

State Health Plan Board Meeting: ACO Update and Move to Value

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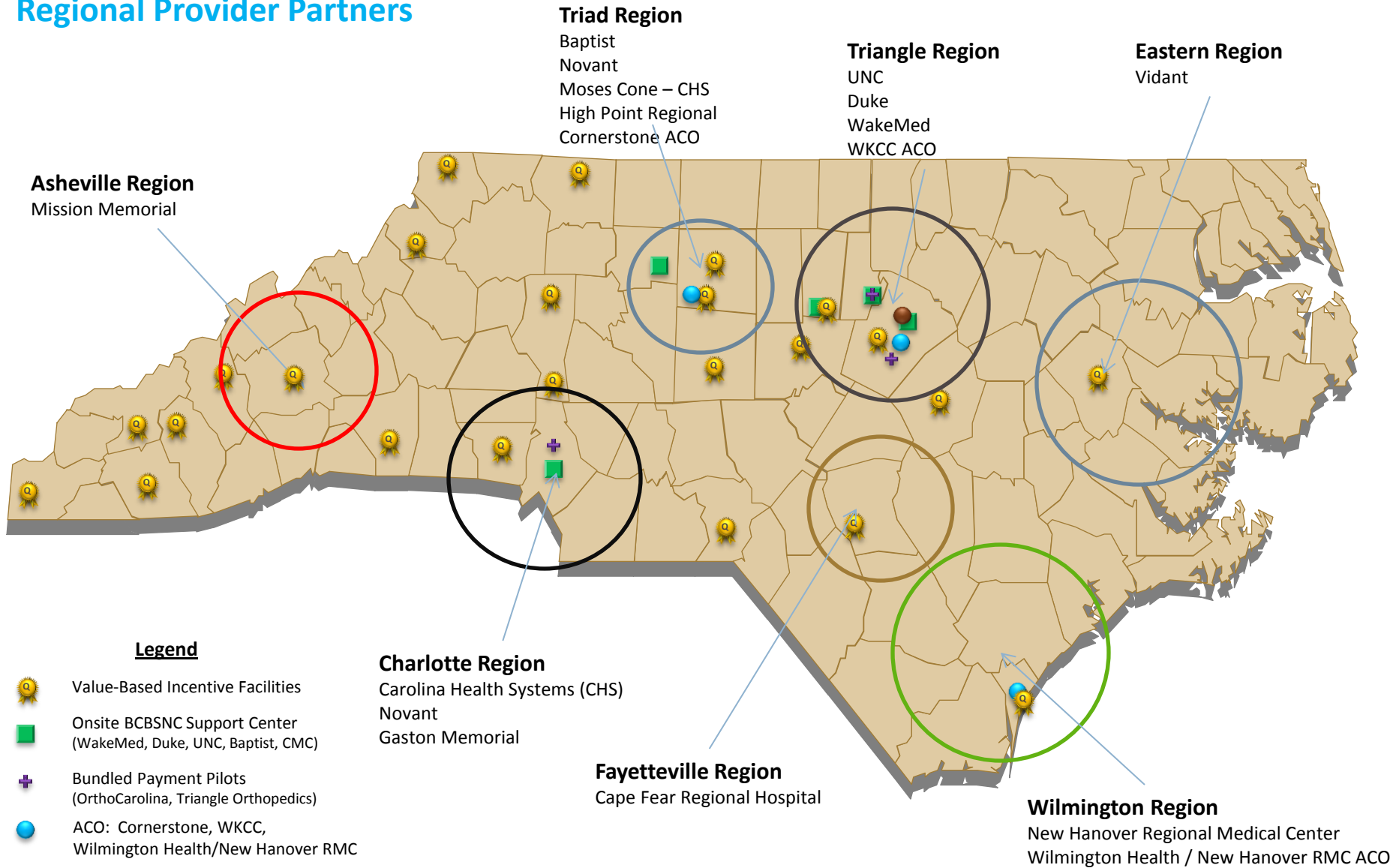
Overview of ACOs and Value-based Partners

