

# BlueAlliance

**Transforming health care delivery**

Collaborating with providers  
for more efficient, effective  
health care





## CHANGING THE WAY WE PAY

Employers, health care systems and BCBSND—we all struggle with rising costs while seeing limited improvements in health.

The answer isn't simply to cut costs. Rather, it's to collaborate with providers on more efficient, effective care and better health outcomes.

That solution is underway.

BCBSND worked with North Dakota physicians to design a new, improved contracting methodology—one that pays for the value, not the volume of care. New payment methodologies like this are the means to ensure an affordable, sustainable health care system in the future, while increasing the quality of care.

While there's no quick fix in transforming care delivery and realizing significant savings, now is the time to begin.

**BlueAlliance**



# CURBING ESCALATING COSTS

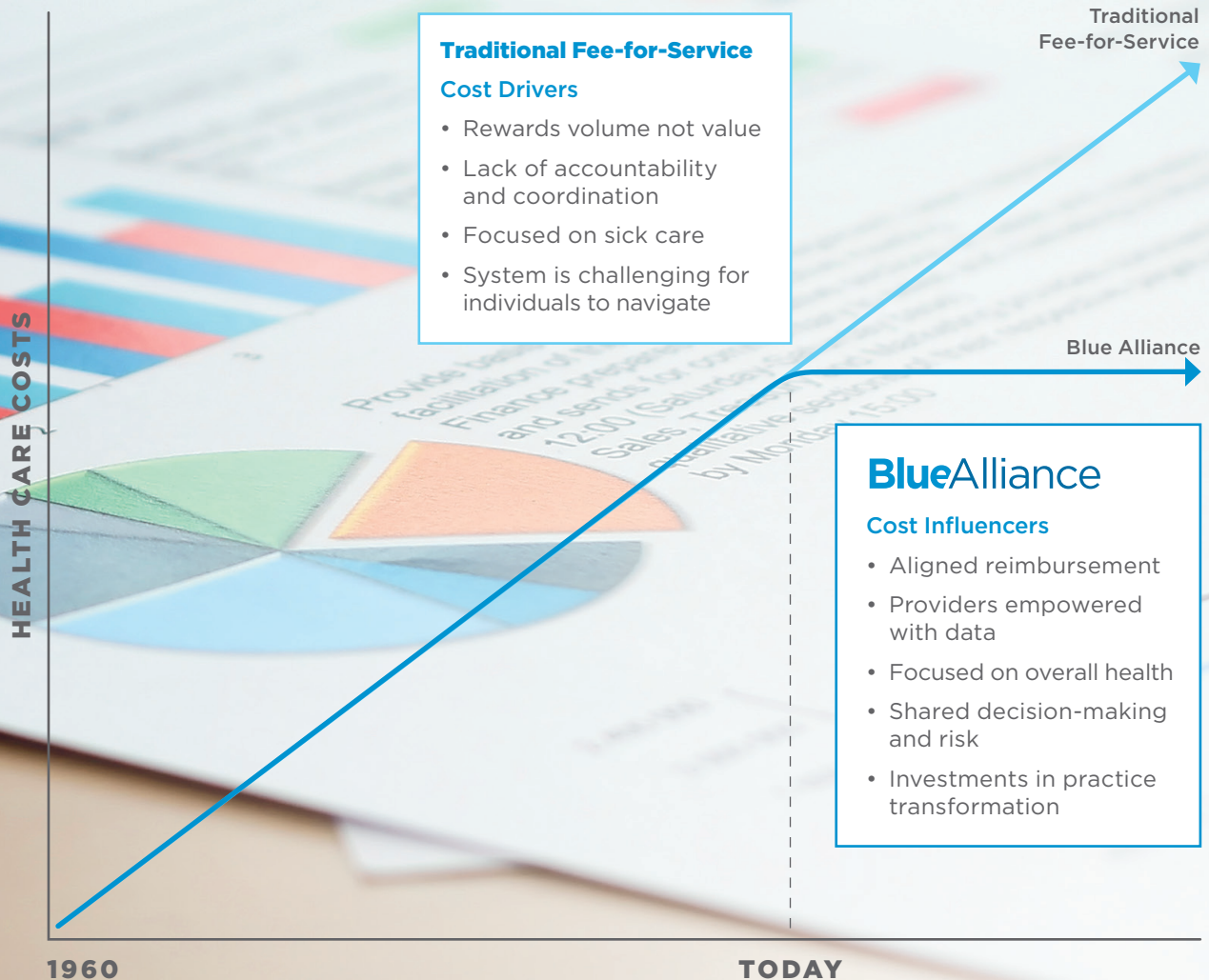


## Traditional Fee-for-Service Contracts

Traditionally, doctors and hospitals get paid for every test ordered, every procedure performed and every service provided.

