



**Staying Ahead of
the Competition**



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Staying Ahead of the Competition

In order to meet our obligations to consumers and families we collectively must demonstrate the ability to effectively run our business. Our services in Virginia and North Carolina are part of the larger health care industry and as a result we face many of the same regulatory and financial challenges as private hospitals and service providers. In other ways we actually have additional regulatory demands placed on our organization due to the complexity of our local government, state and federal funding mandates.

Competition in our industry is real. We compete for funding, consumer referrals, and new services & revenues in both our current and emerging geographical markets with both non-profit and for-profit service providers. Staying ahead means having a plan and being able to successfully execute that plan. It means adapting to new market demands, deploying new technologies and re-training our workforce to develop new skills. As the 2014-2015 fiscal year comes to an end, preparations are already underway to strengthen our workforce, improve operational efficiencies, implement new technologies and expand services. Each employee in our organization has an important role to play in achieving our goals. We thank our staff and Board of Directors for a great year and look forward to continued success as we work together to face new challenges ahead.

Mission Statement

“To Provide Responsive Person-Centered Services to Improve the Quality of Life of Individuals and Families”



Strategic Plan Goals



Goal 1

Customer Focus - delight those we serve; assess challenges & develop effective responses; build & maintain positive interactions with those we serve

Goal 2

Financial Focus – expand our funding base; maximize existing revenue opportunities; expand our geographic footprint; assure long term financial health

Goal 3

Innovation & Leadership – develop/deliver high quality services to address need; research & implement best practices; excel in organizational leadership

Goal 4

Employee Focus – maintain environment valuing honesty & respect; recruit/develop/retain high performing employees; provide employee friendly workplace; recognize & reward our best employees

Goal 5

Community Focus – increase community visibility; build & sustain strong community partnerships; grow our leadership role in the community

Goal 6

Business Process Focus – develop & maintain efficient internal processing procedures; ensure accountability & responsiveness in processes; meet or exceed all regulatory requirements