ACOs and Value-based Partnerships allow BCBSNC and providers to achieve high quality, more affordable care



- BCBSNC's goal is to invest in new capabilities and operational models with health care systems that will provide high quality, more affordable care and a better experience for our shared member/patient base
- BCBSNC's ongoing development of the ACO model and other Value-based Partnerships is providing us with strategic insight and knowledge resulting from the in-depth nature of the partnership between payer and provider

Regional Provider Partners



Quality Measures

Current Quality Measures in ACO Portfolio

ACO Core Quality Measures					
Adult BMI Assessment	Cervical Cancer Screening	Appropriate Treatment for Children with URI (upper respiratory infection)	Ischemic Vascular Disease (IVD): Use of Aspirin or another Antithrombotic	HbA1c Poor Control >9 (Lower score is better)	Antidepressant Medication Management
Weight Assessment for Children/ Adolescents	Colorectal Cancer Screening	Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis	Warfarin Therapy inpatients with Atrial Fibrillation	Cholesterol LDL-C screening	Follow-up Care for Children Prescribed ADHD Medication
Childhood Immunizations	Chlamydia Screening in Women	Use of Spirometry Testing in the Assessment and Diagnosis of COPD	Annual Monitoring for Patients on Persistent Meds (ACE or ARB)	Diabetes Care Cholesterol LDL-C control <100	Follow-up After Hospitalization for Mental Illness – 7 days
Immunizations for Adolescents	Influenza Immunizations	Pharmacotherapy management of COPD Exacerbation	Diabetes Care Eye Exams	Diabetes Care Nephropathy Monitoring	High Risk Medications in the Elderly
Breast Cancer Screening	Tobacco Use Assessment and Cessation Intervention	Cholesterol Management for Patients with Cardiovascular Conditions	Diabetes Care Controlling High Blood Pressure <140/90	Use of Imaging Studies for Low Back Pain	Medication Reconciliation Post-Discharge
Appropriate Testing for Children with Pharyngitis	Controlling High Blood Pressure	HbA1c Testing	Preventive Care and Screening: Screening for Clinical Depression and Follow-Up Plan	Initiation and Engagement of Alcohol and Other Drug Dependence Treatment	Osteoporosis Management in Women Who Had a Fracture

WKCC Partnership



Accountable Care Organization (Clinically Integrated)



Founding Principles

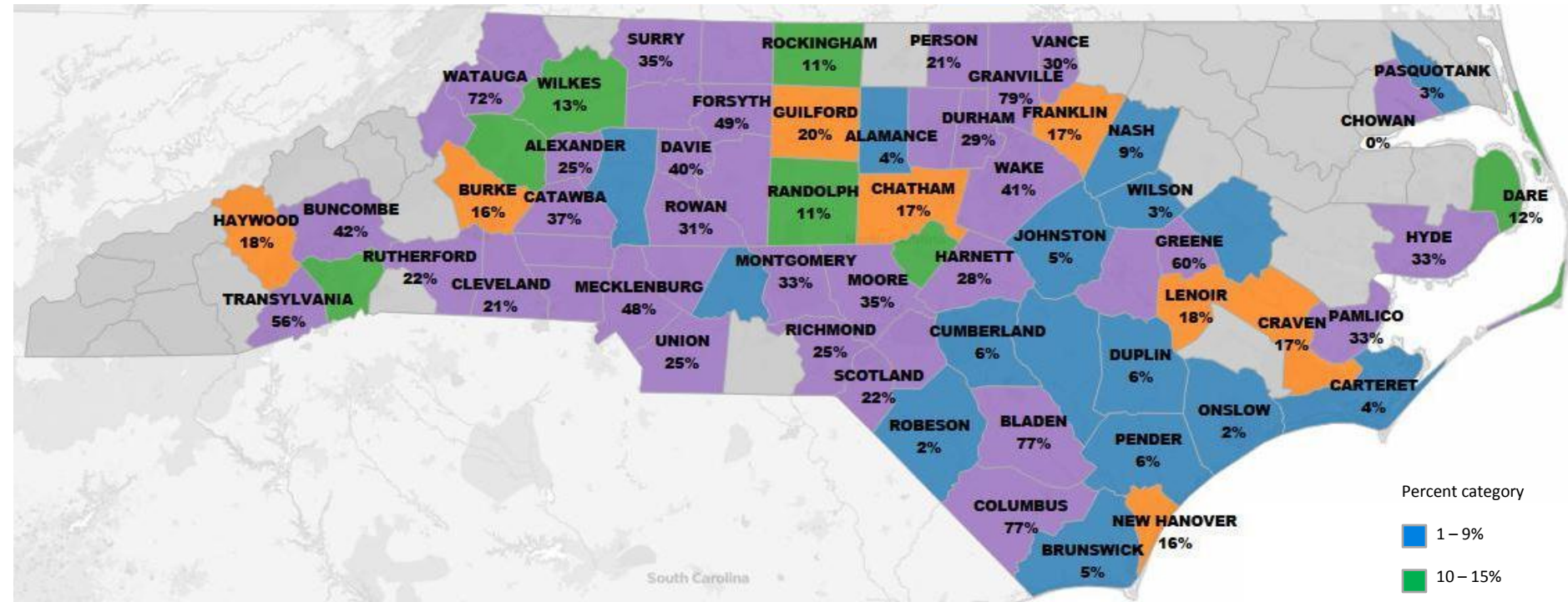
- 1. Physician led**
Physicians comprise 90% of governing board, each committee is chaired by a physician
- 2. Maintain physician independence**
No interest from either party in hospital acquiring individual physician practices
- 3. Value through Payer Partnerships**
MSSP as stepping stone to commercial ACO
- 4. Data integration**
Provide consolidated patient view of claims and clinical information, advanced analytics, workflow, and quality reporting

