



Patient Focused Care

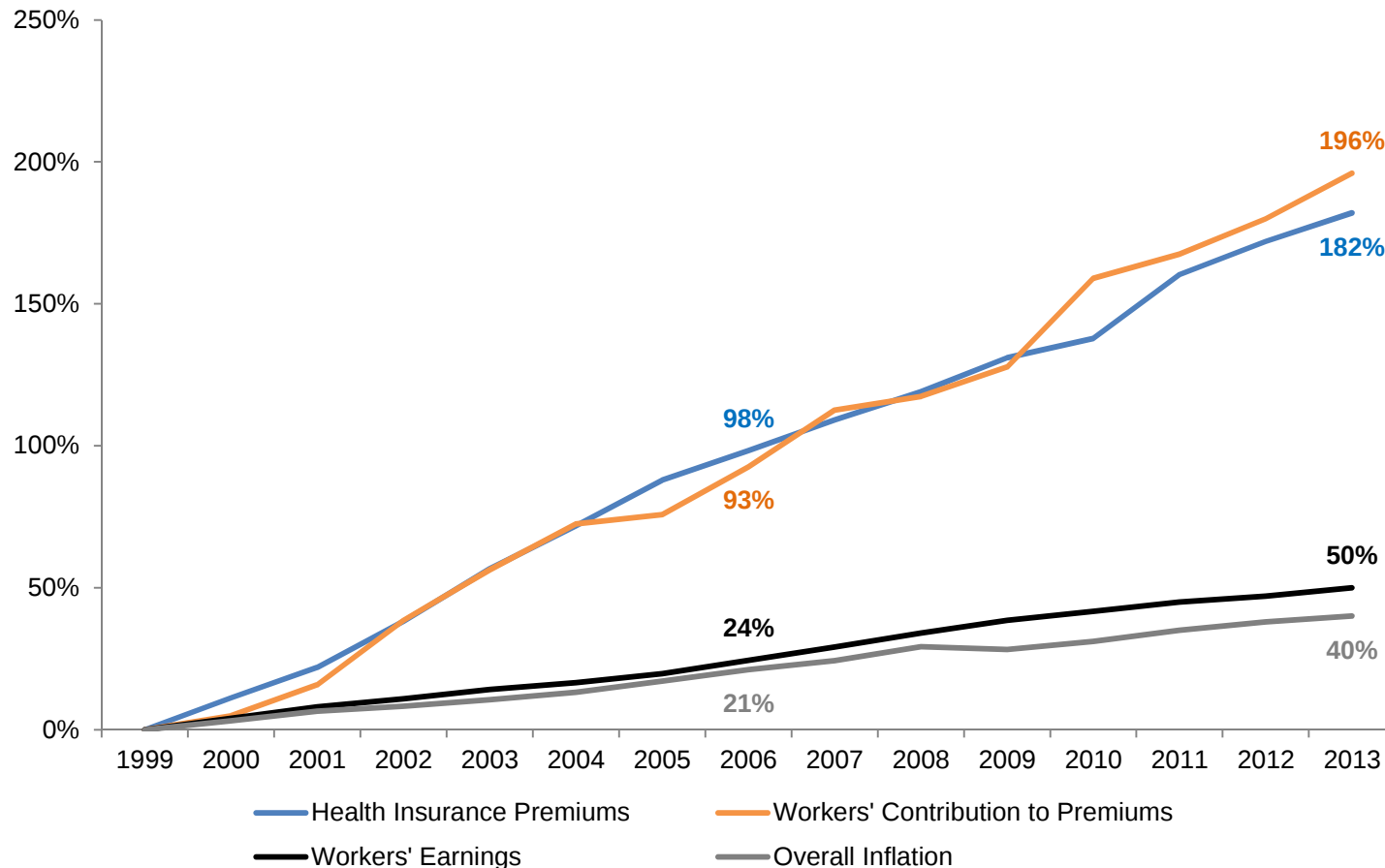
March 16,2016

Why a Different Approach is Needed

- U.S. health care system is broken
- Commonwealth Fund report ranks U.S. health system the most expensive—but it comes in last in terms of outcomes and efficiency



Fee For Service Keeps Costs Rising.....