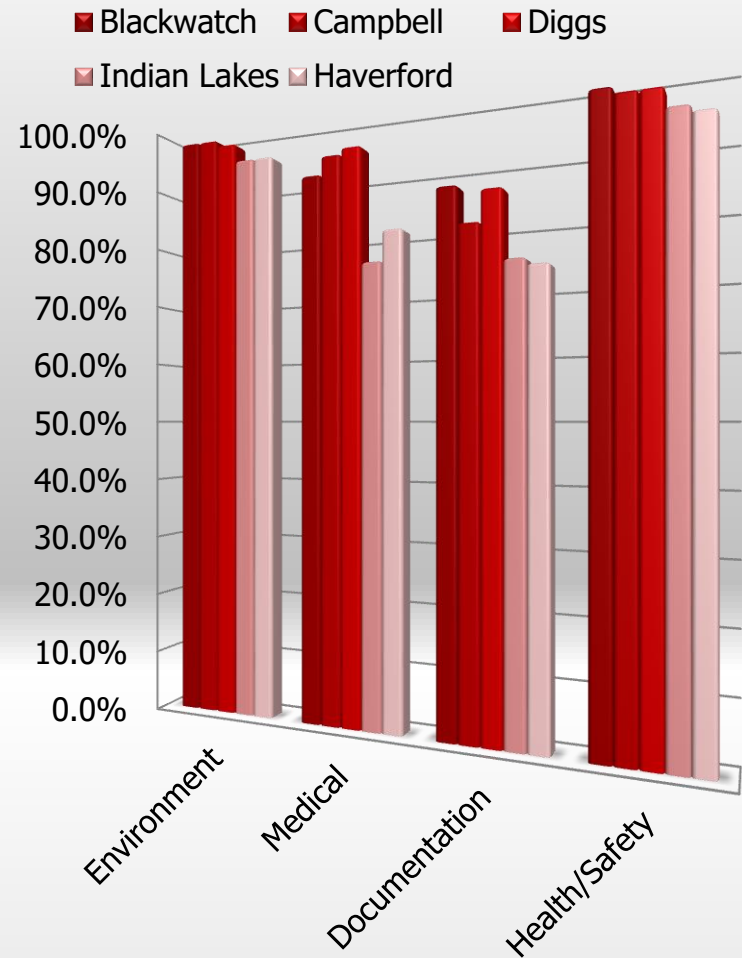


VA Residential

Measuring Up Strategic Goal 1

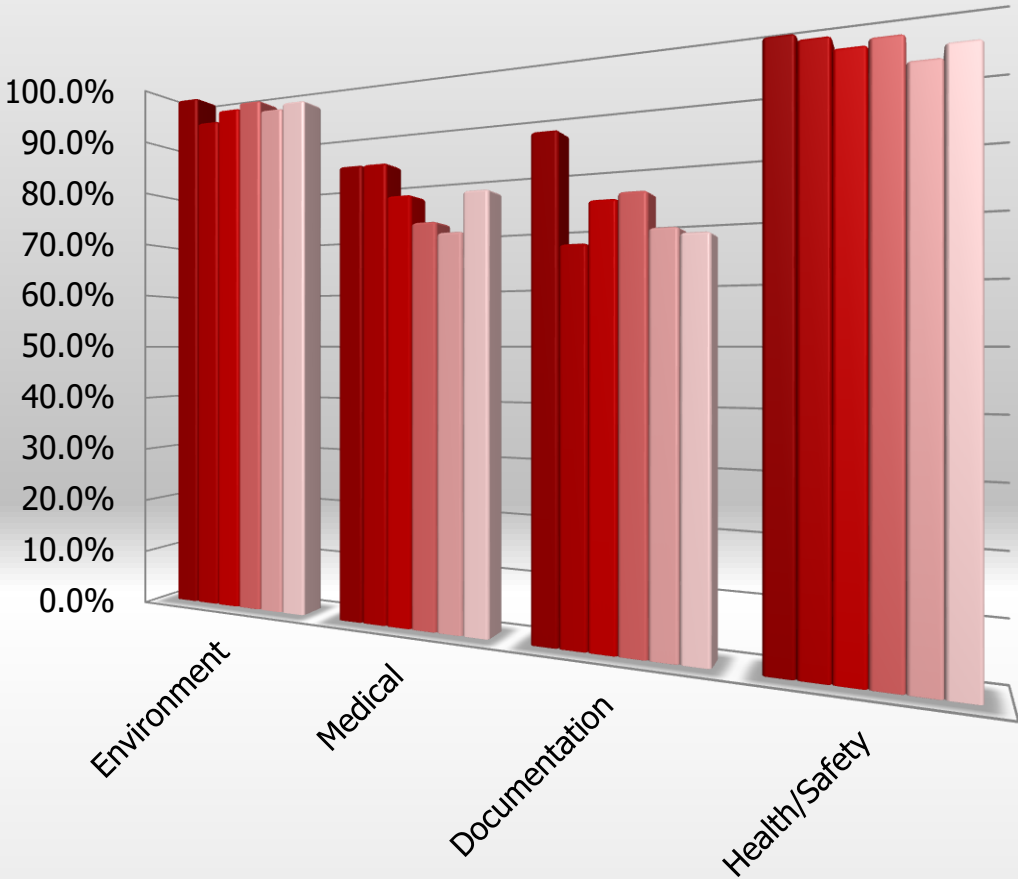
Virginia conducts regular internal audits on all residential programs. Audit tools are directly derived from state regulatory standards and the results are used to determine strengths and areas for improvement.

The data illustrated here and on the next two pages looked at four important categories of care; environment, medical, documentation and health & safety. Independent QA staff conduct on-site audits to gather information.



VA Residential

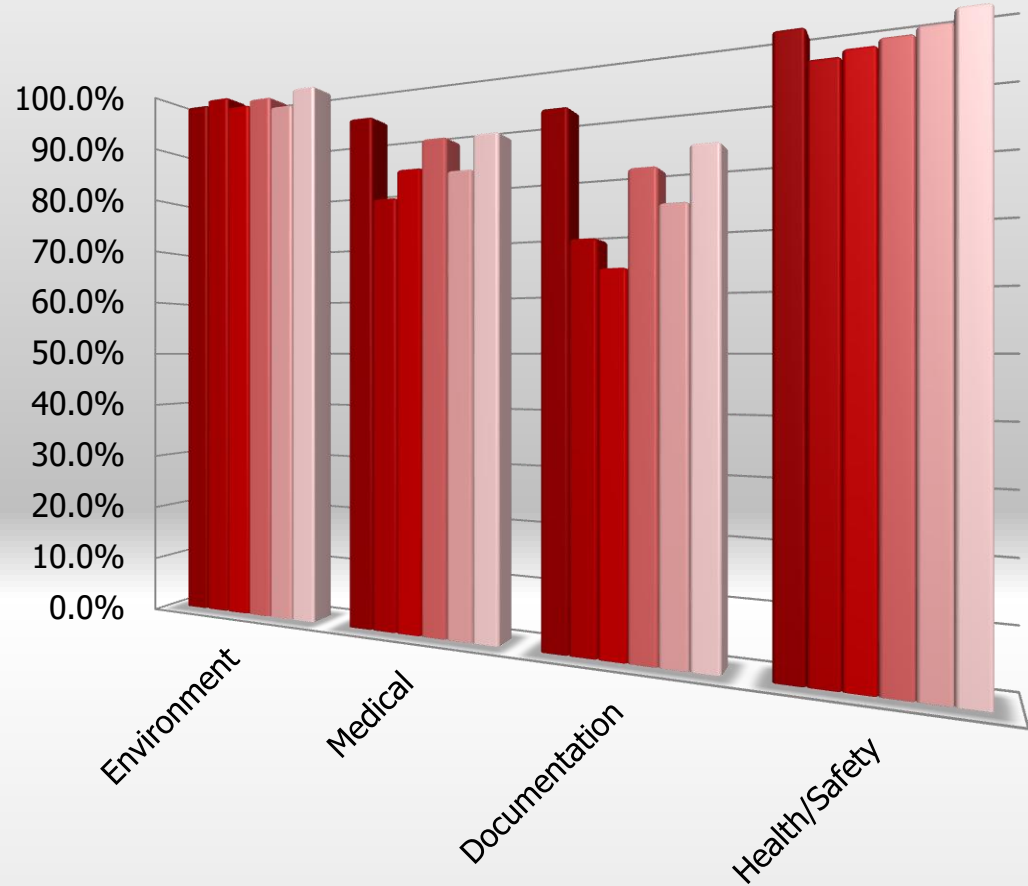
- Southhampton Arch
- Stewart
- Sweetwater
- Water Oak
- Weymouth
- Wingfield