Enhanced Care Coordination

- BCBSNC and WKCC are collaborating on behalf of our members and patients to deliver high quality outcomes at a more affordable cost and enhance the overall experience for members
- WKCC, ActiveHealth, and BCBSNC work together to close gaps in care and provide patient education and assistance in all settings
- WKCC Clinical Navigator reaches out to patients on behalf of their physician
- WKCC helps to engage members with high-value, designated specialists, labs and imaging providers

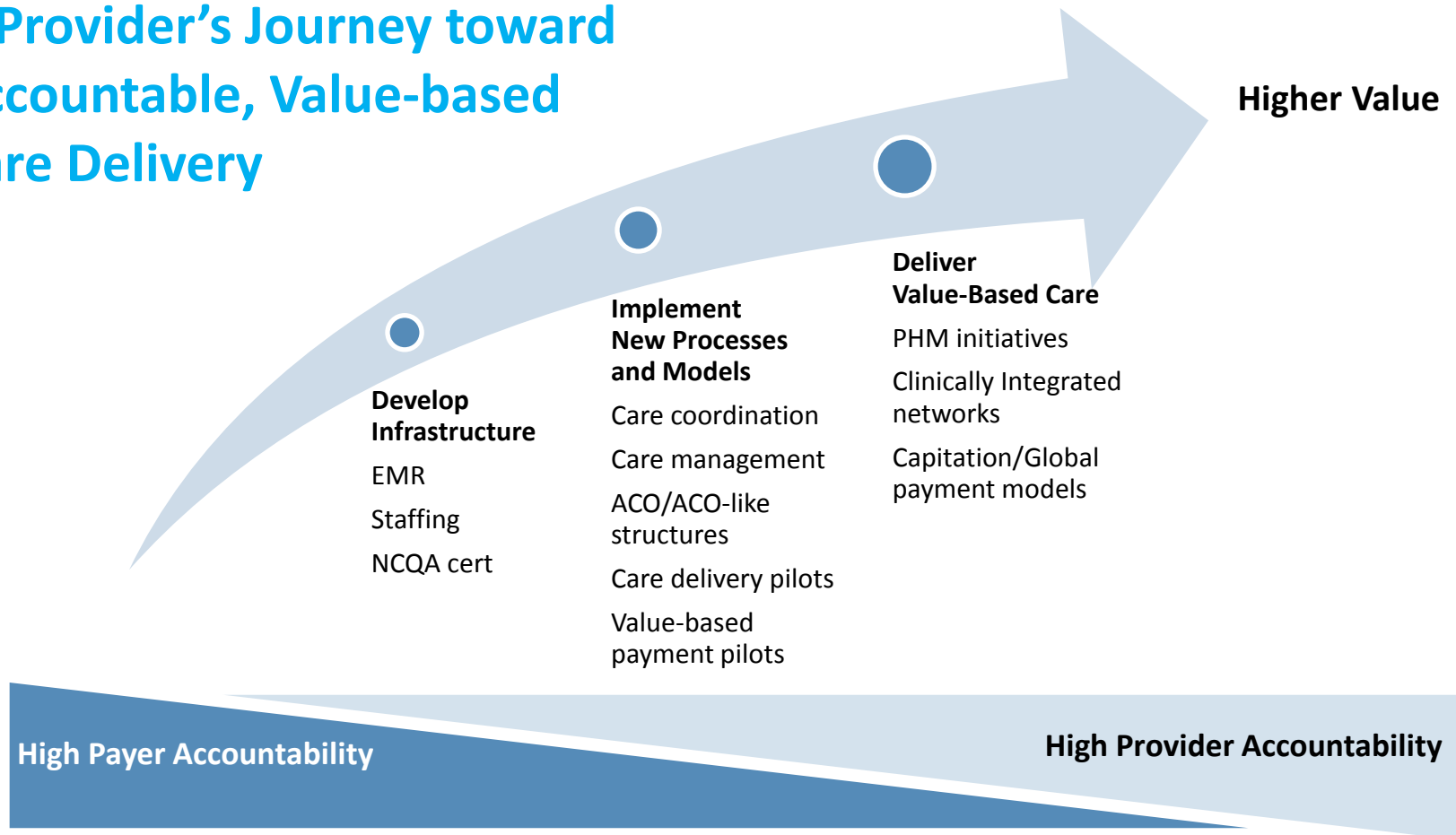
Patient-Centered Medical Homes (PCMH)

% of PCMH groups of overall Primary Care groups, per county (Source: NCQA)



- BCBSNC actively supports the development of PCMH's across the state.
- Many of the independent primary care groups also participate in BCBSNC's BQPP Program (Blue Quality Physician Program)
- BCBSNC views the emphasis on primary care as a critical component to maintaining the wellness of SHP membership

A Provider's Journey toward Accountable, Value-based Care Delivery



BCBSNC supports this journey by:

- Developing more collaborative, less transactional provider relationships emphasizing collaboration, trust, transparency, simplification and long-term commitment and focus on a common goal of greater accountability, robust quality and cost outcomes and integration among providers