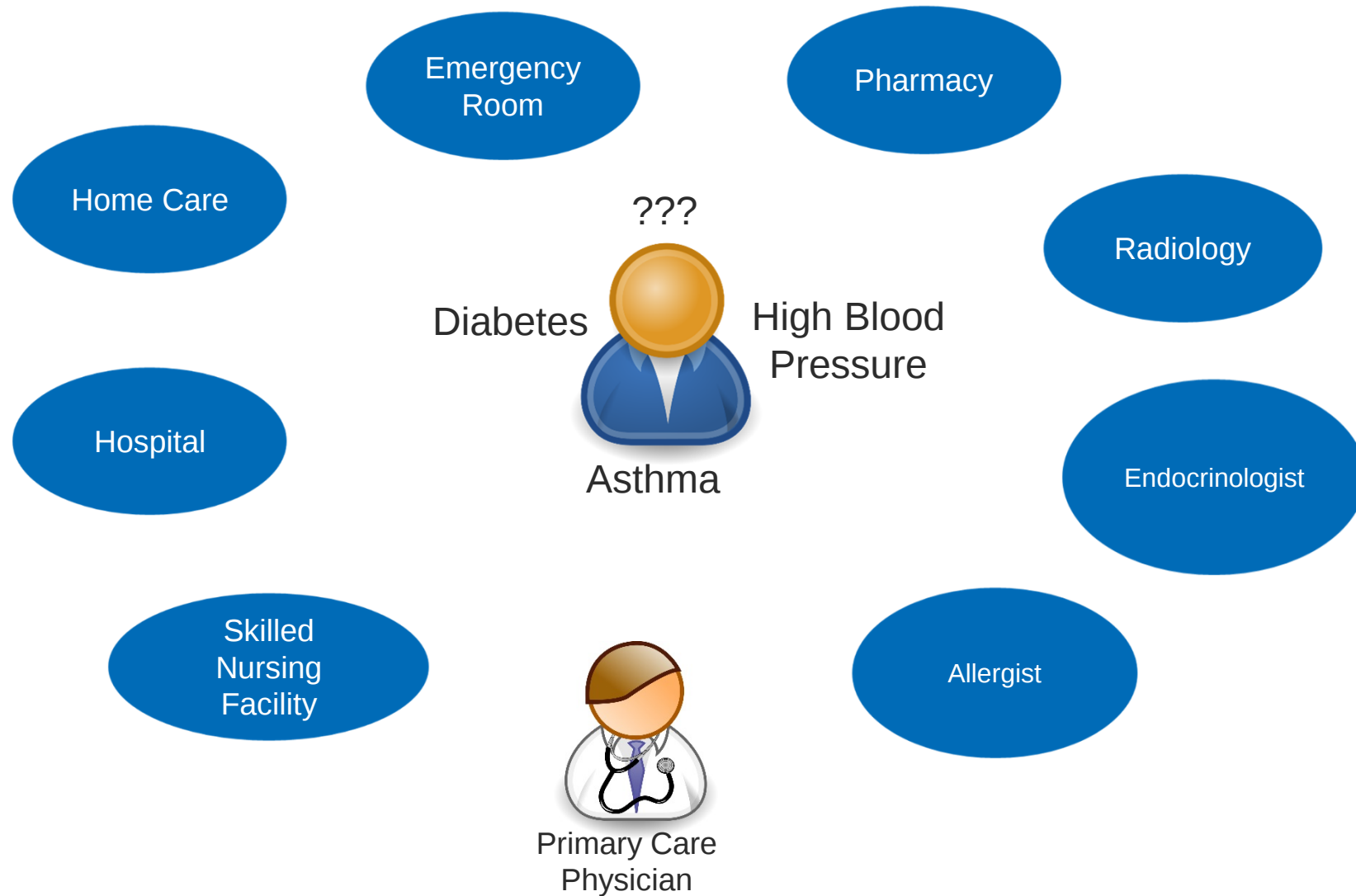
Sources: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2013. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2013; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2013 (April to April).