VA Residential

■ Normandy ■ Old Oak Arch ■ Peake ■ Placid ■ Princess Anne ■ Ross

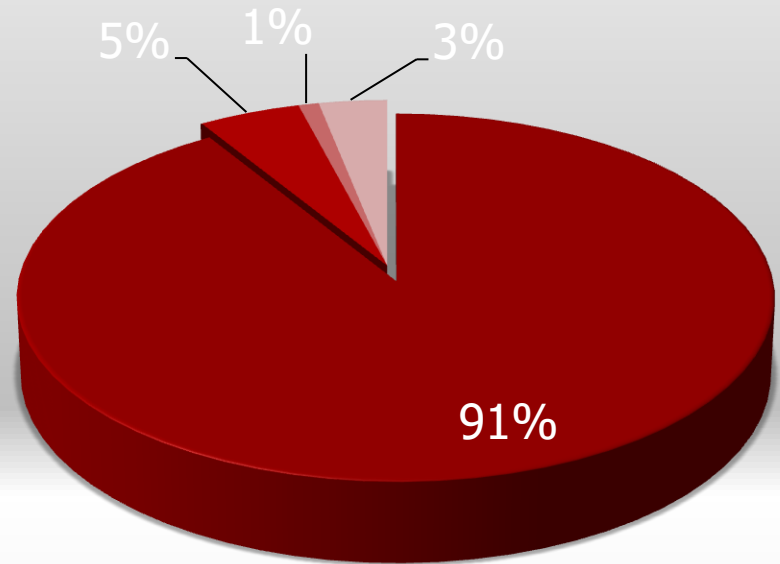




Measuring Up Virginia Strategic Goal 1

This data represents consumers overall satisfaction with services they received in our In-home, Supportive Living and Beach Packaging programs.

Consumer Satisfaction



- Strongly Agree/Agree
- Disagree
- Strongly Disagree
- No Opinion

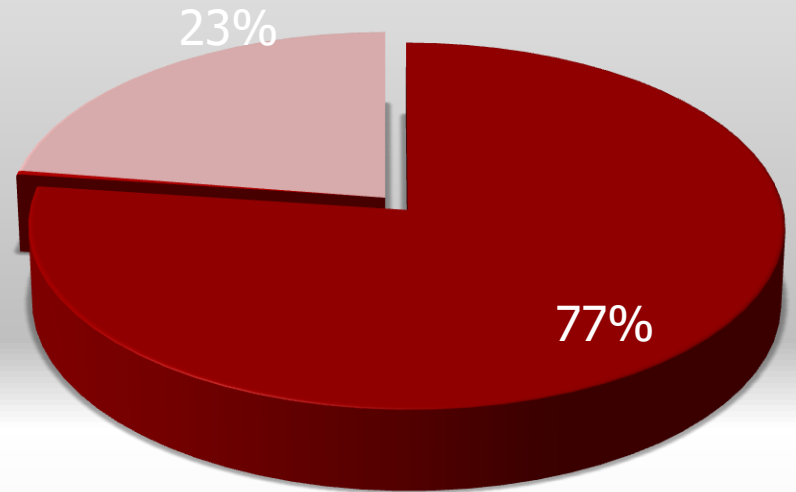


Measuring Up

Virginia Strategic Goal 1

This data represents consumers overall satisfaction with services they received at our Residential program.

Consumer Satisfaction

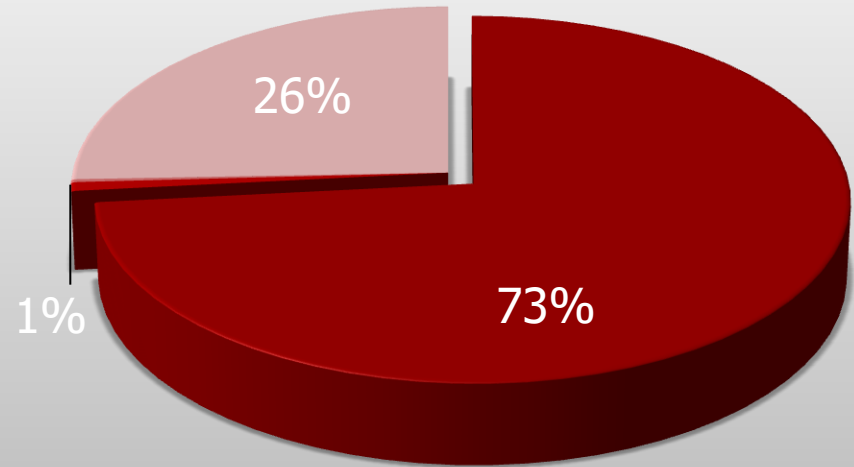


- Strongly Agree/Agree
- Disagree
- Strongly Disagree
- No Opinion

Consumer Satisfaction

Measuring Up Virginia Strategic Goal 1

This data represents consumers overall satisfaction with services they received at our OUDP (Day Program).



