

# BestPractice

A New Reimbursement Model Strengthening Primary Care

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BlueCross BlueShield of Western New York



# About our company



Headquartered  
in Buffalo, NY  
since 1936.



\$2.31  
billion  
revenue  
(2016)



\$541 million  
in reserves  
(2016)



1,900+  
employees



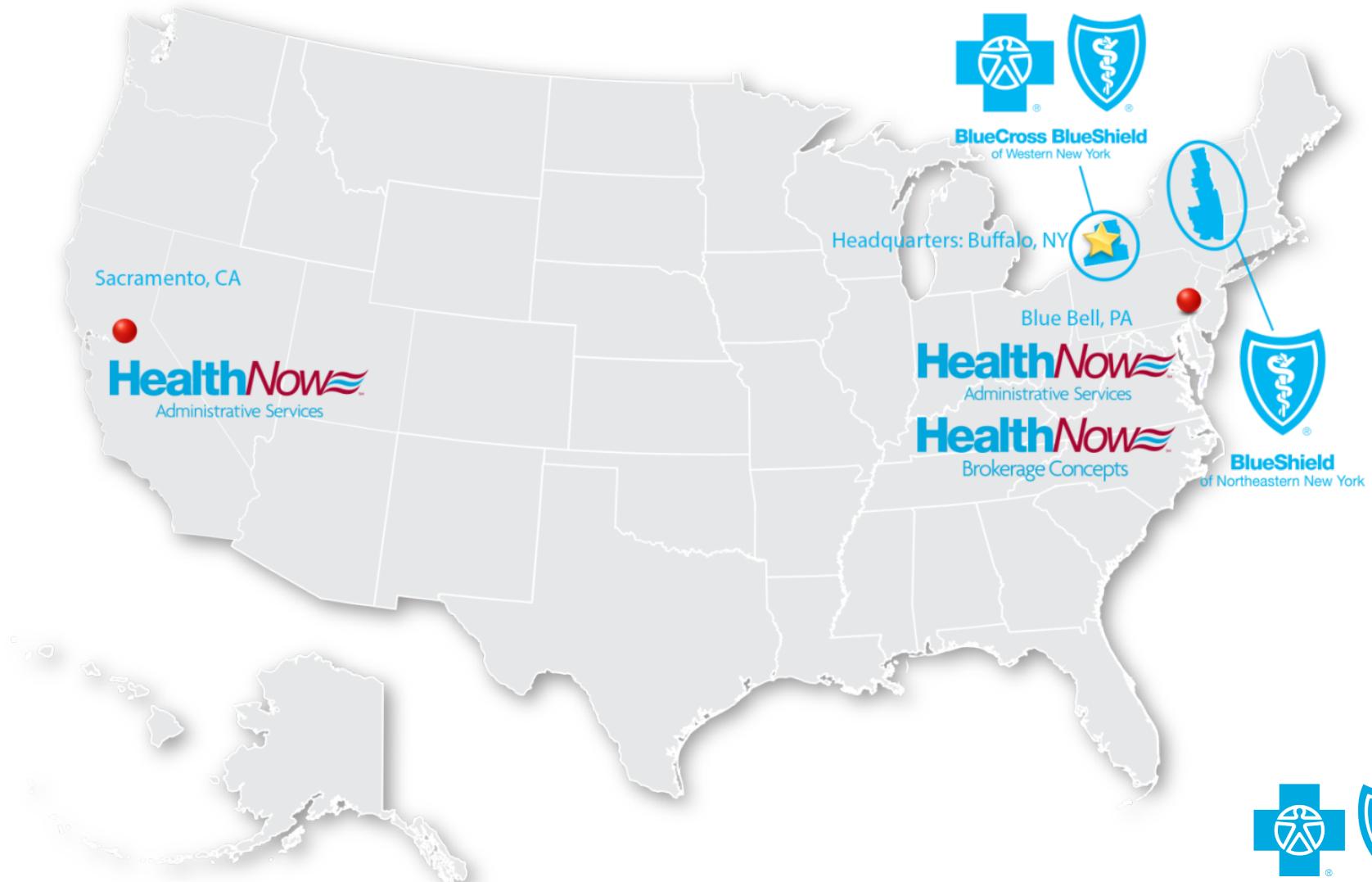
950,000+  
members  
served



\$3.3 million in  
community  
investments  
and  
partnerships  
(2016)

