



The Broker Brief

The latest news for you and your business.

April 2012

A Word from Peter Andruszkiewicz – President and Chief Executive Officer



Ideally, healthcare should be centered on what's best for the patient. But for too long, the local healthcare system has been operating inefficiently, focusing on quantity of care rather than quality of care. This inefficiency has been supported by a fee-for-service reimbursement model that rewards numbers instead of patient outcomes.

We simply can't continue down this path. Our state's healthcare system is at a crossroads, and BCBSRI is committed to transforming our local healthcare delivery system into one that creates a positive patient experience; improves health outcomes; promotes efficiency, quality, and safety; and helps to control healthcare costs.

Our healthcare system of the future will connect providers through shared information systems, pay them to provide the most clinically appropriate care within the right setting, and support them with information and incentives to promote efficiency and positive outcomes.

So, how will these changes happen? Many initiatives to address this situation are well underway:

- We've made significant investments in the state's primary care infrastructure, helping to fund 68 patient-centered medical home (PCMH) practices. This year, we'll expand this program by about 25-30%.
- We recently announced a shared savings contract with Coastal Medical, one of our largest PCMH practices. This innovative agreement aligns reimbursement with care and coordination. **(Read more about this in the "Word on the Street" section below.)**

These steps are just some examples, and are just the beginning. But we can't do it alone. Getting the healthcare system where it needs to be will be a true statewide collaborative planning effort—health insurers, brokers, employers, hospitals, providers, and patients will all play a vital role.

We look forward to our continued partnership with you as we work to improve the local healthcare landscape.

Talk to Us

We want this newsletter to benefit you, so if there are any topics you would like to see covered, please let us know at TheBrokerBrief@bcbsri.org. This newsletter is just one of the ways we're partnering with you to address your needs—and the needs of your clients.

Thanks for all you do for BCBSRI and our customers.

News You Can Use

BCBSRI Formulary Updates

We review our pharmacy benefits and preferred drug lists on a regular basis to make sure they continue to address affordability for our members while also meeting their healthcare needs. As a result, we implement changes to our drug programs twice a year. Effective April 1, 2012, we've made changes to our [Premier Formulary](#) (which is used by our fully-insured customers and several self-insured customers), and our [Traditional Formulary](#) (which is an option available to our self-insured customers).

Words on the Street

This section highlights recent news articles that contain information about our changing healthcare marketplace, both nationally and locally.

R.I. Health Insurance CEOs Share Future Strategies, *Providence Business News*

The Health Insurance Small Employer Taskforce, under the direction of Rhode Island Health Insurance Commissioner Christopher Koller, recently held a meeting to discuss some of the issues facing small employers when it comes to providing health insurance to their employees. The meeting featured the leaders of the state's three commercial health insurers (BCBSRI, UnitedHealthcare, and Tufts), including BCBSRI President and CEO Peter Andruszkiewicz. The three addressed their efforts to reduce high costs and increase wellness benefits in health plans.

Blue Cross, Coastal Contract Rewards Health Outcomes, *Providence Business News*

BCBSRI recently announced a new, innovative two-year contract with Coastal Medical (the state's largest primary care provider) that is aimed at further improving healthcare quality and patient safety, while slowing increases in healthcare costs. Under the terms of the contract—which moves away from a fee-for-service model to a pay-for-performance model—Coastal will be eligible for additional financial compensation if it achieves certain quality metrics and manages their total cost of care better than the rest of BCBSRI's PCP network.

New Group Wants Input on Health Exchange, *Providence Business News*

The Coalition for Affordable Health Care Choices is a new group that recently formed to voice principles they would like to see as part of the new Rhode Island Health Benefits Exchange. Among the principles that the 16-member group (which includes representatives from BCBSRI, UnitedHealthcare, and Tufts) would like to be considered are making sure that the exchange is flexible, focused, and open to creativity, and that it is receptive to hearing the state's "voice of business."

BCBSRI Nears Break Even, Reversing Two Years of Operating Losses, *BCBSRI press release*

BCBSRI recently reported near break-even operating results in 2011, progress that can be attributed to renewed efforts to reduce medical and administrative costs, as well as low medical claims costs. Our work to find ways to improve members' health while reducing the cost of running our business, combined with a \$92 million reduction to our premium deficiency reserve, has helped to stabilize our financial situation.

The BrokerNet Beat

Continuing Education Seminar on Consumer-Driven Health Plans

This month, BrokerNetUSA will present "Understanding Consumer-Driven Health Plans," a continuing education seminar designed to present more information about this topic to brokers. It will be presented by Chris Bettner and Marina Weiss from Sterling HSA. This seminar is eligible for two Rhode Island Life and Health credits.

Please join us on:

- Thursday, April 19
- 10:00 a.m. to 12:00 p.m.
- At BrokerNetUSA, 100 Metro Center Blvd., Warwick, RI
- The fee is \$25. (Make checks payable to BrokerNetUSA and send to the attention of Gloria Hollis at the address above.)
- **RSVP** to Gloria Hollis at Gloria.Hollis@amwins.com or (401) 734-2463.

We look forward to seeing you!