- Strongly Agree/Agree
- Disagree
- Strongly Disagree
- No Opinion



Measuring Up Charlotte Strategic Goal 1

The table illustrates consumer satisfaction survey data for our Charlotte NC substance abuse service site.

Satisfaction Measure	Q1	Q2	Q3	Q4	Total
Overall satisfaction with care	81%	86%	91%	96%	89%
Treated with dignity and respect	84%	83%	93%	98%	90%
Quality of life has improved	85%	93%	98%	100%	94%



Measuring Up Winston Salem Strategic Goal 1

The table illustrates consumer satisfaction survey data for our Winston Salem NC substance abuse service site.

Satisfaction Measure	Q1	Q2	Q3	Q4	Total
Overall satisfaction with care	95%	97%	97%	100%	97%
Treated with dignity and respect	100%	100%	100%	100%	100%
Quality of life has improved	85%	90%	92%	100%	92%



Measuring Up Durham Strategic Goal 1

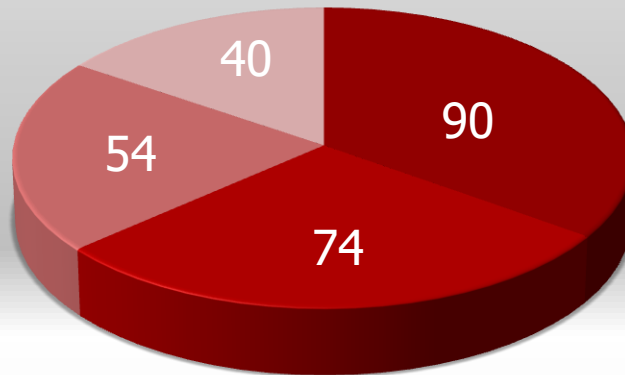
The table illustrates consumer satisfaction survey data for our Durham NC substance abuse service site.

Satisfaction Measure	Q1	Q2	Q3	Q4	Total
Overall satisfaction with care	87%	99%	95%	96%	94%
Treated with dignity and respect	100%	100%	73%	100%	93%
Quality of life has improved	92%	100%	100%	100%	98%