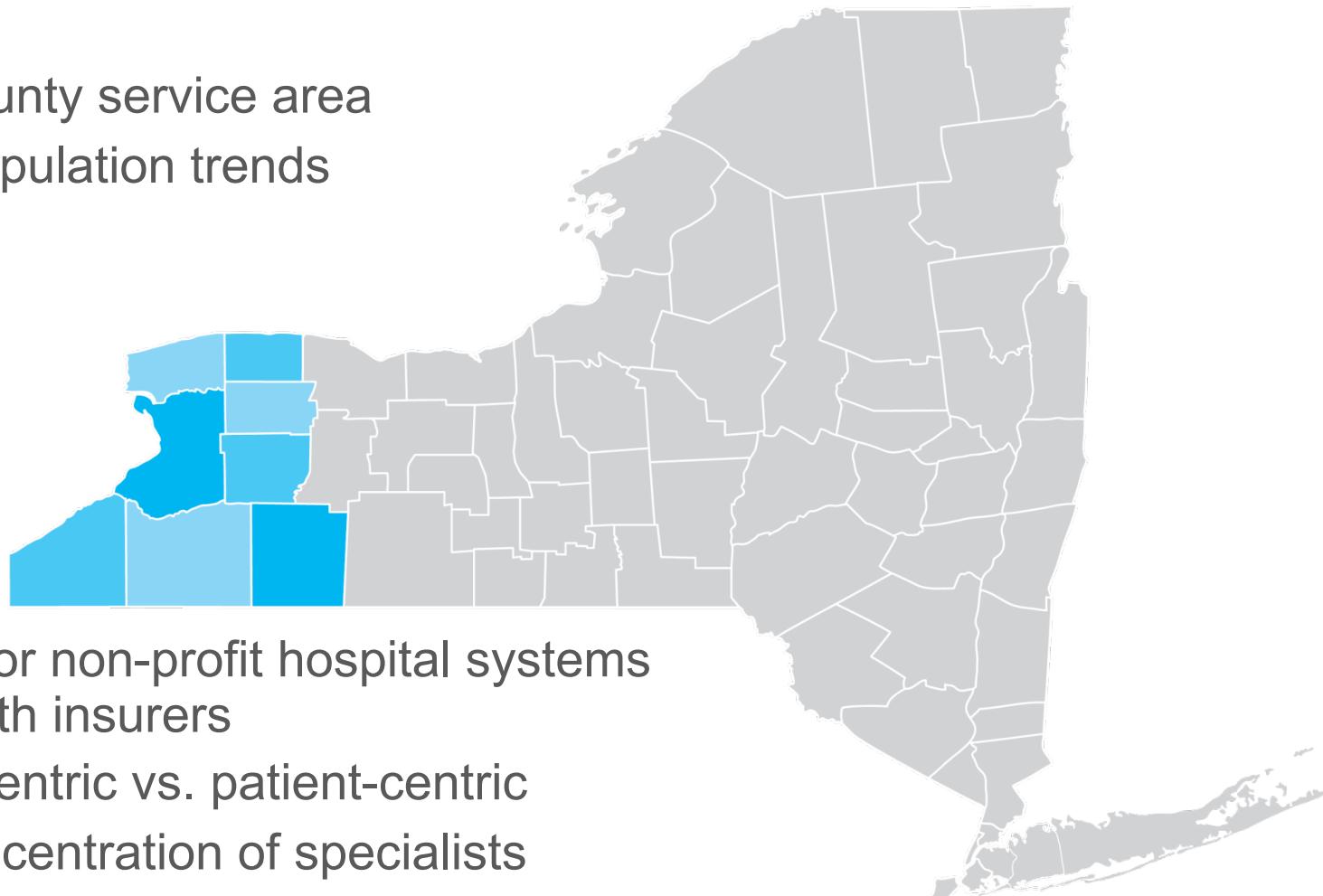


# Operating Divisions



# About Western New York

- Eight-county service area
- Static population trends



- Two major non-profit hospital systems and health insurers
- Doctor-centric vs. patient-centric
- High concentration of specialists
- Late adopter of value-based reimbursement



# Why?



# BestPractice

Advancing primary care.