Concentration of Cost in a Few

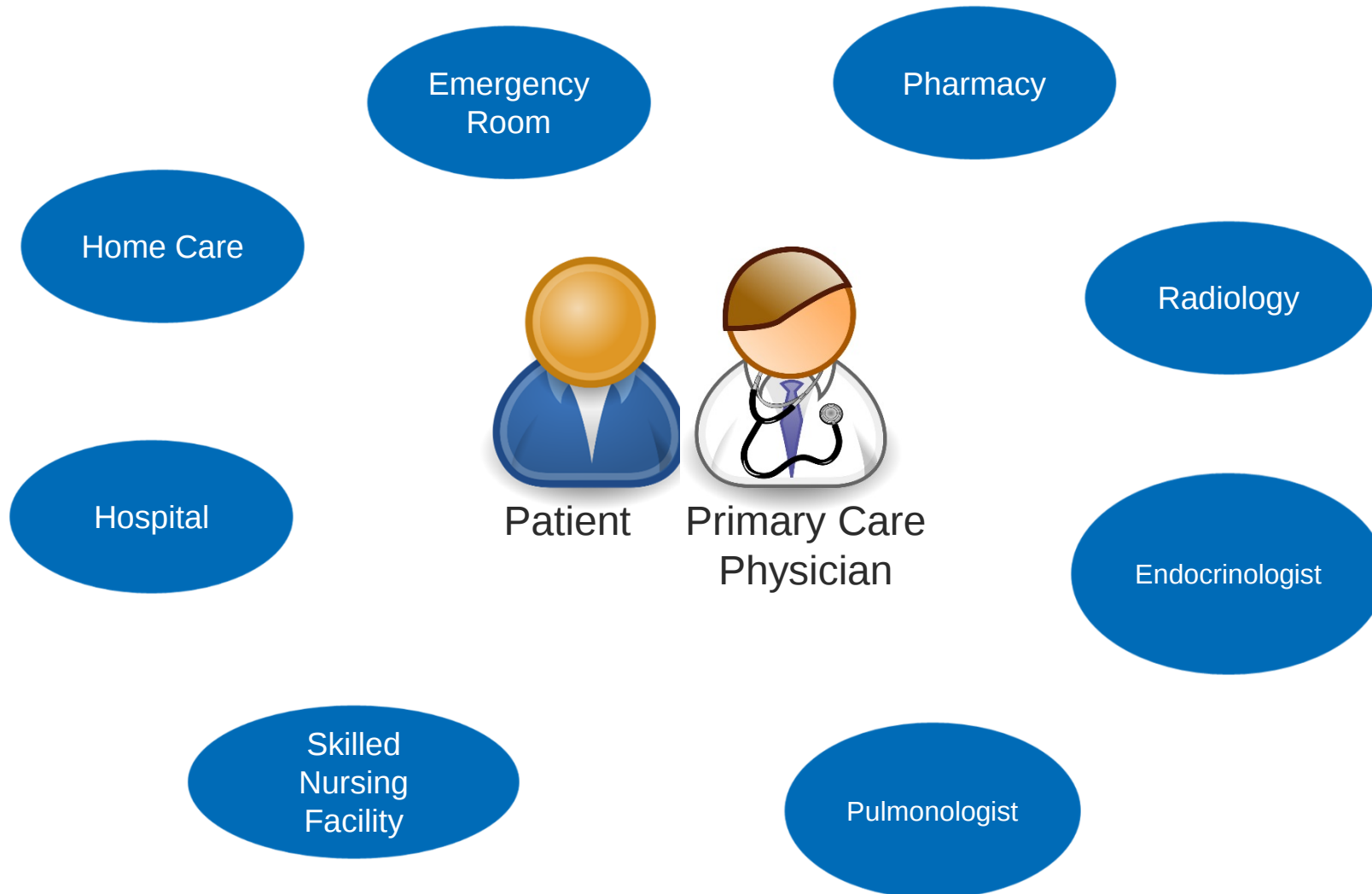
A small percentage of Blue Cross and Blue Shield of Nebraska's members consume approximately half of all of the Company's health care spending. This mirrors the national experience. ”

Risk Group	Percent of Population	Percent of Cost
Stable	8%	5%
At Risk	19%	16%
Simple Chronic	19%	26%
Complex Chronic	10%	44%