Measuring Up

Strategic Goal 1

VA Consumers Served



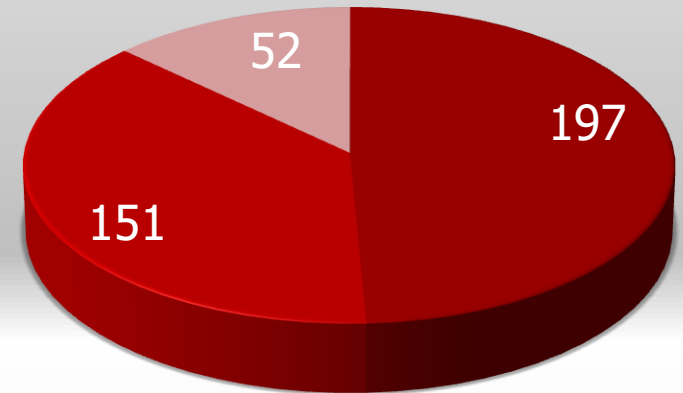
■ Vocational

■ Residential

■ Day Program

■ In-Home and SLP

NC Consumers Served



■ Charlotte ■ Winston Salem ■ Durham

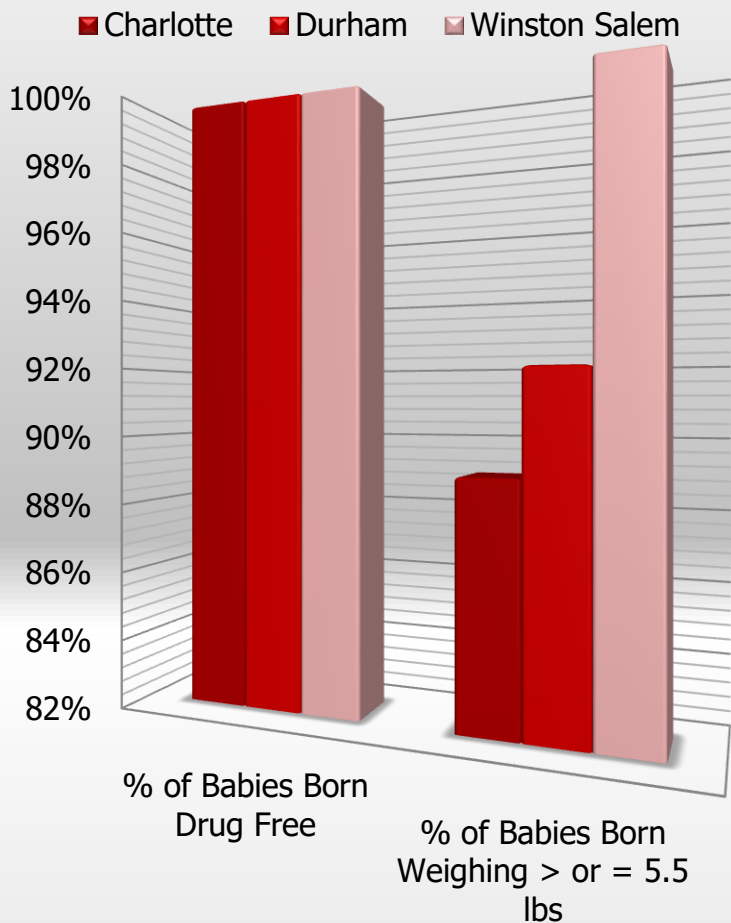


Measuring Up

Strategic Goal 3

Best practice means getting pregnant substance abusing women into treatment early in their first trimester to improve the chances of their baby being born drug free and at a higher birth weight.

Treatment Impact on Newborn Health





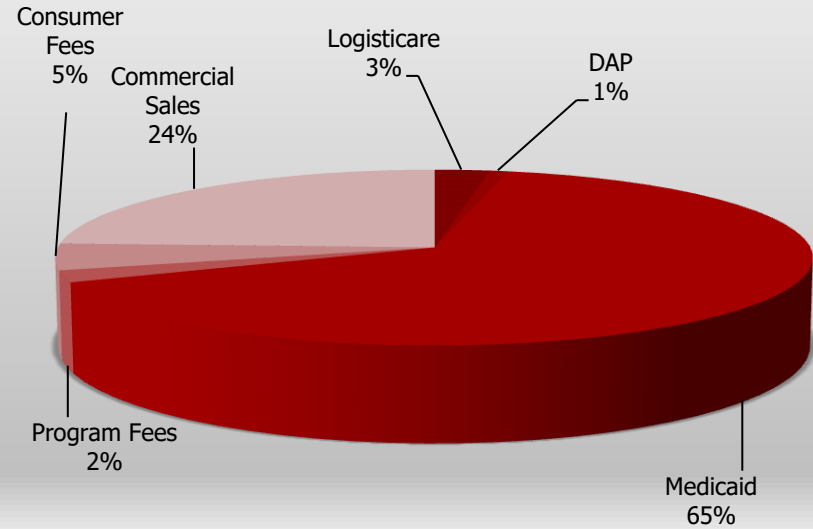
Financial Data

Strategic Goal 2

FY 2014/2015

Virginia Medicaid Waiver is the primary funding stream for Virginia services. Our Beach Packaging program generates commercial sales revenue which represents the second largest funding stream for Virginia programs.

Virginia Funding Streams



- Logisticare
- Medicaid
- Consumer Fees
- DAP
- Program Fees
- Commercial Sales



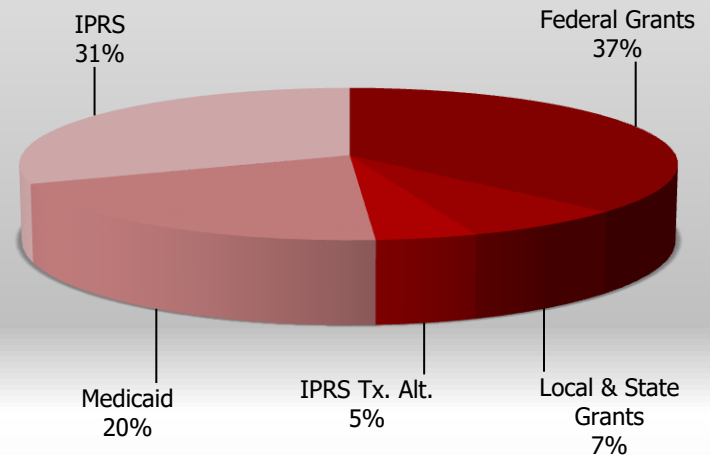
Financial Data

Strategic Goal 2

FY 2014/2015

North Carolina substance abuse services for pregnant and parenting women and their children rely heavily on federal grants and state revenue to cover the cost of providing needed residential services and supports not covered by Medicaid. Medicaid covers substance abuse treatment services only if medical necessity criteria is met.

