



From Volume to Value Value-Based Care Models Succeed



It takes a team



**Blue Cross
Blue Shield**
of Rhode Island

A new way of paying for healthcare

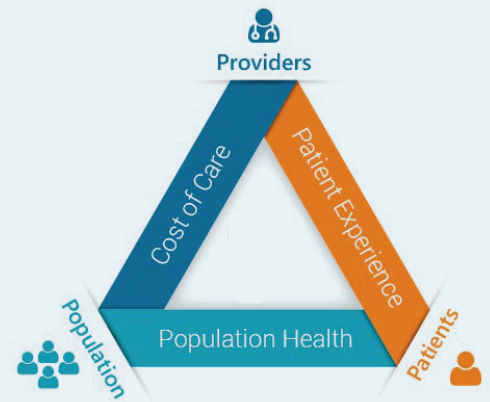
Blue Cross & Blue Shield of Rhode Island (BCBSRI) is leading the effort to transform healthcare delivery from an inefficient, volume-based system to a cohesive quality-based, cost-effective experience.

BCBSRI has been firmly dedicated to payment reform since 2008 with our involvement in the multi-payer Chronic Care Sustainability Incentive (CSI) program. Shortly thereafter, we implemented our first single-payer Patient-Centered Medical Home (PCMH) model and have continued to expand our programs. Through our efforts, Rhode Island ranks first in the nation in the number of physicians per capita operating in NCQA-certified PCMH practices.

Today we offer various Value-Based Care Models beyond PCMHs including pay-for-performance arrangements, Accountable Care Organizations (ACOs), and bundled payment strategies that hold providers contractually accountable for lowering healthcare costs and improving health outcomes.

Our commitment to the “Triple Aim”¹ of improving population health and the patient experience, while reducing per capita costs, is steadfast.

- Our case management of high-risk Commercial members has proven results of \$2,970 savings per case.
- With Nurse Case Managers (NCM) embedded in 100% of PCMH practices, members benefit from personalized guidance through our complex healthcare system.
- NCM collaboration with hospital discharge planners leads to higher medication adherence and post-discharge follow-up.
- Daily transition of care (TOC) member identification allows immediate outreach to members.
- Implementation of web-based Population Health Registry tool enables providers to more efficiently close gaps in care and manage patients.
- In 2016, the addition of pediatric PCMH sites with dedicated care coordination staff will benefit even more members.



Our Advance Care Teams (ACT) Deliver Improved Health and Quality



To deliver a superior member experience, our Advance models are anchored by Primary Care Physicians who have successfully performed at the PCMH level and have extended their relationships with specialists, hospitals and other providers.

Our Advance Primary Care practices include:

- Product/network integration
- Centralized referral management and data reporting to better understand referral network performance
- Embedded pharmacists performing medication reconciliations
- Integration of behavioral health professionals
- Blue Cross support on UM/DM/CM
- Disease registries
- Analytics

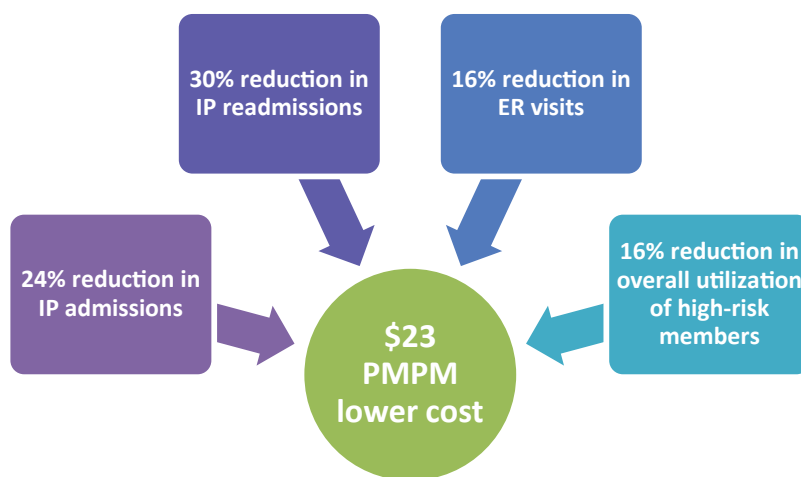
¹ Introduced by the Institute of Healthcare Improvement (IHI) in 2008 as a rationale for creating and improving health delivery systems.

PCMH investment generates strong returns of 2.5:1

BCBSRI has been evaluating our investment in PCMHs since their inception to ensure that our practice partners provide the best member experience in an efficient manner to mitigate the rising healthcare cost trend.

In an independent study conducted by Health Data Decisions² our programs continue to demonstrate positive results. At the end of the five-year study, and in the final year of the study, PCMH practices were **5% less costly** than their non-PCMH counterparts and demonstrated **\$30 million in savings**. As with most PCMH programs, the study found that there is a direct correlation between magnitude of favorable effects and the length of patient participation in the program.

The study evaluated 87,600 commercial adult members enrolled in a PCMH program over a 5-year period and compared them to a non-PCMH control group. The PCMH practice results highlight the value of focusing on enhanced access to team-based primary care and investing in programs that enable a coordinated care experience for those who need it most.



Continued Improvements in Quality Metrics

Our study reaffirmed that our PCMH programs successfully lowered cost trend without compromising key quality metrics over the 5-year study period.

HEDIS 2014 and 2015 scores continue to demonstrate improvements in PCMH sites versus their non-PCMH counterparts.

Immunizations	10%+ higher childhood/adolescent for important combinations
Cancer Screenings	5% to 7% higher breast and colorectal screenings
Pharmacy Management	COPD – 10% to 13% higher use of bronchodilator and 6% to 12% higher use of system corticosteroids
Cholesterol/Heart Disease	3.4% improvement in LDL
Diabetes	Marked improvement in HbA1c results

BCBSRI meets "Affordability Standards" established in 2009 by the Office of the Health Insurance Commissioner, which mandates year-over-year increases of 1 percent of payers' total spend be allocated to non-fee-for-service (FFS) primary care investment.

² Health Data Decisions is a Massachusetts-based health analytics firm that offers strategic data solutions for health plans and vendors.

Client reporting and billing in 2016

As we move into 2016, there will be important changes to client reporting and billing.

Care Coordination (formerly Provider Collaboration) payments will be billed on a Per Attributed Member Per Month (PaMPM) basis along with provider shared-savings incentives for members attributed to both local and national Value-Based Care programs. Aggregate client reporting of attributed member results will be provided quarterly.

What	<ul style="list-style-type: none">• Per Attributed Member Per Month (PaMPM) charges for members attributed to local and national Value-Based Care programs
Why	<ul style="list-style-type: none">• Improved member satisfaction• Quality health outcomes• Lower cost trends
How	<ul style="list-style-type: none">• Consolidated member-level PaMPM charges included in Claims Invoice• Member-level PaMPM charges available on monthly Claims Detail report• Removal of “Other Claims Payment” on Invoice and Claims Detail report
When	<ul style="list-style-type: none">• Billing to occur in the last week of the month
For Whom	<ul style="list-style-type: none">• Reporting available quarterly at the aggregate level• Client-specific data dependent upon account size

**For more information
please contact your
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