Complex Chronic Member in a Fragmented System

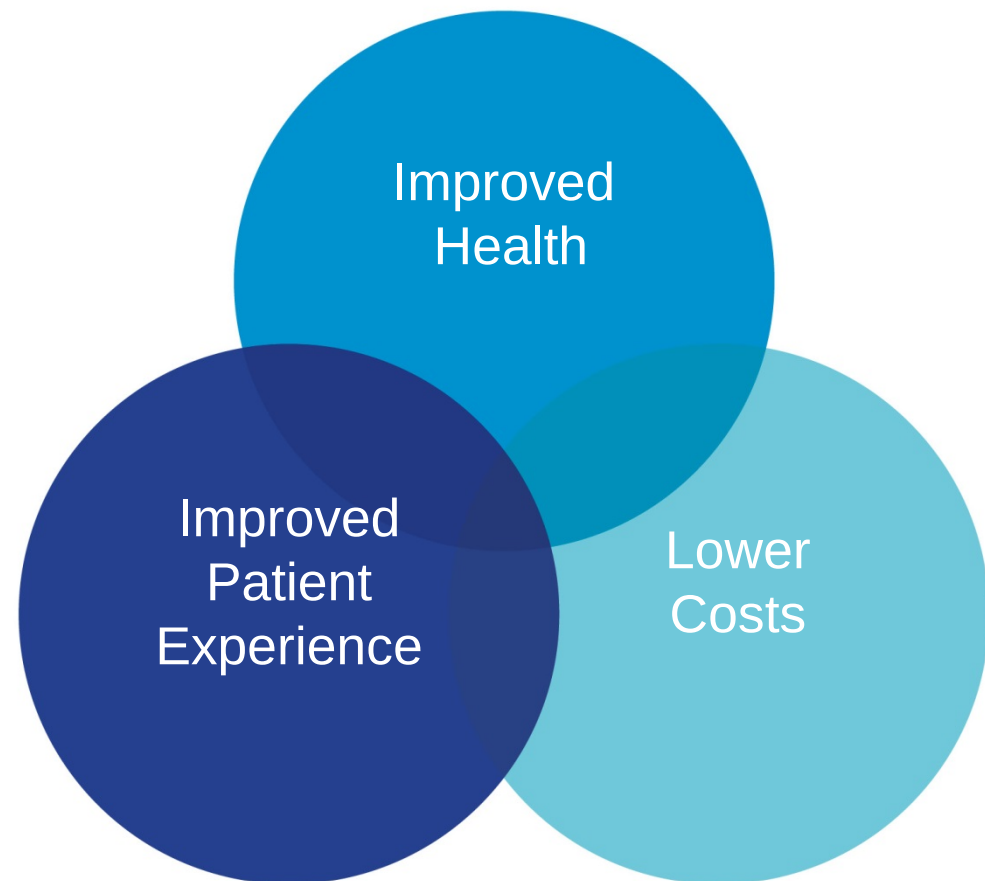


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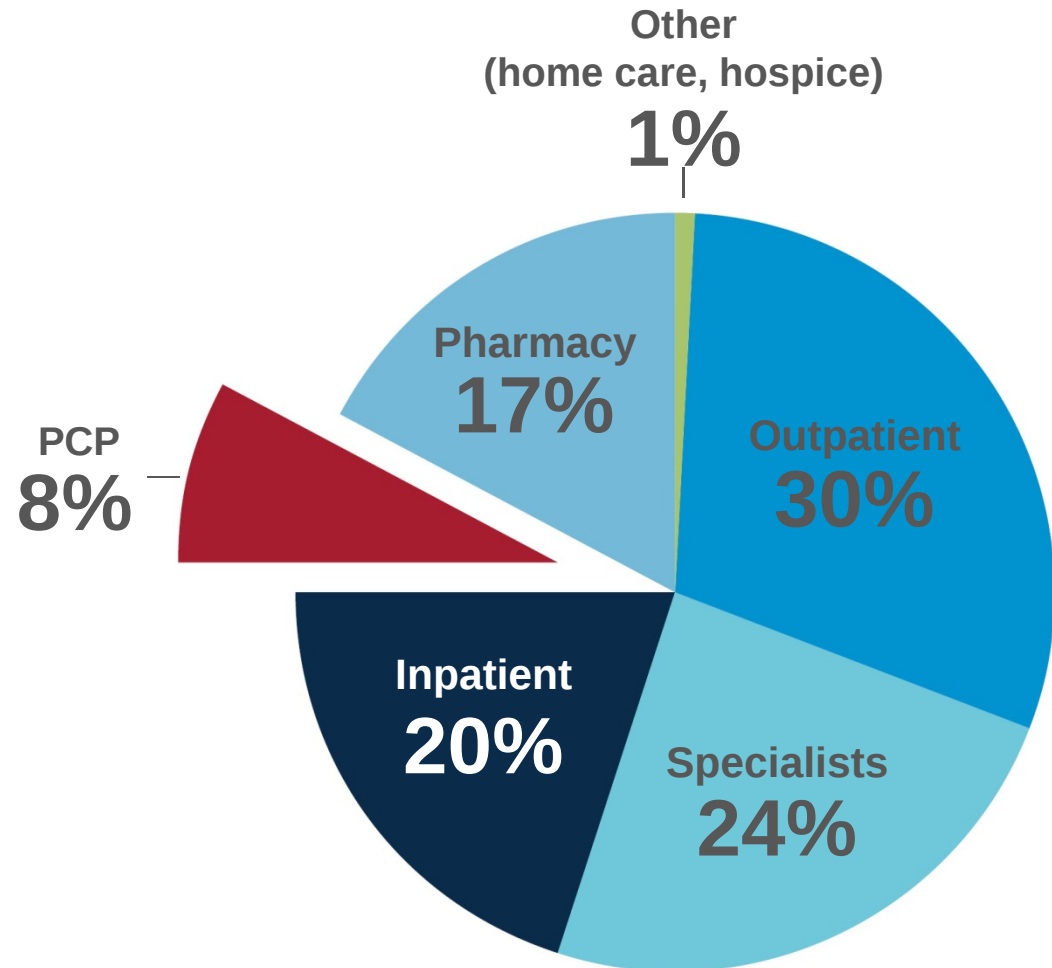
Goals of Patient Focused Care: The “Triple Aim”