North Carolina Funding Streams



- Federal Grants
- Local/State Grants
- IPRS Tx. Alt.
- Medicaid
- IPRS

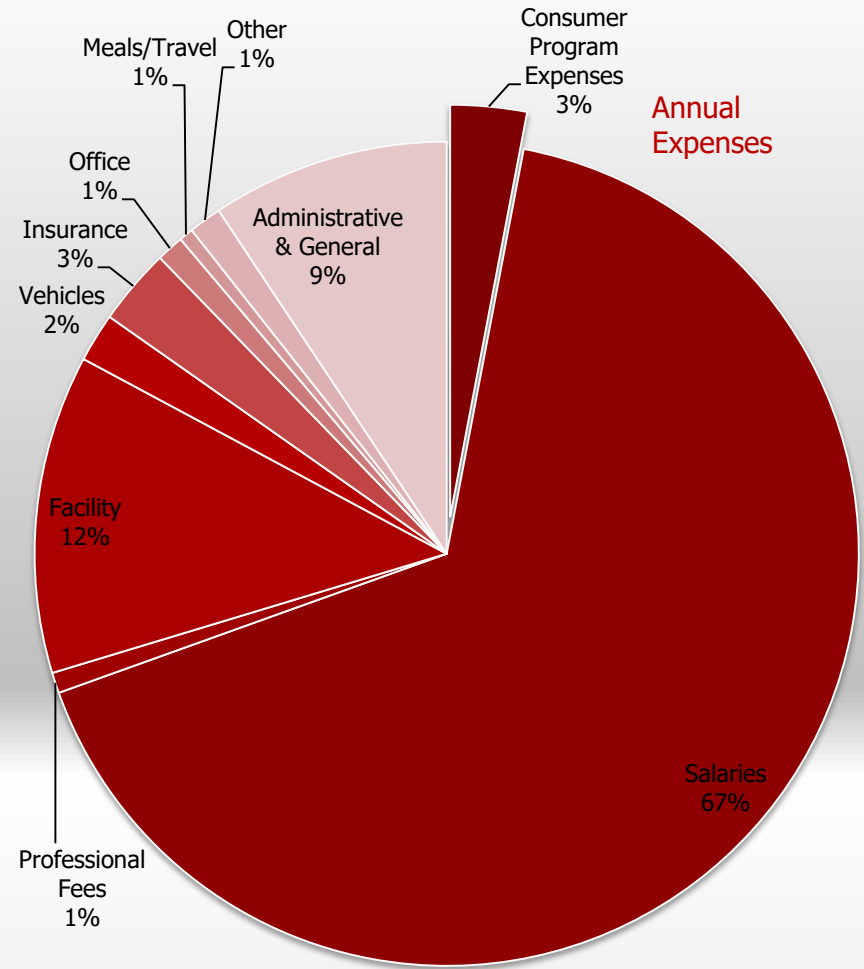
Financial Data

Strategic Goal 2

Financial Performance

FY 2014/2015

CAI demonstrated strong financial performance during the fiscal year. In an effort to improve long term health of the company total expenses were reduce 9% from the previous year. Despite a total revenue decrease of 1.29% from FY 2014, we finished the year with a positive net income. Special thanks to the finance staff and CAI leadership for meeting the challenge.



- Consumer Program Expenses
- Professional Fees
- Vehicles
- Office
- Other
- Salaries
- Facility
- Insurance
- Meals/Travel
- Administrative & General





Financial Data

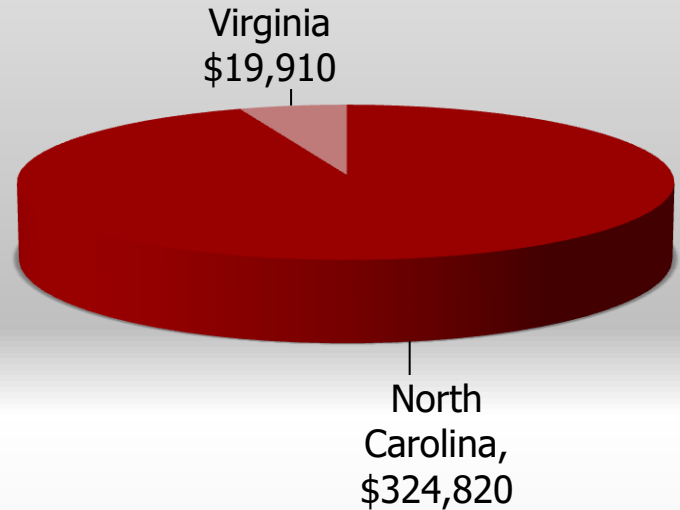
Strategic Goal 2

Fiscal Year 2014/2015

Charitable Care represents services delivered to consumers in need where there was no available funding.

North Carolina charitable care was notably high during the fiscal year as a result of new contract start-ups with MCO's and changes in our billing infrastructure. Through it all, consumers experienced no service interruption.

