VALUE-BASED CARE

Where collaboration meets innovation

How value-based care efforts across four states are transforming health care for providers, employers, individuals and their families.

Regence

Introduction

For more than a century, the Regence family of health plans have served people and their families by connecting them to health care when and where they need it most. Our broad reach across four states—Idaho, Oregon, Utah and Washington—spans more than three million members. Nationally, 1 in 3 Americans are served by Blue Cross and Blue Shield companies. Through the years, Regence has developed trust-based relationships with providers that have enabled us to grow both the scale and capabilities to make a lasting, positive impact on health care in this nation. As such, Regence is among the organizations driving a sea change that addresses many of the core problems within the health care system, including waste, avoidable utilization, medical errors and low-quality care.

A movement to change health care for the better

One area where Regence has helped lead this charge is the movement toward value-based care (VBC). VBC's origins stem from the Institute of Healthcare Improvement's Triple Aim, which challenges the health care industry to improve care quality, reduce costs and create a better patient experience. This later evolved into the Quadruple Aim, which recognizes the importance of enhancing provider engagement and experience. Payment model redesign or value-based arrangements (VBAs), originally implemented by the Centers for Medicare and Medicaid Services (CMS) for its Medicare populations, reward providers for delivering care aligned with Quadruple Aim outcomes. Physician leaders and health insurers in the private sector have also championed this transformative movement. As of Q1 2018, a total of 1,011 Accountable Care Organizations (ACOs) from public and private payers covered 32.7 million patients in the U.S.[1]

Regence began building out key VBA capabilities in early 2011, laying the groundwork for the launch in 2013. In fact, we were among the first health insurers in the Pacific Northwest to initiate these efforts. Since then, these VBA models have grown and expanded through partnerships with provider organizations and efforts to increase provider engagement. In just a few short years, we have already delivered meaningful results affecting care quality, member health and costs.

Combining local and national strengths

Regence is particularly well-positioned to help drive VBC success, thanks to our national reach and local, community-based impact.

Key elements and benefits of our unique VBA approach

Regence's VBA approach ties provider payments to quality of care versus quantity alone. For 2018, we paid more than **$15.8 million** in provider payments linked to specific quality measures that address gaps in care, encourage clinical best practices and promote important preventive screenings.[2] Most importantly, our models are designed to meet providers where they are in their journey toward quality and care improvement based on each entity's unique strengths, capabilities and opportunities.

The benefits of VBA models are numerous and include the following:

For individuals: Better quality of care and health outcomes as well as improved satisfaction and lower premiums over time.

For providers: Access to shared data and technology to see a 360-degree view of each patient's care history; channels to share best practices with peers; support and resources to transform provider practices; and the opportunity to earn financial rewards.

For employers: A shift away from unsustainable year-over-year cost trend increases with no promise of improved quality; better coordinated care for employees; and employees who actively participate in their health, which can reduce absenteeism.

VBA models as unique as the communities we serve

At Regence, we believe success in VBA requires a customized approach deeply rooted in a strong understanding of the community, the local market dynamics and the needs of the providers, employers and individuals we touch every day. As such, we have developed a variety of models based on two distinct strategies. The first involves building models designed to wrap around our existing Preferred Provider Organization (PPO) networks, which are offered across Idaho, Oregon, Utah and Washington.

PPO-based models

Pay-for-performance, or P4P, provides reimbursement increases to hospitals and providers when they achieve quality-related performance targets. P4P models are a proven VBA approach, having demonstrated early results in quality improvement.[3]

Total Care uses an attribution model where individuals are "assigned" to a provider responsible for managing their needs across the entire continuum of care. These providers receive access to patient health data and are compensated based on their ability to achieve specific quality goals. Regence offers both a local (four-state) and national model, made available via the Blue Cross Blue Shield Association.

Blue Distinction® Specialty Care recognizes health care providers for their quality care and patient results. Blue Distinction Specialty Care is built on Centers of Excellence available across 99 of the top 100 metropolitan statistical areas in the nation and targets 11 high-cost specialties, including cardiac care, cancer care and substance abuse, among many others.

Episodes of Care holds specialists accountable for cost, quality and experience across an entire course of treatment for a specific condition or illness, such as a knee replacement. This encourages a care provider to think holistically about an episode of care, beyond just the services they directly provide the patient.