Institute for Healthcare Improvement believes new models should be developed to pursue three dimensions, referred to as the “Triple Aim”



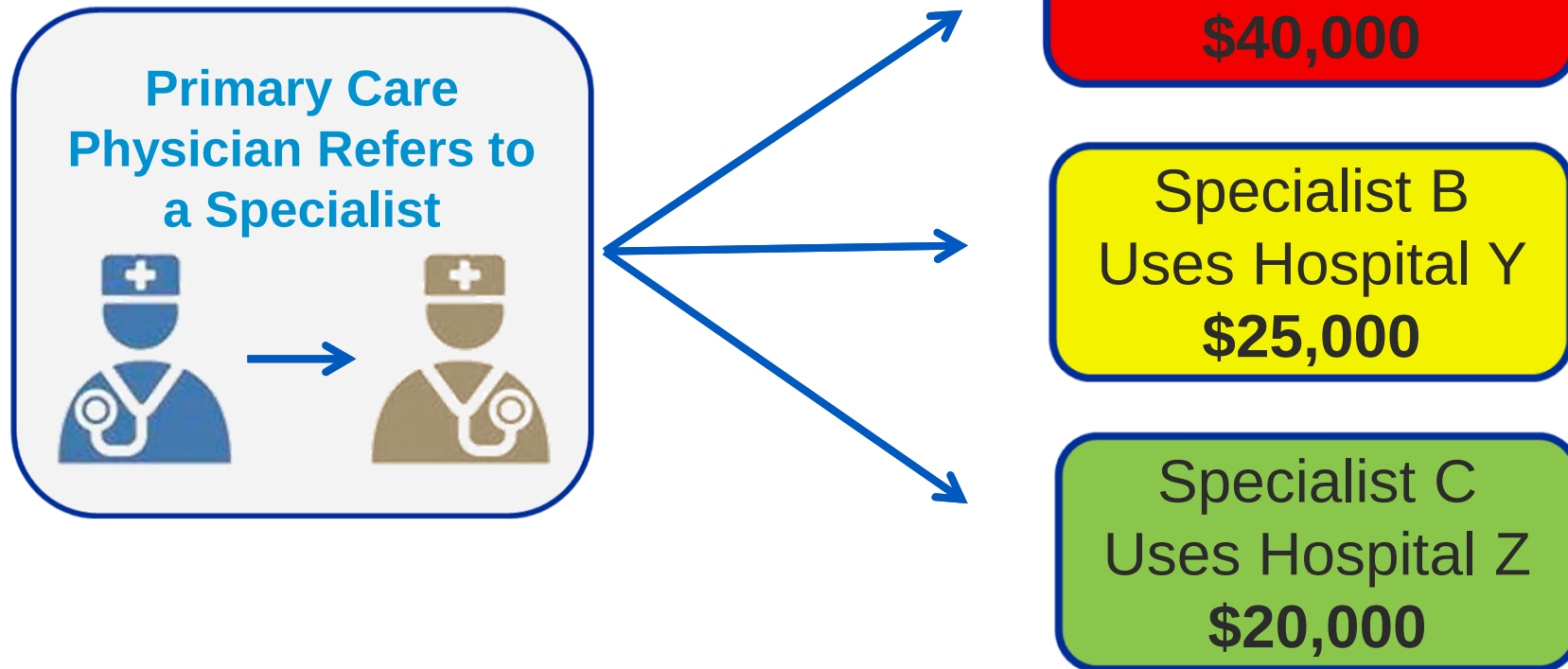
Managing Cost

Primary care physicians account for only 8% of health care spending, but their influence is considerable



