

# Value-based Care Models



BlueCross BlueShield  
of Texas

## Creating Value through the Transformation of Network Delivery Models

### Overview

Major changes to the health care system are underway, including the way health care services are delivered and funded. Successfully navigating this new health care landscape will require a solid grasp of today's challenges and opportunities. Blue Cross and Blue Shield of Texas (BCBSTX) believes that improving health care outcomes and reducing medical costs will come from innovative programs developed in collaboration with physicians, employers and members.

We're committed to helping our customers control medical cost increases through efficient care delivery, by providing access to affordable quality health care that helps your employees and their families achieve their optimum health. As part of this commitment, we are transforming a number of our network delivery models from fee-for-service contracting models to value-based care models. BCBSTX believes this shift is a long-term approach that can help to improve health care outcomes and lower costs over time.

Value-based care models (also referred to as value-based contracting models) transform clinical and payment methodologies to align incentives across providers, employers, members and payers in an effort to improve quality and cost outcomes, increase accountability and use medical technology more effectively. Value-based care models include:

- clinical integration and coordination;
- National Committee for Quality Assurance (NCQA)-based standards;
- utilization of evidence-based medicine;
- wellness and prevention;
- rationalized utilization and care shift to lower cost / higher quality settings;
- highly efficient operations and innovative use of technology – electronic medical record (EMR);
- patient engagement, coordination and navigation; and
- value-based reimbursement for health care providers.

Our role with respect to the value-based care model is not to provide direct medical care – we leave those decisions to the many quality health care professionals that are part of our provider networks. Rather, we supply the tools and systems that improve communications between caregivers and allow for the effective sharing of data, which helps to improve health outcomes. At the same time, we support our members' healthy living and reward health care providers for delivering quality, evidenced-based care.

BCBSTX is currently engaged in the deployment of several value-based care models, including the Intensive Medical Home and Extended Medical Home models.

## Our Value-based Care Models

### Intensive Medical Home

Intensive Medical Home (IMH) is a physician office-based model for delivering highly individualized, primary care to patients with chronic and multi-chronic, complex conditions who will benefit significantly from comprehensive, hands-on clinical support. In markets where it is available, this enhanced level of care helps to manage costs associated with high-risk patients. Goals of IMH include:

- improving health outcomes for high-risk individuals;
- lowering medical costs;
- demonstrating an impact on total cost of care; and
- increasing patient satisfaction.

IMH is a collaborative approach built on the idea that the primary care physician (PCP) is best able to engage those individuals with complex and chronic health conditions to help improve outcomes and reduce costs. The IMH model supports PCPs in this role by encouraging and rewarding them for being proactive in providing comprehensive, coordinated care for their patients. In addition to the PCP, a nurse care manager (NCM) plays a critical role in the delivery

and coordination of care for the patient. Success of this patient-centered approach is largely dependent on the relationships between the patient, PCP and NCM.

BCBSTX's role in the IMH is to ensure the PCP has the resources necessary to provide the enhanced level of care required under this model. BCBSTX provides dedicated staff support for NCMs who are employed by the provider group. Additionally, BCBSTX coordinates training for provider groups and has developed administrative and clinical processes and procedures to support IMH implementations.

BCBSTX also plays an important part in identifying members who are patients of participating provider groups and who meet IMH participant criteria. We analyze claims history, diagnoses, geographical location and other factors pertaining to our members to identify potential IMH participants. This list of members is shared with the provider group and the PCP and NCM evaluate the member list to prioritize which members should be asked to participate.

Once target members are determined, the PCP contacts these patients directly. The PCP explains that the patient has the opportunity to receive an enhanced level of care that can help the patient manage their health conditions and improve their wellbeing.

Throughout the program, the NCM helps to coordinate care and serves as a patient resource for questions and concerns.

## Extended Medical Home

Extended Medical Home (EMH) also leverages the relationship between the PCP, NCM and the patient to help improve health care and medical cost outcomes. In markets where it is available, EMH serves a broader patient population, which includes individuals who have chronic or multi-chronic, intensive conditions, as well as those considered healthy or clinically at-risk.

EMH helps practices shift from delivery of episodic, fragmented care to a coordinated effort to increase provider accountability while managing a broad practice population. Each encounter is used as an opportunity to deliver evidence-based clinical services to patients. Within the EMH, members identified as chronic or multi-chronic are engaged using fundamental IMH techniques.

## Points to Consider

### When will value-based care models impact my company?

Participation for many of our employer groups will begin in 2013. Please consult with your account representative for more information.

It is important to note that BCBSTX is approaching these models as a multi-year deployment strategy. While we are working to move more PCPs to value-based contracting models, we expect this to be a gradual process as not all primary care physicians will qualify to immediately participate in these types of arrangements.

### What is the benefit for my company?

Value-based care models can help lower health care costs, increase overall access and improve health outcomes for your employees and their families. IMHs have documented cost savings of up to 20 percent when compared to control groups comprised of individuals with similar health conditions.\* Our EMH pilot programs have been observed to reduce costs by up to seven percent. With better health outcomes, your employees may experience less absenteeism and be more productive while at work.

### What is the cost for my company?

As with the existing BCBSTX provider contracting methodology, there are numerous variables that will determine the cost of services. These variables include the number of members associated with participating medical home practices and the performance of the medical home practice. For more information, please consult with your account representative.

### How can my company be sure that value-based care models are performing as expected?

Performance results for each employer are expected to be a function of the number of providers participating in value-based contracts, the performance of the providers whom your employees utilize and the extent to which your employees utilize providers that are participating in value-based care models. BCBSTX has established quality standards in an effort to align decisions made by the health care providers with evidence-based protocols.



## What does this mean for my employees and their family members that participate in IMH or EMH?

Your employees and their family members can expect an increase in both the collaboration across providers and provider accountability, which can result in an improved patient experience and the opportunity for better health outcomes.

## How will members be selected for participation in IMH or EMH?

BCBSTX is utilizing a process to identify IMH and EMH participants that is based on a number of factors including but not limited to current member eligibility, retrospective claims data and risk scoring.

Note: members who live outside of Texas are not eligible to participate at this time.

## What's next?

BCBSTX believes these value-based initiatives, as well as others to be introduced in the future, will serve as long-term solutions toward improving health care outcomes for your employees and their families, and managing your health care costs. Please contact your account representative for more information.

\* Milstein, Arnold, Pranav P. Kothari, Rushika Fernandopulle, M.D., MPP, and Theresa Helle. "Are Higher-Value Care Models Replicable?" *Health Affairs: The Policy Journal of the Health Sphere*. N.p., 20 Oct 2009. Web. 22 Oct 2009. <<http://healthaffairs.org/blog/2009/10/20/are-higher-value-care-models-replicable/>>.