Total Care is improving care and reducing costs

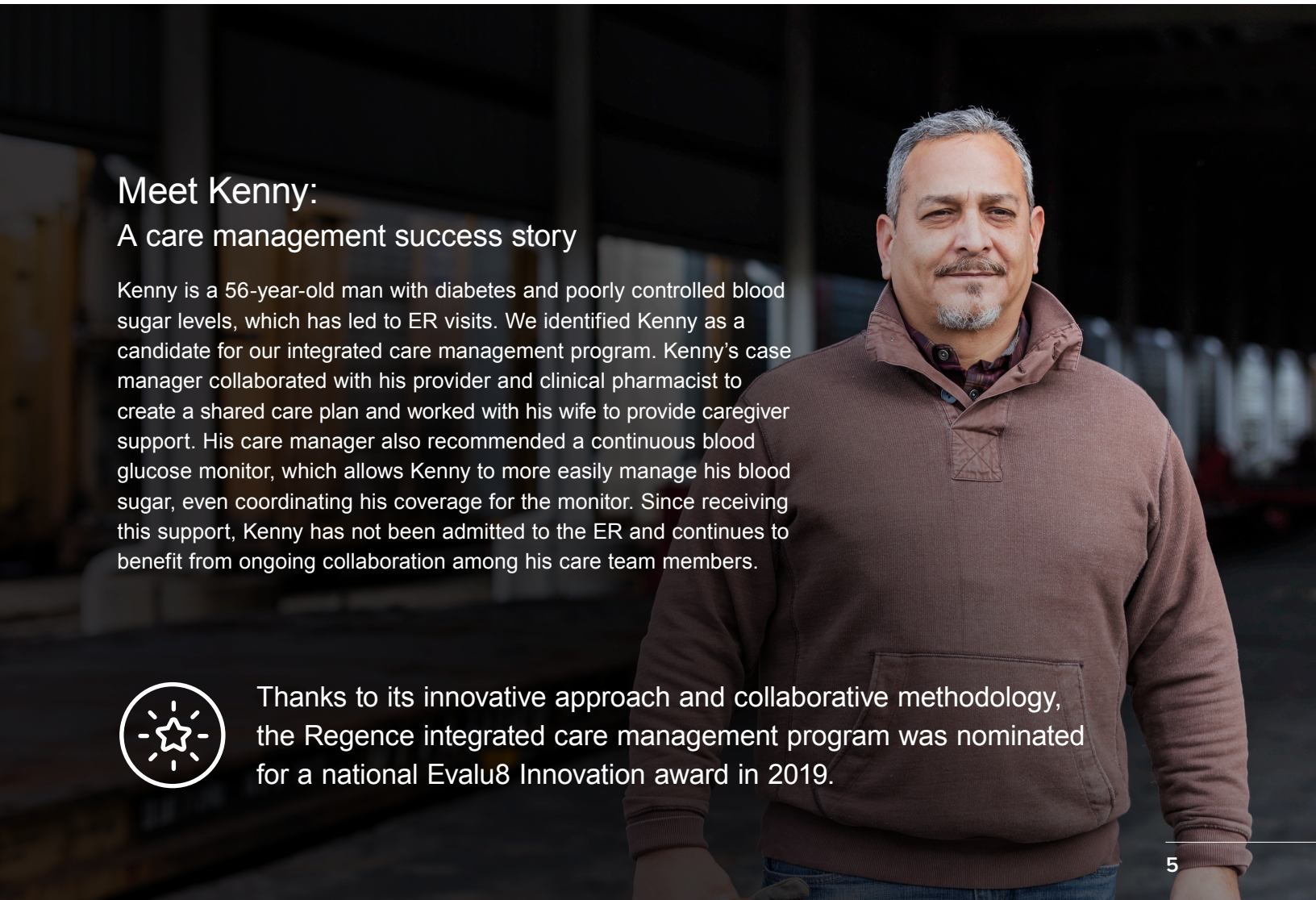
For example, in Utah, the Granger Medical Clinic was able to reduce ER utilization by 5.5% in one year by using shared analytics available through this approach. A partnership with UW Medicine has also reduced medical surgical admissions by 15% (from 37.1 per thousand members in 2017 to 31.6 per thousand members in 2018). Collaboration with MultiCare Connected Care drove notable improvement in the use of imaging studies for back pain, resulting in a 10% reduction in this metric (2017 versus 2018).

High-performance networks

Regence also offers a series of high-performance network models that deliver even greater cost savings to members and employers, with a targeted savings of 10%. Below are our high-performance networks, which are customized to the needs of each community:

Washington Accountable Health Network (AHN) consists of groups of care providers working with Regence and empowered through data, technology and payment incentives to drive delivery of the highest-quality care. Physicians also work to coordinate care and reduce avoidable, unnecessary utilization while offering a simpler, more supportive experience to patients.