Managing Cost

PCP's make value-laden decisions about when and where to refer patients

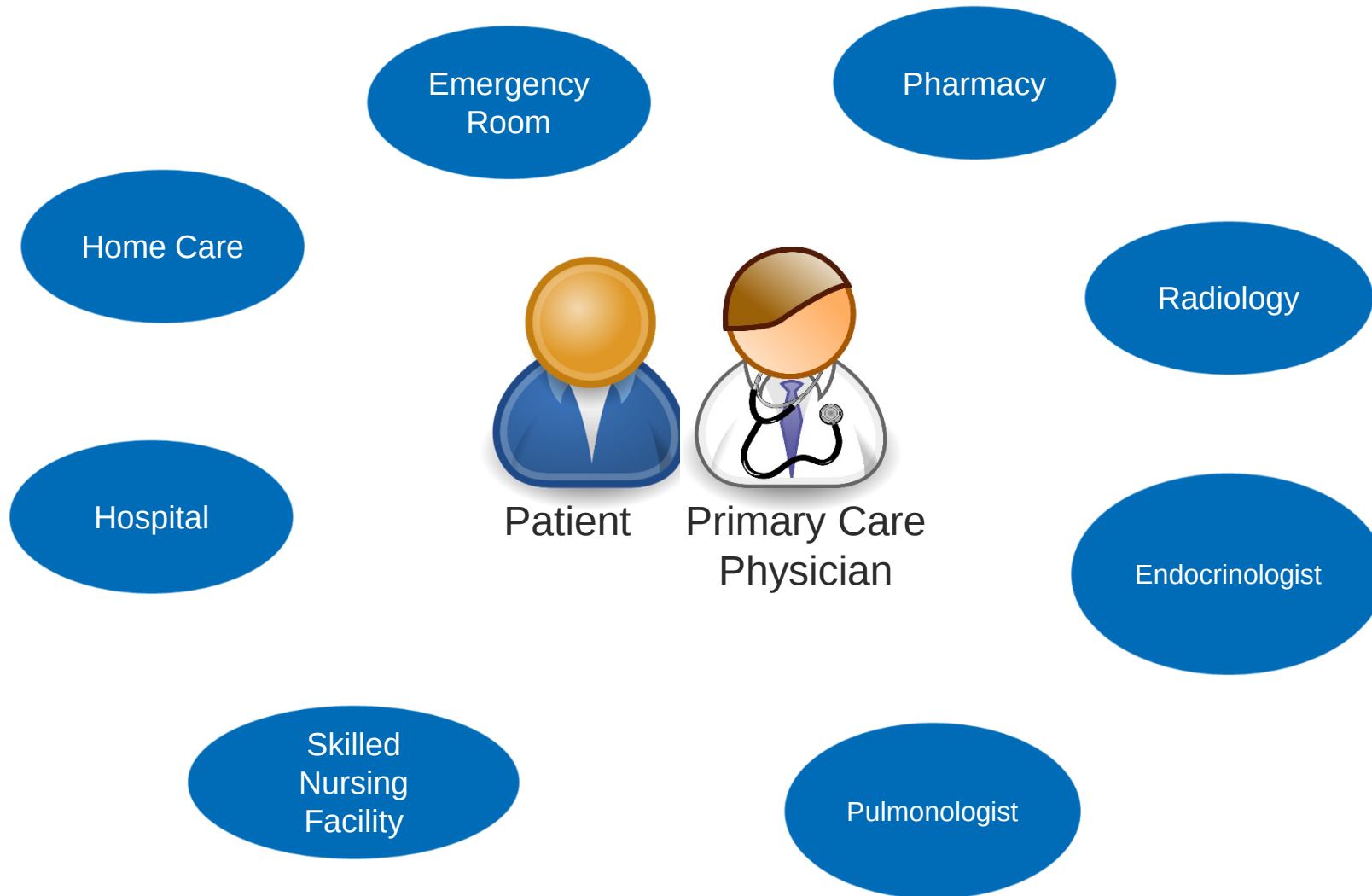


Improving Quality

- The goal of Patient Focused Care is to deliver quality care at the right time, in the most efficient and effective way
- When properly equipped and staffed a primary care provider can:
 - Deliver preventive services to maintain or improve care
 - Engage and ensure appropriate care is delivered
 - Correlates with lower rates of potentially preventable hospitalizations and ER admissions
 - Manage chronic conditions
 - Effectively use generic drugs, high value services and avoidance of unnecessary tests
 - Maintain the overall health of the member



