



Payment and Delivery System Reform – Lessons from Massachusetts

NIHCM Capitol Hill Briefing

Andrew Dreyfus

Blue Cross Blue Shield of Massachusetts

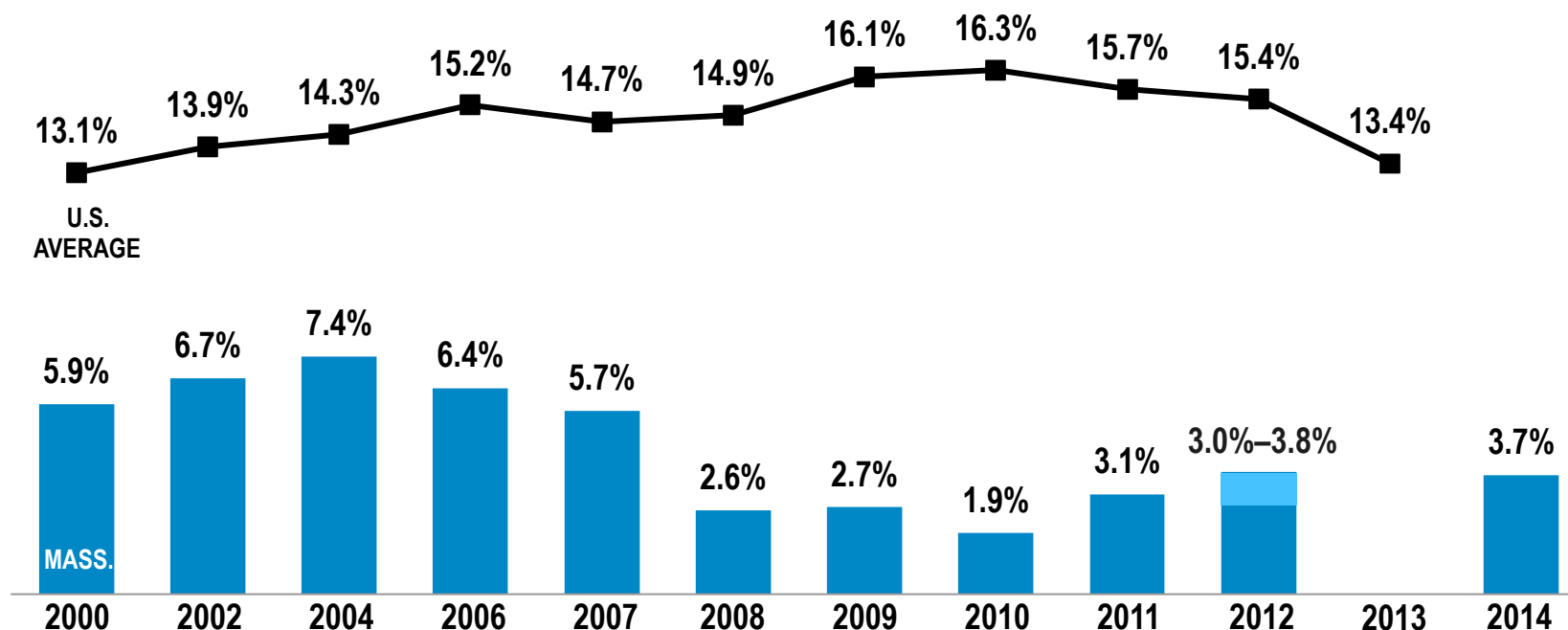
November 6, 2015

MASSACHUSETTS HAS THE LOWEST UNINSURANCE RATE IN THE NATION



MASSACHUSETTS

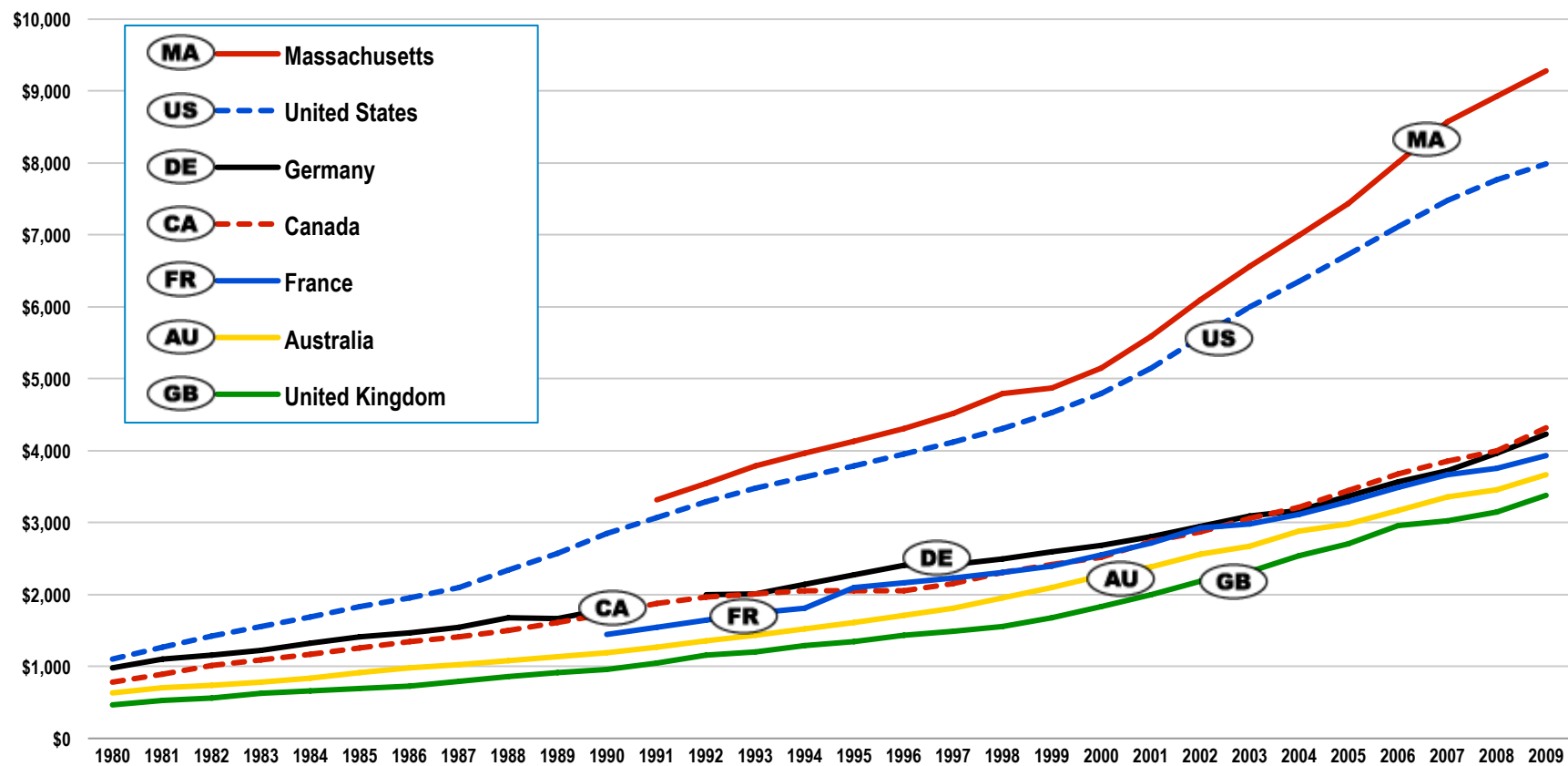
PERCENT UNINSURED, ALL AGES



NOTE: The Massachusetts specific results are from a state-funded survey — the Massachusetts Health Insurance Survey (MHIS). Using a different methodology, researchers at the Urban Institute estimated that 507,000 Massachusetts residents were uninsured in 2005, or approximately 8.1 percent of the total population. Starting in 2008, the MHIS sampling methodology and survey questionnaire were enhanced. These changes may affect comparability of the 2008 and later results to prior years. The national comparison presented here utilizes a different survey methodology, the Current Population Survey, which is known to undercount Medicaid enrollment in some states.

SOURCES: Urban Institute, *Health Insurance Coverage and the Uninsured in Massachusetts: An Update Based on 2005 Current Population Survey Data In Massachusetts*, 2007; Massachusetts Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy) *Massachusetts Health Insurance Survey* data for years 2000, 2002, 2004, 2006, 2007, 2008, 2009, 2010, 2011, 2014; *Massachusetts Health Insurance Coverage 2012 Estimate*, Massachusetts Center for Health Information and Analysis, December 2, 2013; no survey data or estimate was produced for 2013. U.S. Census Bureau, Current Population Survey, Health Insurance Historical Tables (HIB Series).