## Blue Alliance Contracts

We work with physicians to focus on coordinated care that helps first to prevent health issues and second to address illness. Then we pay based on the outcomes of that care.



## WHAT IS BLUE ALLIANCE?



Blue Alliance is a contractual agreement with clinics and hospitals that pays for care coordination, improved outcomes and lower costs. It includes innovative approaches that support doctors in transforming their practices while paying them based on how well they care for the health of an entire population.

### Blue Alliance Attributes

#### Focused on members

At a minimum, providers must be working toward a patient-centered medical home model, ensuring members have comprehensive, team-based care that is well coordinated, accessible, and focused on quality and safety.



#### Co-designed by providers

BCBSND is working alongside North Dakota providers to design and monitor this quality-based program.



#### Pay for performance

Providers are rewarded on quality care outcomes for BCBSND members, evidenced by services that meet specific quality metrics.



#### Preventive in nature

Together, BCBSND and providers focus on keeping members healthy through preventive care.



#### Deeper partnerships

BCBSND collaborates with providers to optimize performance, increase transparency and engage members to live healthier lives.



#### Flexible

Providers vary in their readiness to transition to a new model of care delivery; Blue Alliance meets them where they are and works with them toward deeper levels of the program.



#### Attacks key cost drivers

Blue Alliance ensures an affordable, sustainable health care system in the future by addressing problems that unnecessarily escalate the cost of care.

## NEXT GENERATION: VALUE-BASED PROGRAMS



Blue Alliance is part of a category known as value-based programs, something BCBSND has been increasingly implementing over the last decade. What began in 2005 as an experimental pilot program focused on diabetes control grew into a statewide patient-centered medical home (PCMH) known as MediQHome. Since 2009, it has focused on some of North Dakota's most prevalent chronic conditions and preventive needs.

MediQHome demonstrated how providers and payers can work together to achieve and sustain high-performance health care for specific areas of care. Building upon that success, Blue Alliance takes a bold step in affecting the quality and cost of health care for all North Dakotans.

mediQhome™



BlueAlliance

PCMH  
Chronic conditions  
Some preventive screenings

PCMH  
Coordinated care  
Pay for performance and efficiency  
Behavioral health care integration  
Support for team-based care  
Total population health  
Focus on prevention

## HOW ARE PROVIDERS MEASURED?



Measures in three categories define how providers will be reimbursed. Metrics are consistent across providers, eliminating variations in care.

1

### Patient Experience

- Do members have access to a primary care provider?
- Are they satisfied with the care?
- Are transitions and next steps clear?

2

### Cost and Efficiency

- Which hospital admissions can be prevented through proactive care?
- Which ER visits can be prevented through proactive care?
- What is the facility doing to improve the quality of care?

3

### Clinical Quality

- Are children getting in for their well-child visits?
- Are women getting recommended screenings for breast cancer?
- Are members regularly screened for depression?

## PROVIDERS PARTICIPATE AT DIFFERENT LEVELS



Understanding that transforming care takes time and providers are at different points in the process, Blue Alliance offers flexibility. And it provides financial incentives to move deeper into the PCMH model of care.

### LEVEL 1

#### Patient-Centered Medical Home (PCMH)

Providers that contract with us at level one demonstrate progress toward national standards for operating as a PCMH. They receive a care management fee to coordinate the care of patients attributed to them.

### LEVEL 2

#### PCMH + Shared Savings

At level two, providers can share in demonstrated cost savings when they demonstrate progress toward national standards for a PCMH and also meet quality care metrics.

### LEVEL 3

#### PCMH + Risk Sharing

Providers earn the most when they are demonstrating progress toward national standards for a PCMH and are willing to share the cost for utilization of health care services for their patients that exceed predetermined targets.

## Patient-Centered Medical Home (PCMH)—At the Core

### What is PCMH?



Puts members at the center of their own care, working closely with a primary care provider who proactively helps them navigate the broader health care system (specialists, pharmacy, hospitals, behavioral health facilities, etc.).



Primary care providers invest in building relationships with members, earning their trust and helping them reach their health care goals.



BCBSND delivers health intelligence and technology tools for both providers and members to enable this collaborative relationship.