Charitable Care

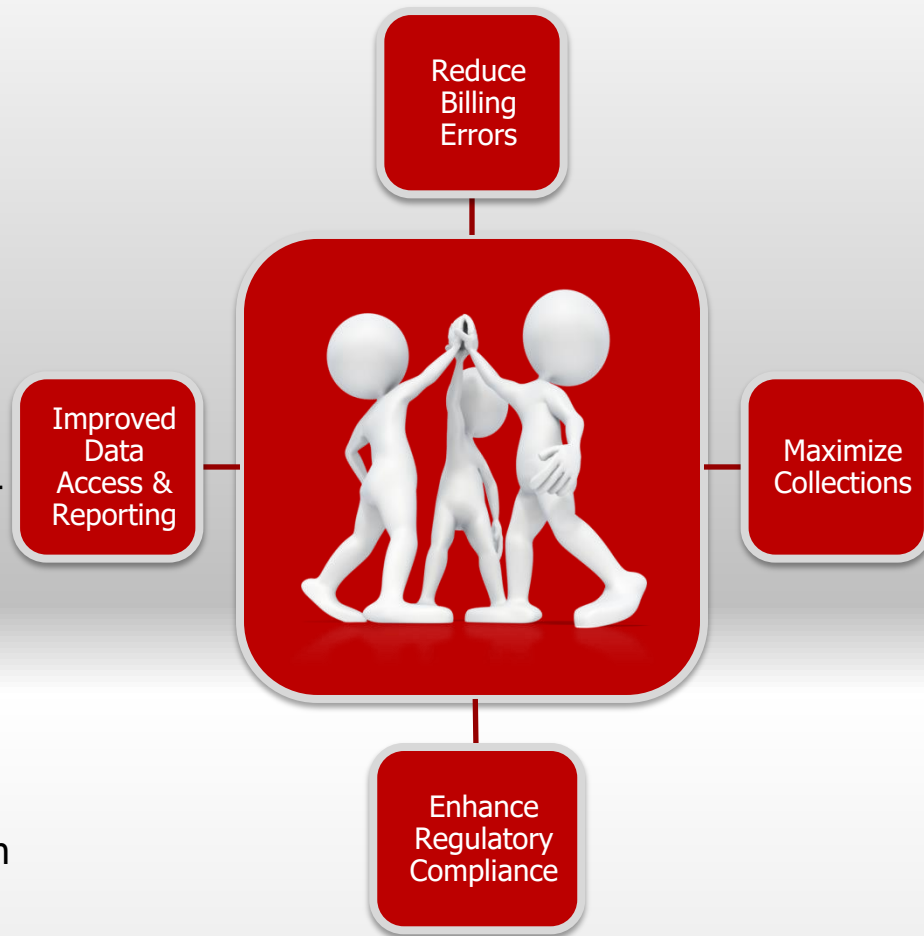


■ North Carolina ■ Virginia



Business Enhancement Strategic Goal 6

Our leadership team evaluated and selected AlphaFlex which is a data management and billing solution. This technology will allow us to simplify our data collection and service documentation processes, ensure timely access to consumer information, streamline billing with payers and gain accurate analytics from our service programs in Virginia & North Carolina. Efforts are underway to phase in implementation over the next 12 to 18 months.




Consumer Spotlight Virginia

L. K. has attended the CAI day program for many years. When she first came to us she was very shy and introverted. She would come into the program in the morning and go directly to her activity room only communicating with staff she worked with for the day. When she would get frustrated she would go straight for the front door and say that she wanted to run away.

Currently, L.K. is very engaged with her peers. She enjoys helping others and participates in most activities. She communicates with a greater number of staff and enjoys community outings. She encourages her peers to participate in activities and shares her supplies with them. Her favorite community activity is bowling. She enjoys picking the color of her bowling ball, setting it up on the ramp and letting it roll down the lane. L.K. has made significant improvements in her life and now is helping and inspiring others. The change in her self confidence is remarkable and has allowed her to grow and live a more fulfilling life.




Consumer Spotlight Charlotte



S. is a 28 year old woman with 2 children ages 5 and 7. She entered our substance abuse treatment and residential program addicted to opiates, crack-cocaine, and alcohol. S. stated upon admission, "I used drugs to make me less aware and not care. I experienced a false sense of happiness. The drugs game me this. At times the depression got so bad that I would drink to not think about it". CASCADE was her first substance abuse treatment experience. She also had severe mental health issues. She was referred for mental health services by her case manager and stabilized.

S. graduated from treatment and continues to participate in our aftercare program. She secured employment at a nursing home as a CNA. She obtained housing through a local housing program and has a vehicle. She has established a savings account. She also completed our Strengthening Families Program and utilizes the skills she was taught when parenting her children. Staff reports S. has a close knit family and is now a very caring and attentive mother.


Consumer Spotlight Winston Salem



A. is a 31 year old, single mother of 3 young daughters ranging in age from infancy to pre-teens. She had been addicted to drugs since the age 13. She was addicted to cocaine, marijuana, heroin, and other opiates. Over the years, her addiction led to multiple treatment failures, jail, probation, and ultimately a case of neglect with child protective services who referred her to our program. Our WISH program recommended that A. engage in Substance Abuse Comprehensive Outpatient Treatment along with Medication Assistance Therapy. A. continued to struggle with her addiction despite her efforts and was referred to our higher level of care and our residential program in Charlotte.

After 9 months of intense therapy and support A. completed the residential program and returned to live with her family. She immediately engaged in aftercare services with the WISH program and became active in narcotics anonymous. She obtained a temporary sponsor, validating that she could not continue her path of recovery alone. She was able to obtain full time employment, relocate and move into a new home, and completed all child protective services requirements regaining physical and primary custody of her daughters.

Consumer Spotlight Durham



B. entered our Durham program addicted to opioids and had significant mental health needs. She was self-referred. She arrived at our program with her three children, ages 1 year, 4 ½, and 7 ½. Our staff set her up with a mental health provider. B. was motivated to change her life. Through consistent program attendance and participation, she developed a healthier and stronger sense of self-worth and self-esteem, issues that she identified were at the core of her pattern of addiction. Further, she established stronger, more effective boundaries with those in her life that had challenged her sobriety, and gained a new sense of independence and self-sufficiency. She also worked within the narcotics anonymous network to establish healthy, positive relationships that would support her recovery. She became an effective parent taking responsibility for her children's physical, educational and mental health needs.

