

BlueAlliance

and other value-based programs
for national accounts





CHANGING THE WAY WE PAY

Employers, health care systems and Blue Cross Blue Shield (BCBS)—we all struggle with the effects of unsustainable price increases. The solution isn't simply to cut costs. Rather, it's to collaborate with providers on more efficient, effective care and better health outcomes. And it includes changing the way we pay for care.

The change is underway through a broad range of delivery system reform initiatives known as value-based programs. This is not a one-size-fits-all approach, but care coordination and payment models that adjust local levers in order to maximize value in every community throughout the United States.

This brochure demonstrates how BCBS value-based programs:

- Curb escalating health care costs
- Address a national problem with solutions tailored to local health demographics
- Are designed to improve care outcomes, foster greater accountability and create a better patient experience

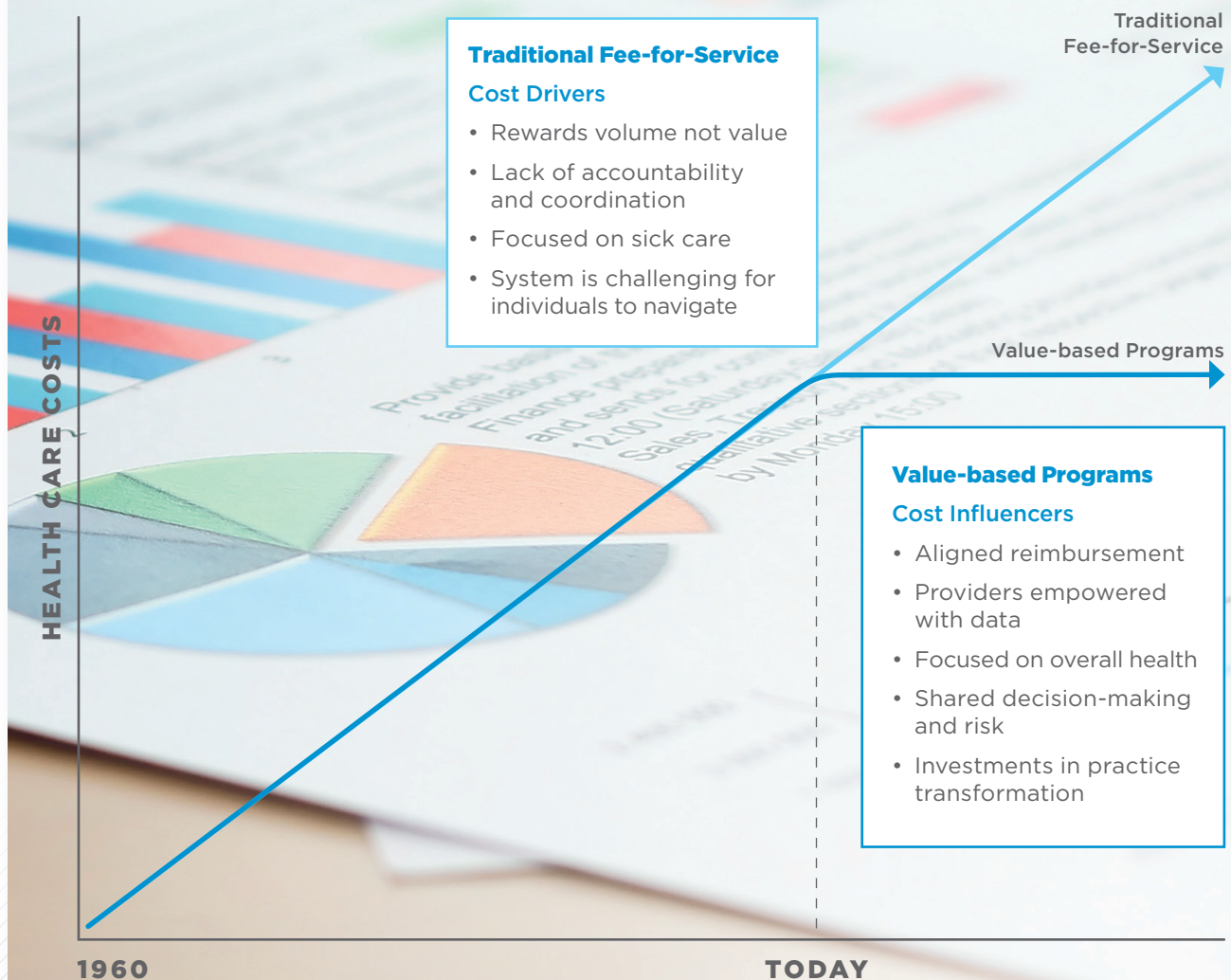
**Accountable Care Organizations • Episode-Based Payments
Pay for Performance • Patient-Centered Medical Home • BlueAlliance**

CURBING ESCALATING COSTS



A Shift in Contracting— A Shift in the Inflation Trajectory

Traditionally, doctors and hospitals get paid for every test ordered, every procedure performed and every service provided. In contrast, North Dakota's Blue Alliance and its counterparts throughout the BCBS Association reimburse providers based on the outcomes of care.



BEST OF BOTH



Local Solutions and a National Affiliation

Woven into the national health care crisis are variances in local populations—things like providers' practice patterns, access to healthy food and fitness facilities, adherence to screenings and vaccinations, and hundreds of other factors. Those disparities provide both challenges and opportunities to make a significant impact in every community.

BCBS has responded with a broad range of system reform initiatives that address local needs across the nation.

BlueAlliance

BCBSND works alongside providers for more efficient, effective care and better health outcomes.

Pay for Performance

A fundamental change in payment structure, this rewards providers for pre-established quality targets rather than traditional fee-for-service payments.

Episode-based Payments

A single price for all of the services needed by a patient for an entire episode of care (e.g., all of the inpatient and outpatient care they need after having a heart attack).

BCBS
ASSOCIATION

PCMH

A comprehensive primary care approach where a provider, patient and his/her family partner together.

Accountable Care Organizations

Ties reimbursements to quality metrics and reduced care costs for an assigned patient population.

While there's no quick fix in transforming care and delivery and realizing cost savings, BCBS has taken the lead in moving forward. No doubt, more new models will be introduced and current models will evolve as we move toward a more sustainable health care system for the future.

WHAT IS BLUE ALLIANCE?



Blue Alliance, our local solution in North Dakota, is a contractual agreement with clinics and hospitals that pays for care coordination and offers rewards for 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**

A COLLABORATIVE APPROACH



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

Please contact your
BCBSND Account Manager
for more information.



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