## BETTER HEALTH— BETTER BOTTOM LINE



# \$6-9

## PaMPM net savings

\*Per attributed member per month

Estimated annual savings of \$840 million over traditional payments

### Marked Quality Improvements

- **Lower Utilization** (*avoidable hospital admissions, ER visits*)
- **Better Control of Chronic Conditions** (*diabetes, hypertension*)
- **Improved Delivery of Preventive Care**
- **Improved Patient Experience**

## EVERYONE BENEFITS



### Employees

- Improved outcomes
- Simplified, personalized health care
- Better patient experience
- Proactive in their care and live healthier lives



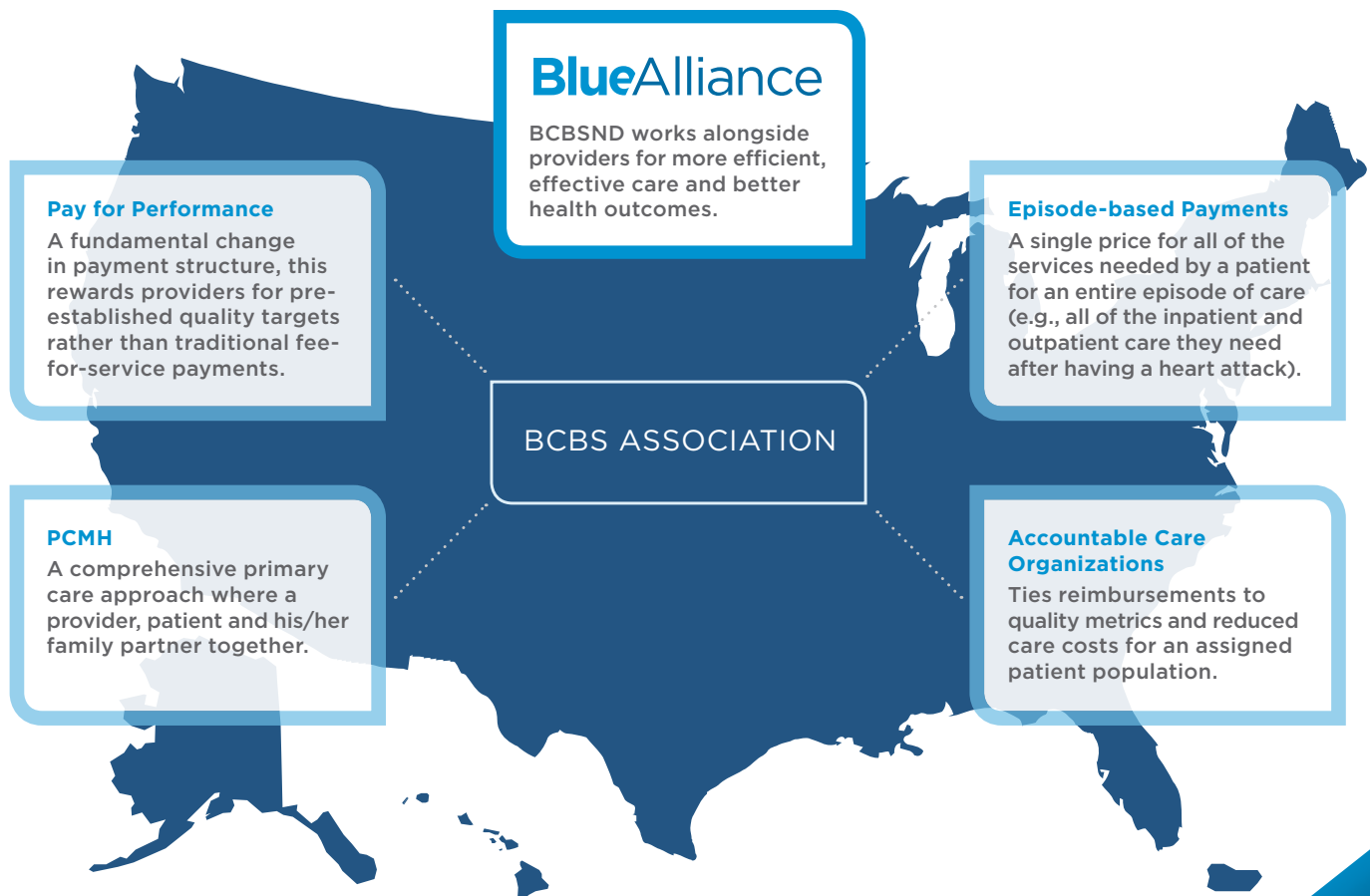
### Employers

- Mitigate unsustainable increases
- Save without sacrificing quality
- Healthier employees = productive workforce

## BEST OF BOTH—LOCAL SOLUTIONS AND A NATIONAL AFFILIATION

While Blue Alliance is the solution that addresses North Dakota concerns, through our affiliation with the Blue Cross Blue Shield Association, employees in other states are seamlessly placed into similar value-based/quality care programs in their respective communities.

### Value-based Programs Throughout the United States



Please contact your BCBSND Account Manager for more information.



Blue Cross Blue Shield of North Dakota is an independent licensee of the Blue Cross & Blue Shield Association

Nonindian Mutual Insurance Company

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