# Primary Care Struggling

60

80

primary care doctors  
*per 100,000 patients*  
*in Buffalo*

primary care doctors  
*per 100,000 patients*  
*national average*

- PCP shortage
- Local practices closing or consolidating
- Aging primary care workforce
- Lower salary levels vs. other specialties
- Larger patient panels
- Volume-based fee-for-service environment

THE BUFFALO NEWS

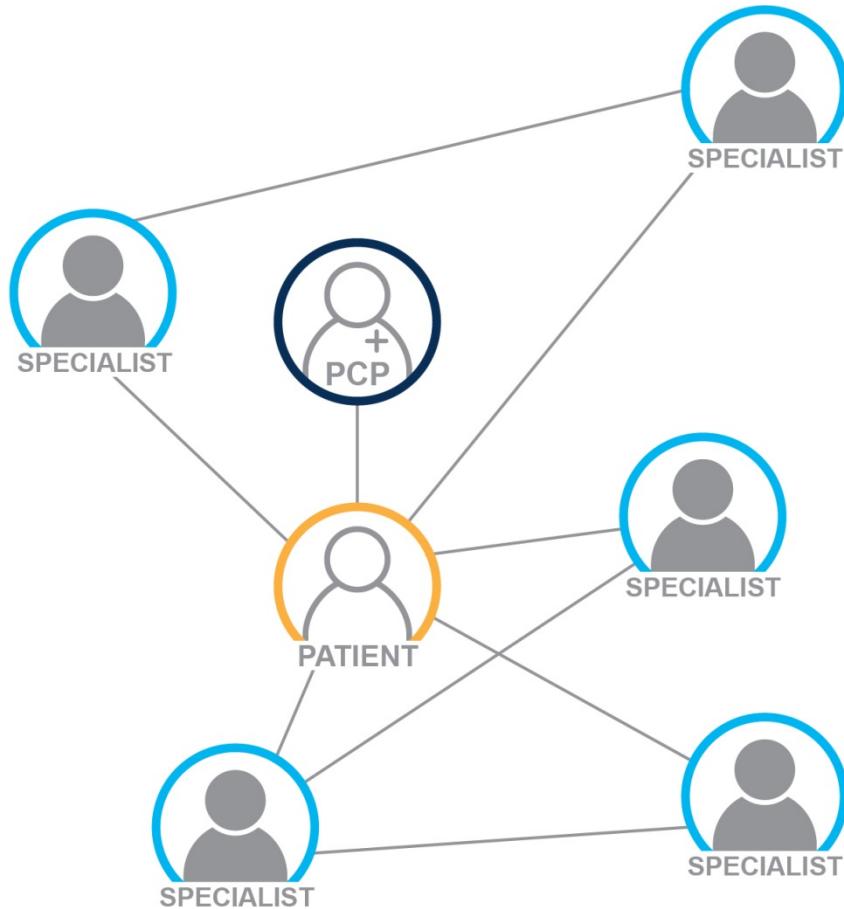


Pharmacy technician Antionette Robbins fills prescriptions at Lifetime Health's Mosher Health Center Pharmacy on Main Street, Buffalo, in this file photo. The Lifetime health center, along with the others in Hamburg and Amherst, will close by the end of the year. The pharmacies will close by Oct. 25.(News file photo)