COSTS IN MASSACHUSETTS HIGH AND RISING



NOTE: U.S. dollars are current-year values. Other currencies are converted based on purchasing power parity.
 SOURCE: OECD Health Data; *National Health Expenditures by State of Residence*, CMS Office of the Actuary, 2011.

The Alternative Quality Contract (2009)

Global Budget

- Covers all medical services
- Health status adjusted
- Based on historical claims
- Shared risk
- Declining trend

Quality Incentives

- Ambulatory and hospital
- Significant earning potential
- Nationally accepted measures

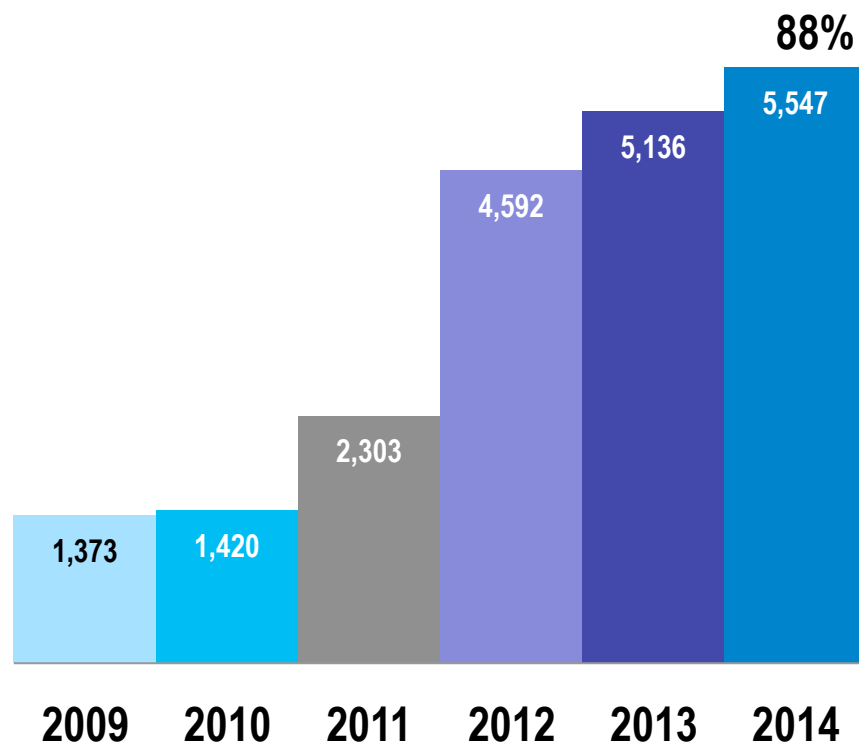
Long-Term Contract

- 5-year agreement
- Sustained partnership
- Supports ongoing investment

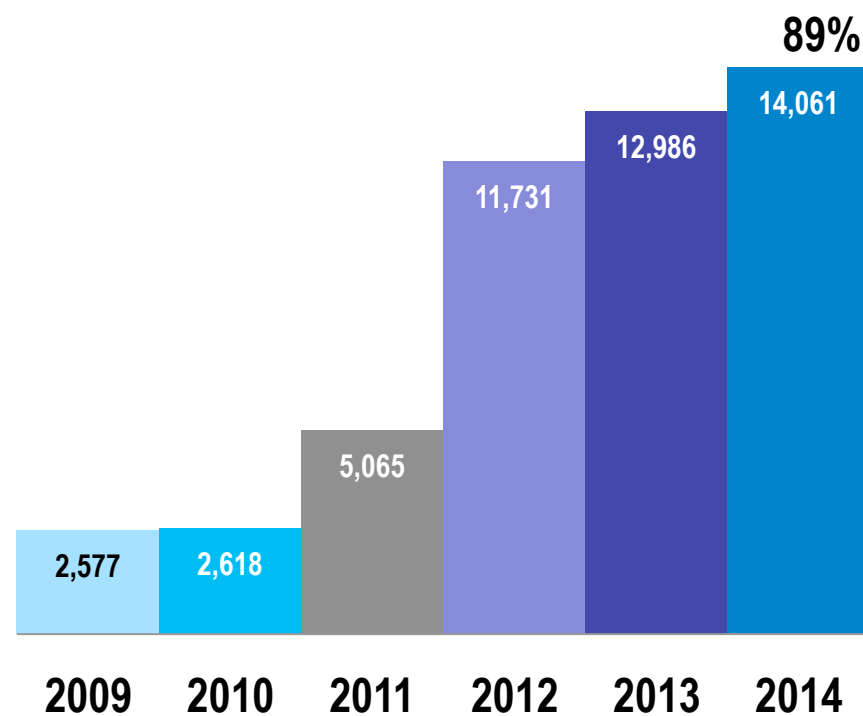
AQC PHYSICIAN PARTICIPATION



PCPs



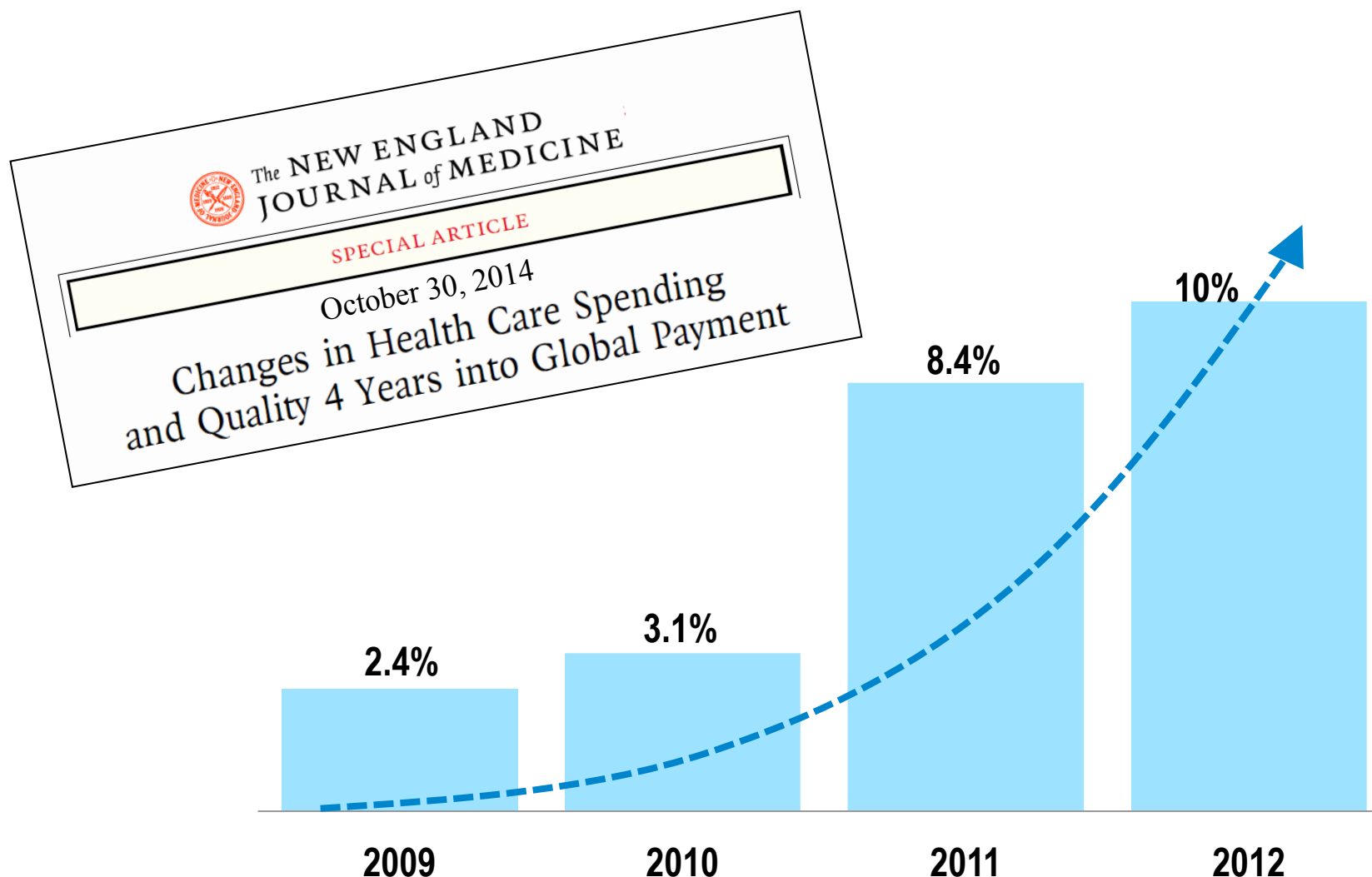
SCPs



AQC RESULTS: ACCELERATING MEDICAL COST SAVINGS

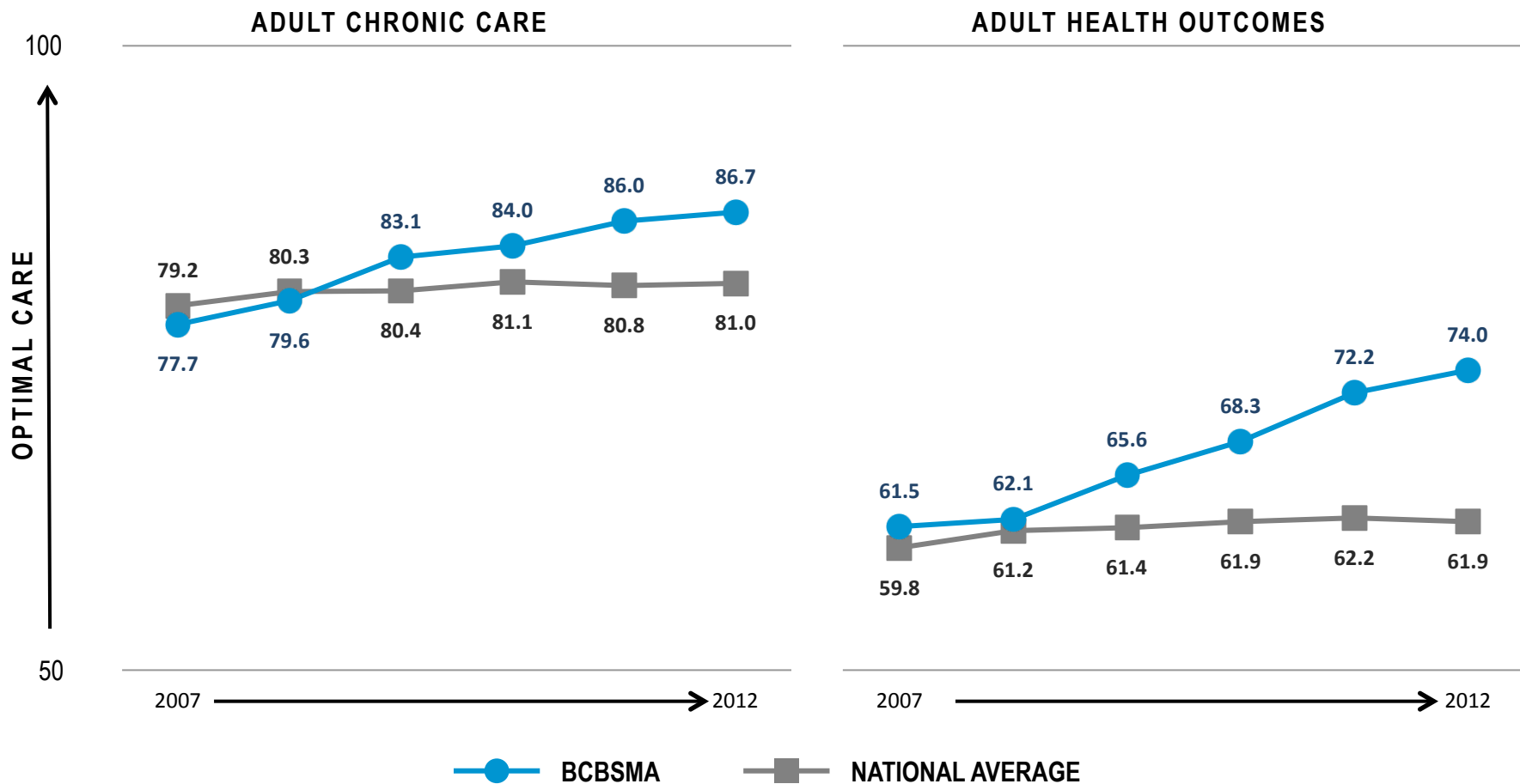


MASSACHUSETTS



Source: Song Z, et al. Changes in Health Care Spending and Quality 4 Years into Global Payment. *The New England Journal of Medicine*. 2014.

AQC RESULTS: DRAMATIC INCREASES IN QUALITY



These graphs show that the AQC has accelerated progress toward optimal care since it began in 2009. The first scores are based on the delivery of evidence-based care to adults with chronic illness, including appropriate tests, services, and preventive care. The second score reflects the extent to which providers helped adults with serious chronic illness achieve optimal clinical outcomes. Linking provider payment to outcome measures has been one of the AQC's pioneering achievements.

