

Annual Report
New Horizons Home Care, Inc.
2006

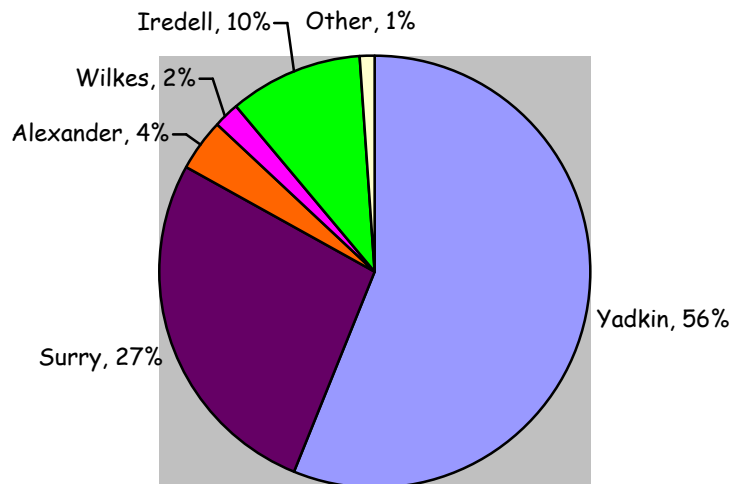
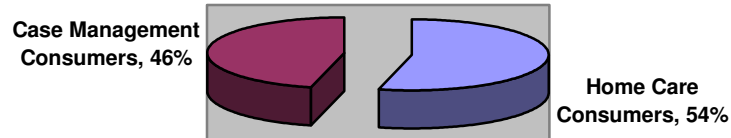
As part of our ongoing quality enhancement and continuing plans to maintain and retain financial solvency, New Horizons Home Care, Inc. wants to keep you informed of our overall status for each year. This annual report presents an overview of the year's highlights including services provided, updated strategies to improve the way our company functions as a whole, and exciting new initiatives that will continue to improve and enhance the way we provide services to consumers in our community.

During the past year, we are proud to have grown the organization in many areas of services. One of the events of the year included obtaining provider endorsement to provide Enhanced Benefit Services as part of the new mental health reform. We were surveyed by Crossroads Behavioral Healthcare and found to meet their criteria as an endorsed provider of services under their management. We also obtained a contract with New River Behavioral Healthcare to provide both in-home and case management services to consumers in their catchment area, specifically Wilkes and Alleghany counties. The implementation of Value Options as an authorizing agent for case management and other services came about this past year also as part of mental health reform. In December 2005, an effort to refine the PCS (Personal Care Services) program through Medicaid came about. This resulted in a change in the way that we address needs of individuals and created the need for additional training and more stringent guidelines for assessment of people for this service. Case management services grew substantially this past year and we now have seven case managers employed to assist in coordinating services for many individuals in our community, including CAP-MR/DD consumers as well as Medicaid and Health Choice consumers.

As part of this new initiative, we will continue to identify and develop new opportunities to expand and maximize our value as an organization to the people and communities that we serve. We appreciate the opportunities that we have had this year to serve individuals in our community and we look forward to setting a new, higher industry standard in the world of home care and community services.

Stats and Graphs

In 2006, New Horizons Home Care, Inc. managed 19,882 visits and provided services in a variety of settings and locations including 7 surrounding counties. Of the consumers we served, 46% were provided case management and 54% were provided in-home care.



What do we do to maintain financial solvency?

There are several steps that we as an agency take to ensure the financial solvency of our organization. For any service provided and any monies spent through our organization, there is a lengthy paper trail to evidence appropriateness of spending. We employ an external authority to perform certain functions such as payroll and a private Certified Public Accountant is retained to review and process financial records to ensure accuracy of all financial transactions. Our Board of Directors along with the administration of our agency hold regular meetings to review budgets, income and expense reports, and other pertinent financial information to ensure that we are allocating resources effectively and providing the most efficient services possible to our consumers. Any deficiency that is identified throughout the year leads to a corrective plan of action which helps us continuously improve the way we do business. We accept referrals for clients on an ongoing and continual basis with no waiting list. We follow up on all referrals, including those referred but not accepted for any reason. We have a professional working relationship with many outside agencies in order to coordinate care and referrals to external resources to meet the ever changing needs of our clientele. We have and will continue to promote our agency at every given opportunity such as provider fairs and health seminars.

What are we doing to keep abreast of financial trends and legislative changes?

Legislative changes govern the way that we function on a day to day basis. In order to stay informed and participate in lobbying our local government for positive changes that benefit the consumers we serve, we maintain a membership with the North Carolina Association for Home and Hospice Care. These individuals play a vital role in lobbying for positive changes in the home care and community service industry. We work hand in hand with the Association to ensure that our local legislators stay aware of the changing needs of consumers and services needed in our community so that laws can be passed that will enhance the quality of life for those whom we serve. An annual agency evaluation is conducted each August to evaluate the financial trends of the industry as a whole as well as those within our own agency. We review such documents as our annual cost report and licensure statistics. We conduct a performance improvement analysis to develop a strategic plan to identify and address any industry trends or performance issues. We receive email updates on a regular basis from our Local Management Entities to ensure that we are aware of changes on both the local and State level. As members of the Better Business Bureau and the National Federation of Independent Businesses, we are privy to the most up to date information available from these resources.

What are we doing to adhere to funding guidelines?

As part of our ongoing quest to maintain compliance with funding source guidelines, there are several steps that we take to ensure the accuracy of our billing and stay compliant with all regulatory bodies. We have a triple check system in place to ensure that the services billed are the services provided. We attend billing trainings on a regular basis to stay abreast of changes to our billing system and funding sources.

We attend many different community meetings such as the Interagency Council, Child Protection Team, Provider Network meetings, Civitan meetings, Area Agency on Aging Planning Committee meetings, Healthy Yadkin Task Force, and so on. Our purpose in participating in these various committees is to ensure that we are exceeding the industry standard of care by adhering to appropriate guidelines and providing the services that are most needed in our community.

Our Future:

We are looking forward to another productive year at New Horizons Home Care, Inc. Some of the changes that we are anticipating are CMS approval of the definition for Targeted Case Management so that we can direct bill for our services. This will cut down on the time lapse between provision of service and payment for services rendered on this side of our business. We also are very excited about the State's new workforce development initiative called NC NOVA. Participation in NC NOVA is an option for any home care agency in the state and was developed to help agencies create a better work environment for staff and therefore improve continuity of care for consumers. One of the largest undertakings of the past year has been the preparation for our upcoming CARF survey. The Commission for Accreditation of Rehabilitation Facilities will be sending a survey team to our agency in late January 2007 to review our agency and conduct staff, stakeholder, and consumer interviews. Gaining accreditation with CARF will show how our efforts exceed those of other agencies like ours and will be the basis for ongoing improvements in the services that we provide to consumers.