fayetteville)

Toya Sallis | Derick Johnson (Irving)

Liz Bucki (Lisle)

Valerie Olivarez (Lubbock)

Patricia Johnson (San Antonio)





HealthSmart and the World Trade Center Program

History of the Program

The World Trade Center Health Program was created when Congress passed the James Zadroga 9/11 Health and Compensation Act of 2010. It provides health tests and medical care for people who worked in response and recovery operations at the World Trade Center, the Pentagon and the passenger-jet crash site near Shanksville, Pennsylvania. HealthSmart's program covers New York and New Jersey survivors and responders who lived, worked or were in school in the area.

On September 12, 2012, the federal government acknowledged the addition of most cancer diagnoses as eligible conditions for this population. The World Trade Center (WTC) Health Program provides medical testing and care for specific symptoms and illnesses related to exposure at the disaster sites. The services are provided by a total of seven clinics and hospitals in the New York and surrounding area that have expertise in the diagnosis and treatment of 9/11-related health conditions and are certified as a Clinical Center of Excellence (CCE).

First Responders are identified as individuals that arrived at the scene to assist in any way. Survivors are identified as individuals that were impacted as a result of the disaster, but did not lend assistance

What HealthSmart Does to Facilitate the Program

HealthSmart provides a variety of services to approximately 35,000 First Responders and Survivors in addition to the services provided by the seven Clinical Centers of Excellence. We are now increasing these services to include case management, provider contracting and credentialing, and the 24/7 nurse line, to name a few. Our Information Technology Team has provided significant support in the form of individual portals for the Clinical Centers, as well as specialized reporting for federal governmental tracking purposes.

HealthSmart Care Management and Provider Contracting/Credentialing began providing services to the First Responders and Survivors of the 9/11 World Trade Center Terrorist attacks in November. This is in addition to the Claims Management services provided out of our Denver, Colorado office. The World Trade Center Health Program continues to expand within HealthSmart.

Latest Updates

We are finalizing the contracting with all seven of the CCEs, the largest being Mount Sinai School of Medicine, which we have served with claims processing and provider services since last July. Mount Sinai monitors 18,000 of the First Responders and Survivors and 6,500 of the 18,000 being monitored have a confirmed diagnosis on the approved list for the program. An additional 12,000 will be added to the Claims Management services representing the other six CCEs, and a subset of those 12,000 with cancer diagnoses will be managed by HealthSmart Care Management.

On the Care Management side, we will be providing the following services for Mount Sinai's 6,500 active Responder population:

- ▶ Utilization Review (inpatient and outpatient precertification)
- ▶ Case Management
- ▶ Disease Management
- ▶ Predictive Modeling
- ▶ Nurse Help Line

The work that we do allows us to participate in a very positive way in serving this very deserving population. Thank you to every person involved, and for the tremendous support provided by each of the departments throughout HealthSmart.



2013 HealthSmart Forum

On April 8th and 9th, HealthSmart will host its fourth Annual Forum. We expect more than 300 attendees this year. With its exciting speakers and cutting-edge information on the latest trends in healthcare, the Forum has positioned us as innovative leaders in ways to reduce healthcare costs. It has been received very positively by our clients, and this year's offerings promise to raise the bar even higher!

We are excited to have Governor Mike Huckabee as one of our keynote speakers. He is the host of the number one rated weekend hit *Huckabee* on the Fox News Channel and Cumulus Media Networks' syndicated radio program and the author of 19 books. After his campaign for the Republican nomination for President in 2008, in which he finished second to John McCain, he formed HuckPac to assist conservative Republicans running for office nationwide and has amassed a volunteer team with thousands of activists in all 50 states.

John Stossel will also be presenting. The views of this noted journalist and author have often been controversial, and he is one of the few libertarians in mainstream media. His strong belief in the power of the free market and private enterprise, all presented in his signature down-to-earth style, are sure to be compelling.

Wrapping up the Forum will be John C. Goodman. He is President and CEO of the National Center for Policy Analysis and author of the new book, *Priceless: Curing the Healthcare Crisis*. John is widely known as the "Father of Health Savings Accounts."

The Forum will include panel discussions on healthcare reform compliance, as well as the latest trends in data management and how it will impact healthcare. HealthSmart's Chairman, Dan Crowley, and President, Jim Pennington, will also be speaking.

It will be held at the Gaylord Texan in Grapevine, Texas. Our clients will be joined by our top management, sales representatives and other key client-facing team members.

Halloween at HealthSmart 2012



HealthSmart employees showed off their creativity this past Halloween with costumes, "haunted cubes" and beautifully carved pumpkins!



Costume winners in Englewood



Scary in Cleveland



Bewitched in Charleston



There are many ghosts in Lisle



Tailgating in San Antonio



Rene Carroll, Kass Wise, Sandy Hartman and Chris Oldham from the Springfield office



The legendary singing pumpkin of San Antonio



HealthSmart gets some name recognition at the Pumpkin Trail in Lubbock



Sales Operations in Irving was one of the few departments that didn't wear costumes, but instead chose to wear their regular, workday attire.