AND NOW...EXPANDING TO PPO



MASSACHUSETTS

The Boston Globe

Blue Cross vastly expands quality-based payment systems

By [Priyanka Dayal McCluskey](#)

GLOBE STAFF MARCH 05, 2015

WHAT WE'VE LEARNED...



- Support is key
- Be prepared for changing payer/provider roles
- Attribution is hard but can be done well
- Models require continuous evaluation and updates

AQC SUPPORT – DATA, THE SECRET WEAPON



MASSACHUSETTS

Sample Group Performance Indicators

1. Trend - Past 5 qtrs



Qtr 3 2013

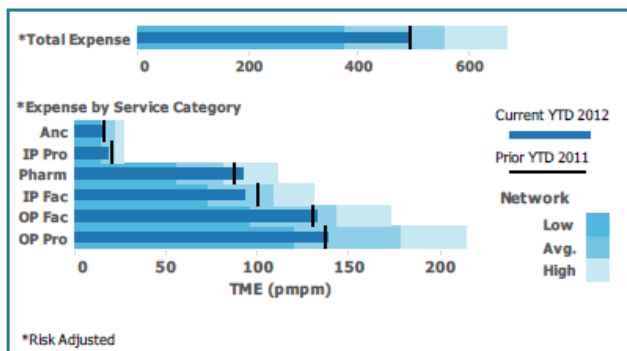
DxCG	1.807
Membership	39,895
TME Spend	491.95
Budget	516.78

2. YTD 2012 % Potentially Avoidable ED Visits

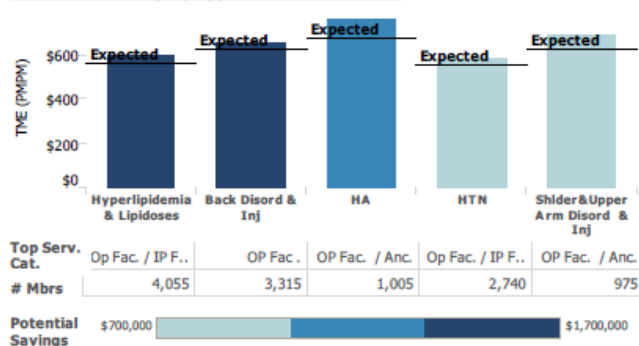
asthma	8.0%
backpain	2.8%
bronchitis	1.1%
contusion	2.7%
fever	1.4%

* Red font indicates rate higher than network

3. Expense Category

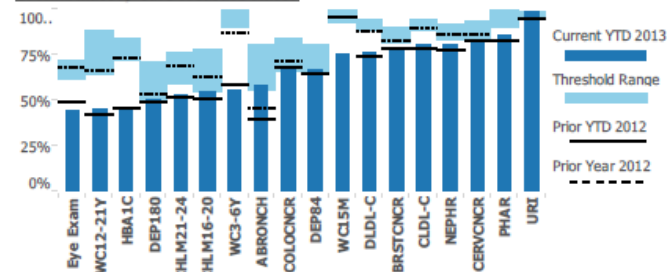


4. Condition Category Opportunities - YTD 2012

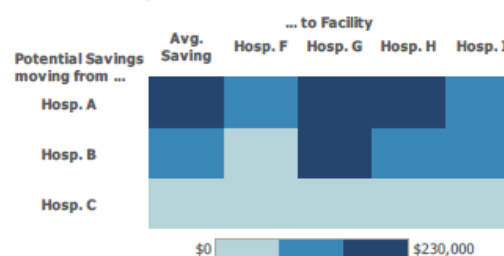


BCBSMA Confidential and Proprietary. May not be released to any third party without prior consent.

5. Ambulatory Care Measure Rates



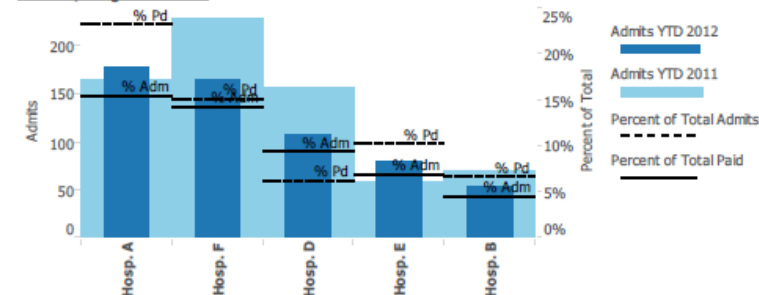
6. IP Med/Surg low wt DRG - YTD2012



Improvement Opportunities:

- Outpatient Facility
- Depression Screening
- Move admissions to Hospital F

7. Med/Surg Retention



January 22, 2014

SUPPORT BEYOND THE NUMBERS



MASSACHUSETTS



THE DELIVERY SYSTEM IS CHANGING AND BLURRING LINES BETWEEN PAYER AND PROVIDER ROLES



PROVIDER

EITHER

PAYER

Care
delivery

Office and
facility
management

Data systems and connectivity

Care protocols and
guidelines

Population management
systems

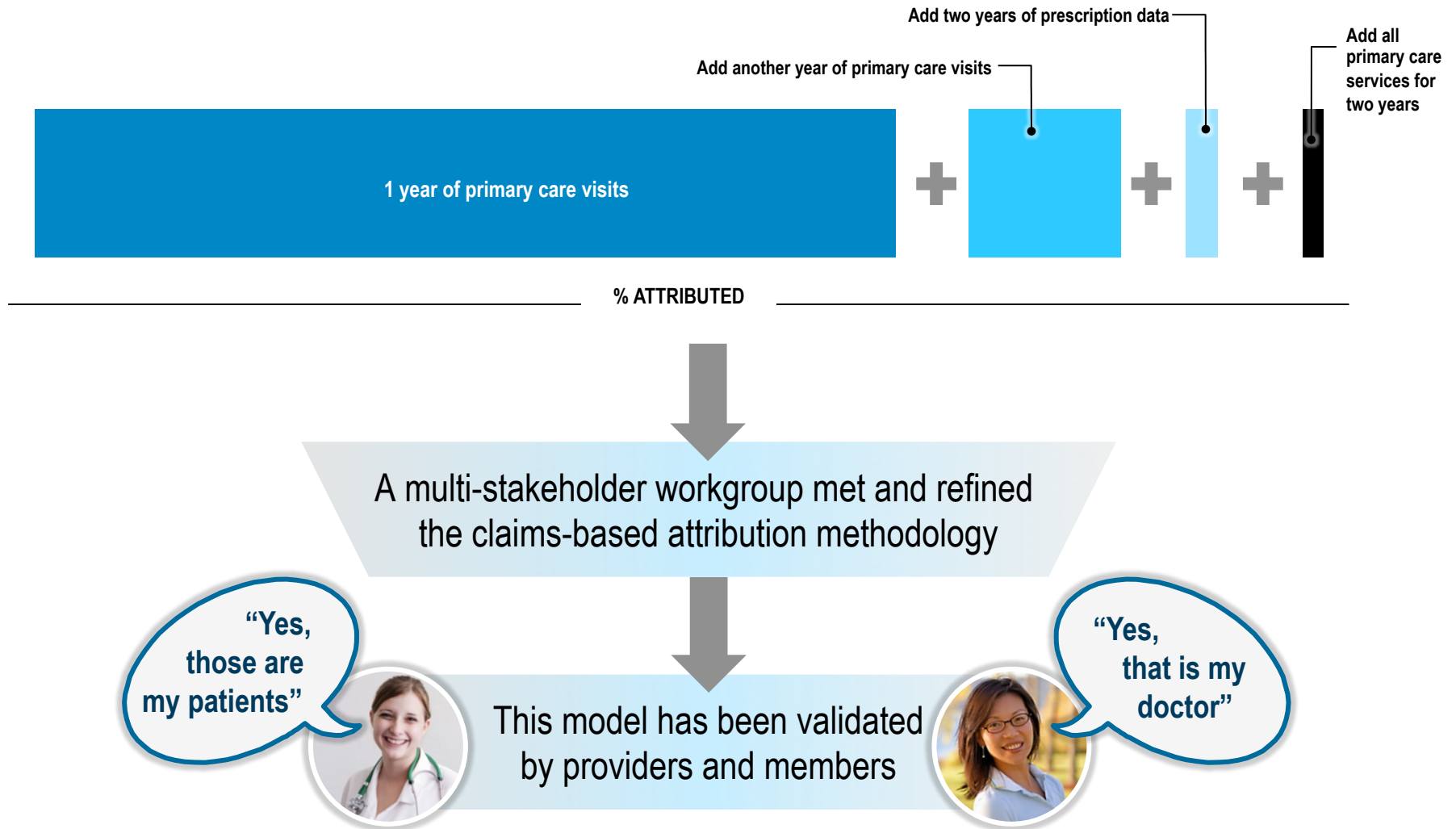
Benefit design

Sales and marketing
requirements

Network management

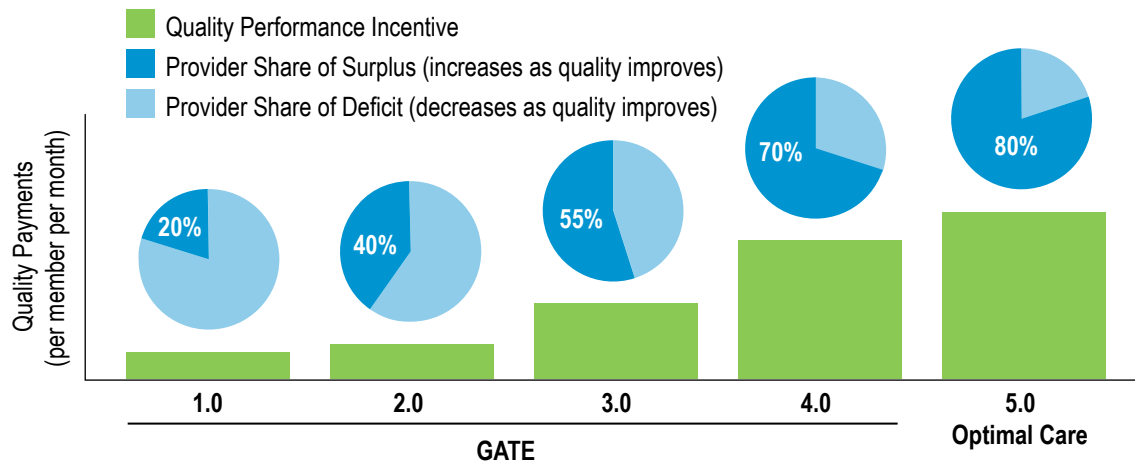
Account and
customer service

TAKING THE TIME TO GET ATTRIBUTION RIGHT



MODEL UPDATES ARE VITAL TO SUSTAINED PERFORMANCE IMPROVEMENT

As quality improves, provider share of surplus increases or share of deficit decreases



Incorporating quality performance into risk sharing model

Evolving the quality measure set

Ambulatory Measures	
Ambulatory Measure Set Clinical Process Measures Depression Acute Phase Rx Continuation Phase Rx Diabetes HbA1c Testing (2x) Eye Exam Neuroimaging Screening Cancer Screening Breast Cancer Screening Cervical Cancer Screening Colorectal Cancer Screening Preventive Screening Visit Cholesterol Screening Ages 35-49 Ages 50-64 Adult Respiratory Testing Acute Bronchitis Pediatric Respiratory Testing Upper Respiratory Infection Pharyngitis Pediatric Well Visits 0-12 months 3-5 years Adolescent Well Care Add-on