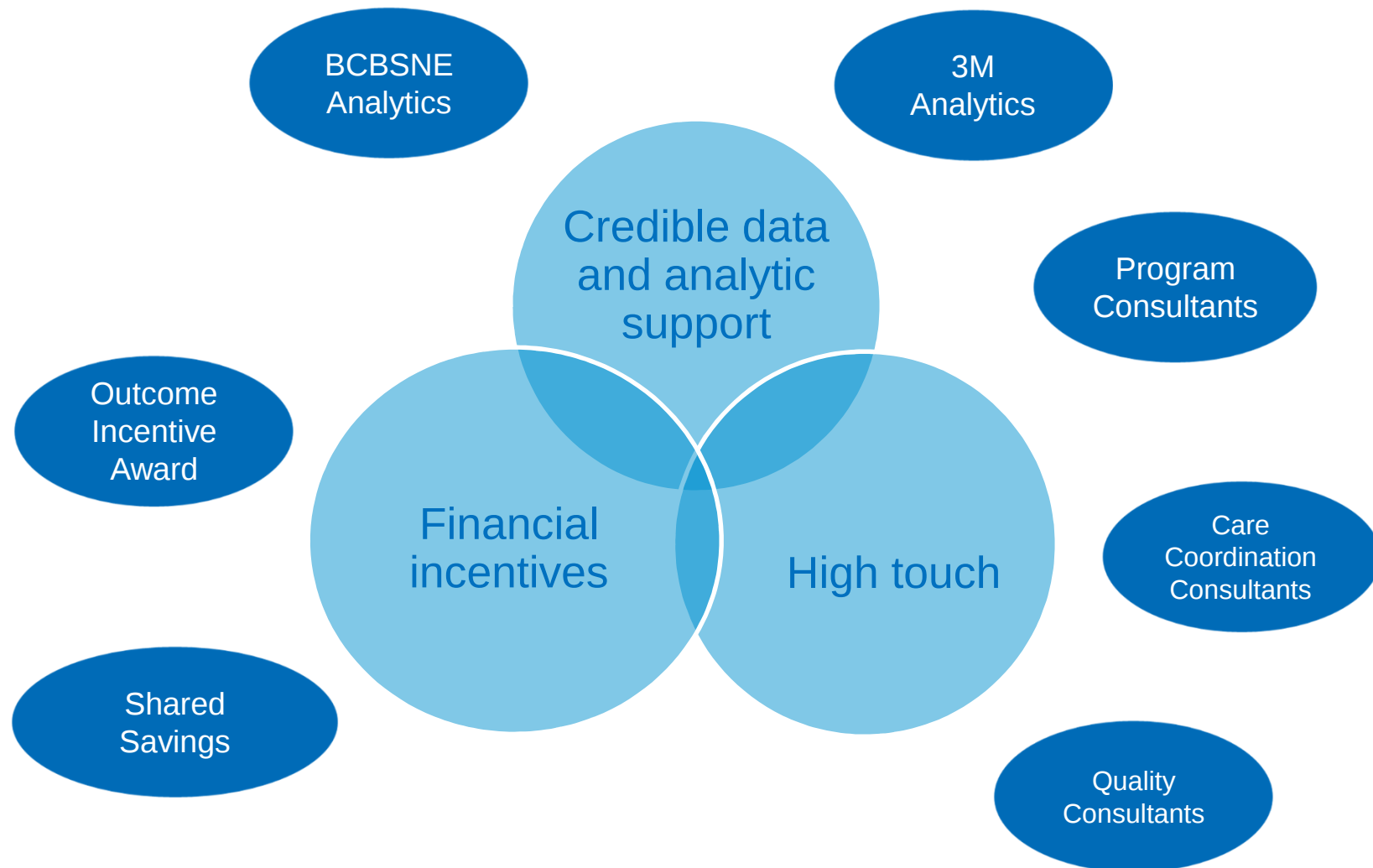
A Better Patient Experience



How Do We Make the Transition to Patient Focused Care?

- Identify candidates among Primary Care Providers.
- Establish the Connection between a Primary Care Provider and a BCBSNE member in our data.
- Create financial incentives for Primary Care Providers.
 - Invest for success.
- Share robust and actionable information that helps the Primary Care Provider deliver high quality care at a lower costs.
- Offer practice transformation consulting.
- Hold the Primary Care Provider accountable for outcomes:
 - High quality.
 - Lower costs.
 - Higher Patient Satisfaction.