Latest HealthSmart Heroes

Carol Riling

Carol's nomination from Dennis Jackson highlights her exceptionally high level of integrity and continuous efforts of going above and beyond to ensure a job well done. Recently, as she was opening incoming mail, she noticed a participant had accidentally mailed three phone bills to us. Included in these envelopes was \$1,200 in cash. By bringing this to her supervisor's attention, he was able to contact the elderly participant who had been looking for the misplaced money and was very grateful for Carol's honesty.

Laurie Brees

Ted Stevens nominated Laurie for the exceptional customer service she delivered to our client, Lauren Baldwin, Assistant Vice President of HR with First American Bank. Laurie went the extra mile by conducting research about a self-funded plan sponsor's obligations regarding the PPACA mandated Quarterly Federal Excise Tax Return – Form 720 for our client. Mrs. Baldwin was very impressed and appreciative of her timely, responsive and detail-oriented work.

Sandra Smith

Sandra has only been with HealthSmart for a few months but she has been quick to deliver excellent care to our members. Two members have made compliments to express how pleased they were with the level of customer service she provided. One member wrote that Sandra went above and beyond to help her with some very critical issues pertaining to her insurance coverage

Michael Holbein

Michael was nominated by Justin Ashworth for the outstanding customer service he delivered to a member of one of our clients. The member was pleased with the level of customer service provided with their insurance and hospital claims. In addition to identifying the issue, Justin went the extra mile to resolve the problem, as well as taking the time to follow up on multiple occasions with the hospital and keeping the member updated on the progress.

Ashley Price

Charlotte Stover nominated Ashley for going above and beyond her normal CSR duties to help with the handling of the Website Support Service that transitioned the team from Wells Fargo to HealthSmart. The Website Support Service was not a service previously handled and there were only seven business days given to prepare, learn and take over the function. In this short amount of time she was able to learn the functions and apply them quickly, and then go live with the support calls and emails. Ashley played an integral part in training the permanent representatives later hired, as well as handling her normal day-to-day duties.

Jeremy Wyer

Using his past experience, Jeremy was able to immediately make an impact on the Website Support Services Team's ability to resolve issues in a timely manner, bringing excellent customer service to our members, and helping to improve our overall processes. He played a key role in this new initiative.

**Is there someone you'd like to nominate as a HealthSmart Hero?
Download the HealthSmart Hero program info and nomination form**

Happy Holidays!

The Elves Are Busy in Charleston All Year Long

Mary Beth Edwards and a lot of little elves in the Charleston office loaded up 122 huge bags of toys on November 30 to sponsor 122 children (3 gifts each) in the Secret Santa Program. This is Mary Beth's 27th year of heading up the Secret Santa program for HealthSmart's Charleston office, which is one of the largest sponsors of this program for the entire Kanawha Valley. These hard-working elves work all year long to make this happen!



Sitting in front is Tony Harshbarger and Sue Shaffer. In the back is Adam Cook, Mary Beth Edwards, Frank Fuller, Cindy Archer, Megan Wright, Jennifer Myers, Melissa Bess and Lisa Hawkins.



Santa 365



John Johnson as Santa Claus.

John Johnson, a claims examiner on the PEIA (State of West Virginia account), is Santa Claus. Unlike the rest of us, John is upset because his hair and beard are not graying fast enough. Currently, a 30-something Santa, John has to bleach his hair and beard to achieve the effect. He donates both his time and money 365 days per year to make Christmas special for children in the community. Santa John works with the Secret Santa program and is the Hospice Santa year-round.

From John:

It is a long story. I have been Santa for 29 years this Christmas...nearly three decades. I began as Santa at the ripe old age of 6, in my first grade Christmas pageant. I was Santa for friends and family until the year my wife, Michelle, and I married in 1997. She encouraged me to do some special visits to nursing homes and some children's groups. Since that time, she and I have been involved in our community, taking care of needy families at Christmas. In fact, much of what I earn as Santa is spent helping others. [read more](#)

Fourth Annual Greeting Card Contest

HealthSmart's Annual Greeting Card contest showcases the artistic talents of our team members' children and grandchildren. The contest is simple: the children are asked to illustrate what the holiday season means to them. This year, there were so many creative entries, it was very difficult to choose the winners! Thank you to everyone who submitted artwork.

In the ages 6 and under category, Alex Romo won. He is the grandson of Rosa Romo, who works at our Lubbock office. The runner up was Brendan McLaughlin, son of Andre McLaughlin. Andrew is part of our Information Technology team. In the ages 7-12 category, Salem Price won. She is the daughter of Jeffrey Price, another member of our IT Team. The runner up in the 7-12 category was Jerin Snellings. He's the son of Amanda Mostellar, who works in our West Virginia office. [Click here to see all the entries!](#)



The artwork of Salem Price, winner of the 7-12 age group