**Lifetime Health closing three centers here, affecting 43,000 patients**



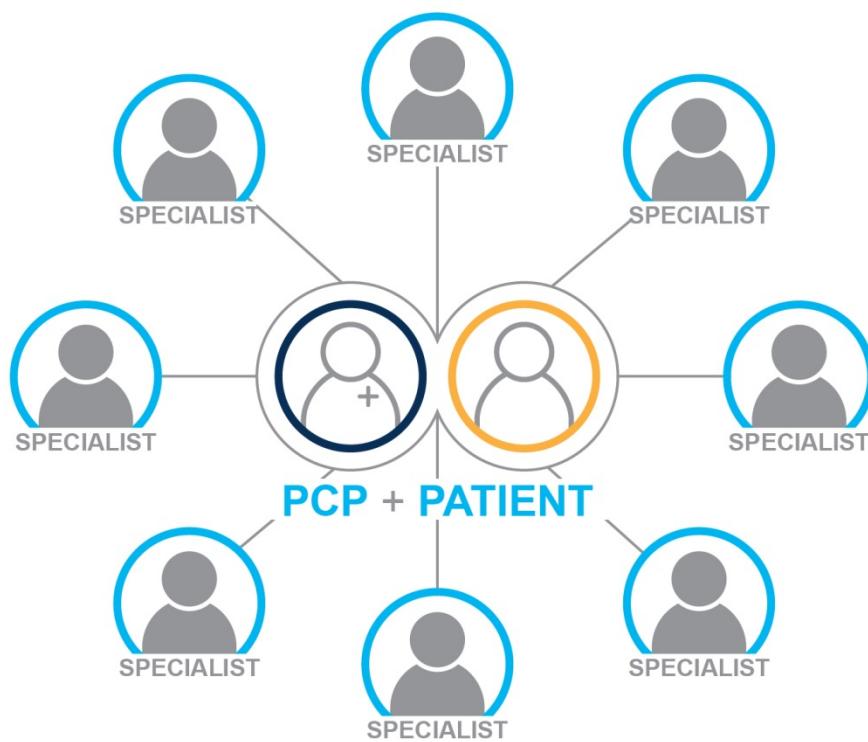
# Current Relationship is Broken



- Responsibility on patient to navigate care
- PCPs and specialists don't collaborate on care
- Redundant testing/procedures
- Inability to reward PCPs for performance
- Result: higher costs for patient and payer



# Primary Care as it Should be

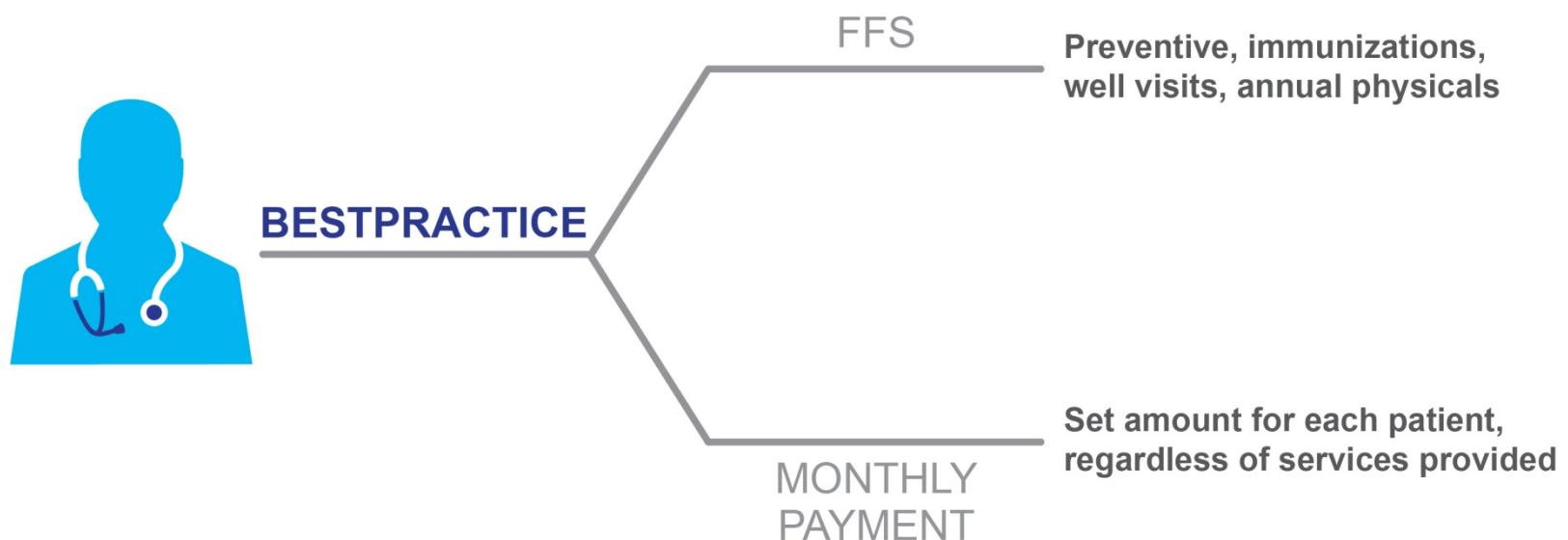


- PCP coordinates care (compensated accordingly)
- Focus on total health and treating illness
- Trusted source for referrals
- Shared data with specialists
- Rewards better health outcomes
- Higher patient satisfaction
- Lower costs for everyone