BCBSNE Patient Focused Care Support

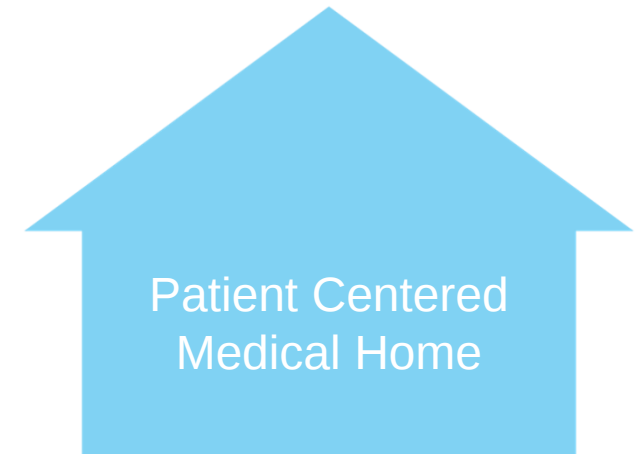


Blue Cross and Blue Shield of Nebraska Patient Focused Care Programs

- **Patient Centered Medical Home**
- **Accountable Care Organizations**
- **Blue Distinction Total Care**

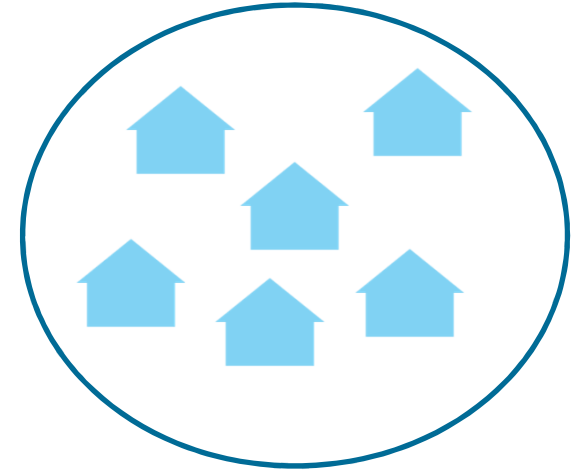


Patient Centered Medical Home



- A Primary Care Clinic
- Less Than 5,000 Attributed Members
- Work on Practice Transformation
- Quality is Monitored and Reported
 - Immunizations
 - Screenings
 - Disease specific management
- Bonus is Achieved by Meeting Quality Targets
 - PaMPM (Per attributed Member Per Month) Bonus

Accountable Care Organization



- A group of Primary Care Clinics
- Greater than 5,000 Attributed Members
- Pay a Base PaMPM for Care Coordination
- Quality is becomes a Threshold for Bonus
- Bonus is Achieved by Meeting PaMPM Targets
 - A budget is constructed from a base year PaMPM
 - A target PaMPM
 - PaMPM (Per attributed Member Per Month) Bonus

Blue Distinction Total Care

Connects members from BCBS Plans across the country to Nebraska Patient Focused Care programs.



Is it Working?

PCMH

- **14.8%** lower overall hospitalization costs
- **12.4%** lower overall outpatient costs
- **20.02%** lower overall ER costs

SERPA ACO

- **16% higher** patient engagement score
- **20% higher** immunization rates
- **15% higher** treating chronically ill patients
- **7th highest** CMS ACO quality score in the nation

Blue Cross and Blue Shield of Nebraska

Patient Focused Care

4 LOCALLY DEVELOPED
**VALUE-BASED
PROGRAMS**

800 PRIMARY CARE
DOCTORS ENGAGED

OVER
\$400
MILLION **IN CLAIMS**
tied to these programs

OVER
100,000 **MEMBERS**
currently in BCBSNE Plan value-based programs

Blue Cross and Blue Shield Association Blue Distinction Total Care

570 LOCALLY-TAILORED
VALUE-BASED
PROGRAMS

NEARLY
\$71B IN **CLAIMS**
tied to hundreds of these
programs, each tailored to
needs of local communities

228K (27% of the nation's
active doctors)
DOCTORS ENGAGED

OVER
25 MILLION
MEMBERS
currently in BCBS Plan value-based programs

BCBSA 2014 Value-based Programs Master Survey, as of January 14, 2015.

Questions