Oregon OHSU Plus is an accountable health product for individuals and families in the Portland metro area in partnership with OHSU Health. In this model, providers are accountable for the overall cost of care and are empowered to provide holistic, proactive, coordinated care.



Meet Kenny:
A care management success story

Kenny is a 56-year-old man with diabetes and poorly controlled blood sugar levels, which has led to ER visits. We identified Kenny as a candidate for our integrated care management program. Kenny's case manager collaborated with his provider and clinical pharmacist to create a shared care plan and worked with his wife to provide caregiver support. His care manager also recommended a continuous blood glucose monitor, which allows Kenny to more easily manage his blood sugar, even coordinating his coverage for the monitor. Since receiving this support, Kenny has not been admitted to the ER and continues to benefit from ongoing collaboration among his care team members.

Thanks to its innovative approach and collaborative methodology, the Regence integrated care management program was nominated for a national Evalu8 Innovation award in 2019.

Key drivers of our success in VBA

Below are just a few of the key strengths that have made our approach both sustainable and results-oriented over time.

Simplicity: Providers today are already inundated with new responsibilities, complex and varying payer arrangements, industry regulations and evolving technologies. As such, we have to make it easy to encourage engagement in our models. One way we do this is by working with providers to select from a menu of quality measures to which they will be accountable.

Broad scale and reach: Thanks to our regional and national presence, Regence has the scale needed to play a meaningful role in health care transformation.

For example, our local VBA market models include:

- **186,000** participating members
- **40%** of claims dollars flowing through value-based arrangement models
- **119** total VBA contracts (35 Total Care contracts, 68 hospital value-based reimbursement contracts and 16 professional value-based contracts)

At the national level, our VBA models feature:

- **379,000** participating providers
- **41%** of claims dollars flowing through these models
- **70%** of BCBS members with access to VBA providers
- **$146 billion** in annual claims tied to VBA

Deep provider collaboration: We aim to enhance trust between individuals and their providers by working closely with these providers to provide a 360-degree view of their patients through data and analytics. We also focus on empowering providers to do what they do best. For example, Regence can augment provider support via our integrated care management program, which puts each individual at the center of care and drives better care coordination. In this program, providers and Regence create a shared care plan and clinical workflow, which facilitate care for patients.

Innovation: In order to maximize the collaboration and care coordination needed for VBA success, Regence has invested in capabilities that allow us to exchange powerful data with providers in our models and equip them with patient-level insights. These include:

- Driving greater collaboration with care providers and better care coordination for high-risk members through the use of **Patient Priority Manager**, an innovative, proprietary tool used by our care managers.
- Working directly with our providers to gain access to their **electronic health records** to combine with our claims insights.
- Assisting providers in their **efforts to track quality and other performance measures**.
- Enabling real-time information exchange, a core success factor for VBA, through our sponsorship of the Da Vinci Project. The Da Vinci Project is a collaboration between payers, health IT vendors and care providers that aims to develop architecture for a data exchange that can be replicated nationally.

Total Care efforts deliver results

Our results to date include the following:

65 NPS

A 65 Net Promoter Score showcasing a premier member experience

17%

Higher quality care gaps closed compared to non-Total Care providers in 2018 care-gap closure rate

4%

Decrease inpatient admits in 2018 compared to 2017 for Total Care members

6%

Lower costs in 2018 compared to non-Total Care providers

33%

Lower catastrophic spend in 2018 compared to non-Total Care providers

14%

Lower opioid scripts filled compared to non-Total Care providers in 2018

Net Promoter Score based on data through Quarter 4 2019. ID, OR, UT, WA metrics are for Total Care commercial members only for 2018. Inpatient admits in 2018 compared to 2017. Gap-closure rates based on 2018 commercial members. 2018 costs are risk-adjusted using Cotiviti DxCG risk scores, and are large-claim adjusted where 90% of a member's annual spend exceeding $150K is excluded.

Building new partnerships and enhancing our models over time

While our results to date have been promising, we recognize that there is still far more work to do to realize our most important objective: creating a health care system that works for everyone. We are already actively designing and implementing new care models, partnering with new providers and investing in new capabilities that will positively impact the lives of the people we serve. Most importantly, we will continue to listen to our partners and incorporate what we've learned to grow stronger, be better and lead the way to a healthier tomorrow.

1 Recent Progress In The Value Journey: Growth Of ACOs And Value-Based Payment Models In 2018, Health Affairs, Aug. 2018
2 Earning incentives based on Commercial TCC/AHN, Medicare Advantage, QIP and P4P
3 Patient Outcomes Improved by Pay-For-Performance, National Institutes of Health, Sept. 2013

Regence

REG-413723-20/05-ALLMARKET