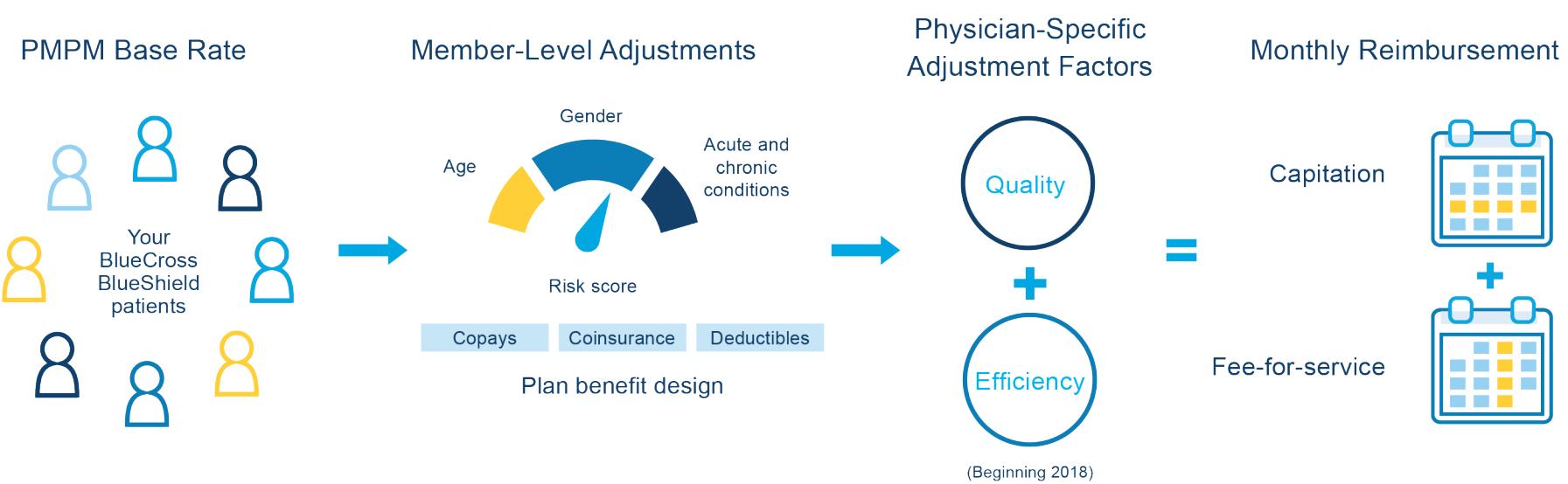


# BestPractice Overview

- Launched January 1, 2017
- 1,000+ participating PCPs who serve 400,000 BCBSWNY members
- Combination of fee-for-service and monthly “Care Management Fee” (capitation)



# How does it work?



# Everybody Wins



PCP

- Consistent cash flow
- Discretion on how best to manage patient care (e.g. telephonic consult, email)
- Access to cost and quality data
- Patient risk adjustment to reward for positive outcomes
- Increased revenue opportunity (10% in 2017 and 20% in 2018)



MEMBER

- PCP dedicated to their care regardless of plan type
- Care is not limited to standard office visit
- Better coordinated care
- Care focused on prevention/wellness
- Shared decision making with PCP



PAYER

- Alignment with HEDIS measures impacts risk-revenue and star rating
- Greater focus on population health, specifically members with chronic conditions, to improve outcomes and lower utilization of costly services
- Change in referral patterns to more cost-effective specialists and appropriate settings of care



# How we got from here to there

- Major step from fee-for-service to population health
- Transition from payer to partner; internal culture shift
- Spent nine months educating PCPs
  - Physician focus groups drove messaging
  - Large seminars held throughout the community
  - Added staff to support face to face visits with practices
  - Print and digital communications and videos throughout roll-out
  - New tools and reports offered to all participating practices



# Outcomes

- 90% of Western New York PCPs are BestPractice adopters
- Helped secure CMS Comprehensive Primary Care Plus Initiative, bringing additional funding to local PCPs
- Largest competitor followed with similar model
- After year one we expect to see:
  - Higher degree of cost transparency at PCP level
  - Change in referral patterns
  - Higher provider engagement
  - Value-based literacy among PCPs
  - HEDIS score improvement greater than P4P



**Better care. Better quality. Better results.**



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Advancing primary care.