During her recent follow up with staff, she reports that she plays an active role in her children's extracurricular activities (cheerleading, soccer and karate) as well as their school. She is taking steps to re-enroll in community college to pursue a degree. She continues to live independently, as has maintained her boundaries with people who have, over time, demonstrated that they may not be helpful to her recovery, regardless of how much she loves them. Significantly, B. has also begun to drive a car again, which was a fear upon arriving in the program. Most notably, the client reports that she has maintained her sobriety, and will have two years clean time in April 2016.

Employee Focus

Strategic Goal 4



Recruiting, developing and retaining qualified staff is a primary focus area for CAI leadership. This past year, staff recognition occurred throughout the year at the program level through individual recognition opportunities coordinated by management staff. On the corporate level, multiple holiday lunches and events in Virginia and North Carolina were sponsored and attended by executive leadership team members as a way to say thank you to staff for all the hard work they do each day. Contests were also sponsored by our IT department throughout the year resulting in multiple staff receiving prizes.

Nominations for local community, state and national awards are also made by our program leadership staff to recognize the professionalism and outstanding performance demonstrated by many CAI employees throughout the year.

In 2015 our Virginia Vocational Programs received an award from the Virginia Department of Aging & Rehabilitative Services (DARS) for their success in finding meaningful employment for individuals with disabilities.

Congratulations to all of our staff for a successful year!



Community Partners

Strategic Goal 5

This past year North Carolina leadership continued to cultivate new community relationships and worked to strengthen existing ones. Staff worked with NC Managed Care Organizations (MCO's), and many community agencies providing information on substance abuse services, working on referral development, medical follow-up and service coordination. North Carolina leadership developed new contacts in the medical community in Winston Salem offering a renewed focus on substance abuse opioid addiction treatment needs for pregnant and parenting women.

NC

Drug Court, MCO's, Social Services, Hospitals, Court System, Adult Probation, Mental Health Practitioners, Health Departments, Property Mgmt., Day Care Centers & other Community Stakeholders, NC Division of Medical Assistance, NC Department of Health & Human Services



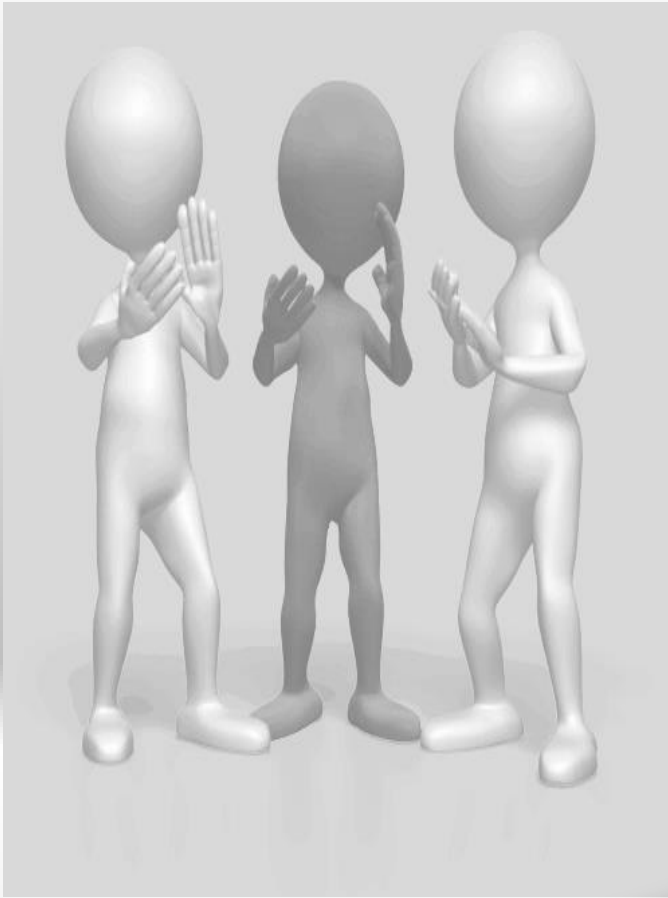
Community Partners

Strategic Goal 5

Virginia leadership made significant gains this past year on service enhancements, quality improvement and workforce development. Relationships with the Community Service Boards and VA DBHDS were strengthened through demonstrations of regulatory compliance and staff working tirelessly to address individual consumer needs. Medical management initiatives were implemented by program nursing to ensure best practices were in place and maintained to promote consumer health and well being.

VA

Community Service Boards, Physicians, State Institutions, DME Providers, Home Health Agencies, Dentists, Hospitals, VA Department of Behavioral Health & Developmental Services, Housing Agencies, VA Department of Medical Assistance and other Community Stakeholders



Applause Please

Thank You Board of Directors &
Staff. Your commitment matters!



Quality Service

Caring Staff

Positive Difference

Person Centered

Measured Success

Community Alternatives, Inc.

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