- Helping providers build key capabilities to support value-based care delivery: analytics, data sharing, care coordination, consumer engagement, and reporting on quality metrics
- Designing and implementing new value-based payment mechanisms, incentive structures and products that focus on quality and population health management

Value Added by Hospital Quality in 2014

← Effort →

Hospital Engagement

35

Number of hospitals engaged in 2014

65%

Growth



~30%

2013 hospital penetration

50%

Hospital network penetration expected in 2014

← Outcome →

Financial Value... Delivered



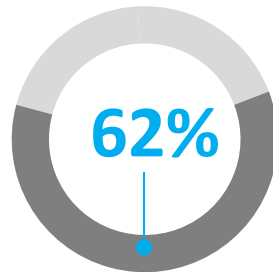
\$1.67 Million

Savings realized on contracts ending 2014 YTD

Dollars Tied to Quality

\$331 Million

Inpatient Paid contract dollars tied to quality for 12 months ending March 30, 2014



Percent of total contract dollars tied to quality in 2014 YTD

Care Value... Delivered



9%

Reduction in infection rate for central-line associated blood stream infections in participating hospitals (estimated savings of up to \$40K per case)

39%

Reduction in infection rate for catheter associated UTIs in participating hospitals (estimated savings of up to \$758 per case)

38%

Reduction in pre-term elective delivery rate in participating hospitals