Visit Care Clinical Outcomes Measures Diabetes HbA1c in Poor Control Blood Pressure Control Hypertension Controlling High Blood Pressure Patient Experience - Adult Communication Skills Knowledge of Patients Integration of Care Access to Care Patient Experience - Pediatric Communication Skills Knowledge of Patients Integration of Care Access to Care	
Hospital Measures	
Hospital Measure Set Hospital Clinical Process Measures Immunization Influenza Immunization Stroke Venous Thromboembolism (VTE) Prophylaxis VTE Venous Thromboembolism Prophylaxis Intensive Care Unit Venous Thromboembolism Prophylaxis Venous Thromboembolism Patients with Anticoagulation Overlap Therapy Hospital Outpatient Surgery and Care Median Time to Transfer to Another Facility for Acute Coronary Intervention (MI/ACS) Aspirin at Arrival Median Time to EIC (MI/ACS) Hospital Outcomes Measures Attributable Pneumothorax - Adult Post-operative Respiratory Failure Post-operative PE/DVT Accidental Puncture or Laceration Birth Trauma Injury to Neonate OB Trauma - Vag with Instrument OB Trauma - Vag without Instrument Heart Failure Mortality Rate Acute Stroke Mortality Rate Hospital Wide Readmission (HWR) 30 Day all Cause Unplanned Readmission Hospital Patient Experience (inpatient) Measures Communication with Nurses Communication with Doctors Responsiveness of Staff Pain Management Communication about Medicines Discharge Information	

