CareFirst Total Care and Cost Improvement:

*Bringing Back the Doctor-Patient Relationship*

Presented by Joe Pedone
Strategic Advisor CareFirst Blue Cross Blue Shield
Immediate Savings: *Largest Network + Unmatched Discounts*

- 92% of Physicians Nationally are Blue
- 96% of Hospitals in the US are Blue
- 97% of claims paid are in-network
Overcoming the Current Healthcare Challenge

(Fragmented system + Gaps in uncoordinated care) × Chronic disease = Use of high-cost resources (ER, inpatient and specialty pharmacy)

- 75% of health care expenses go to preventable diseases
- 1 in 2 Americans suffer from chronic disease
- Average hospitalizations in our area cost $21,000
- Average ER visits in our area cost $1,200
- 3% of the population accounts for 30% of pharmacy cost

*Source: Institute of Medicine
**Source: Centers for Disease Control and Prevention
***Source: Cornell University
Bringing Back the Doctor Patient Relationship

• By Building a Healthcare Model that:
  1. Built on a Strong BlueCross BlueShield Foundation
  2. About Preserving Access to Care Not Limiting it
  3. Integrated Total Population Health Management
  4. Sees Engagement Differently
  5. Uses Technology to Drive Decision-making
Transformation of CareFirst - Population Health Manager

5 years ago CareFirst took significant steps to become a **population health manager** by:

- Creating a continuum of **wellness and care coordination services** which assigns the right intervention, at the right time, in the most cost effective setting
- Establishing a **value-based program** which positions the Primary Care Provider at the center of the members’ care
- Developing a portfolio of value-based plan designs with an **integrated healthy incentive program** to promote PCP engagement, eliminate barriers to care & facilitate healthy lifestyles
TCCI: Drawing from ACO & PCMH Models

THIS UNIQUE COMBINATION IMPROVES QUALITY AND COST
# TCCI Network Philosophy

<table>
<thead>
<tr>
<th>Accountable Care Organizations</th>
<th>How are Savings Achieved</th>
<th>Total Care and Cost Improvement</th>
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<tbody>
<tr>
<td>Short-term Cost-Shifting</td>
<td>How are Savings Achieved</td>
<td>Sustainable Outcomes</td>
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<tr>
<td>Exclusive Narrow Network</td>
<td>Network Approach</td>
<td>Broad Network Inclusive of all Providers</td>
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<tr>
<td>Fragmented - Single or Multi-Hospital based delivery systems – contracted together - each with its own way of coordinating care, providing incentives, sharing data</td>
<td>Clinical Integration</td>
<td>PCP’s maintain a uniformed, consistent approach to managing our members - program does not rely on any specific practice environment, hospital affiliation or health plan</td>
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<tr>
<td>Reactive – Generally in an inpatient setting after a acute event</td>
<td>Member Interaction</td>
<td>Proactive – Members are engaged with their PCP consistently across the entire spectrum of care</td>
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## Total Care and Cost Improvement (TCCI) Program

<table>
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<tr>
<th>Program Elements</th>
<th>Service Hub</th>
<th>Robust Reporting</th>
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<tr>
<td>1. Hospital Transition of Care Program (HTC)</td>
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<td>6. Enhanced Monitoring Program (EMP)</td>
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<td></td>
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<td>7. Community Based Program (CBP)</td>
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<td>8. Health Promotion, Wellness and Disease Management Services (WDM)</td>
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<td>9. Comprehensive Medication Review Program (CMR)</td>
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<td>10. Pharmacy Coordination Program (RxP)</td>
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<td></td>
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<td>11. Expert Consult Program (ECP)</td>
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<td></td>
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<tr>
<td>12. Urgent Care and Convenience Access (ECP)</td>
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<td>13. Centers of Distinction (CDP)</td>
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<tr>
<td>14. Preauthorization of High Cost, High Impact Services (PRE)</td>
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<td>15. Telemedicine Services (TMS)</td>
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TCCI Program Elements

Local Care Coordinator

Complex Case Managers

Behavioral Health Care Managers

Systems Algorithm

Service Request Hub

- Complex Case Management Program (CCM)
- Chronic Care Coordination Program (CCC)
- Behavioral Health and Substance Abuse Program (BSA)
- Home Based Services Program (HBS)
- Enhanced Monitoring Program (EMP)
- Comprehensive Medication Review Program (CMR)
- Expert Consult Program (ECP)
- Health Promotion, Wellness and Disease Management Services Program (WDM)
- Community-Based Programs (CBP)
- Pharmacy Coordination Program (RxP)
- Centers of Distinction Program (CDP)
- Preauthorization Program (PRE)
The Key to Sustained Health Improvement: *Informed, Engaged, Integrated*
Developing A Continuum of Care

Engage

Medical claims

Identify

Biometrics/Annual health assessment

Improve

Band 1

Band 2

Band 3

Band 4

Band 5

Acute Critical Illness with Hospitalization

Post-discharge Specialty Care Coordination

Chronic Care Coordination

Pre-breakdown disease monitoring

Chronic Care Coordination

Prevention/Maintenance Coaching
**Identifying Cost Drivers**

* Band 1 - Accidents, cancer, heart attacks, trauma, high-risk pregnancies, hospice, as well as those with chronic disease.
* Band 2 - Including heart disease, diabetes, obesity and asthma--conditions which largely arise due to lifestyle choices.
* Band 3 - Those at risk for chronic diseases and other medical conditions.
* Band 4 - Generally healthy, needing medicine or doctor’s visits occasionally.
Seamlessly Integrating All The Parts

Engage
Identify
Improve

- Nurse Care Coordination
- Complex Specialty Care
- Chronic Disease Care
- Enhanced Pharmacy Management

PCP leads all patient care
Wellness
Setting New Expectations

Partnership with Providers to Improve Outcomes and Lower Costs

**Organize**
- Stratify the PCMH patient population for each panel
- Identify patients who would benefit from a Care Plan

**Drive Accountability**
- Partner with PCP to create and manage patient care accounts
- Measure care management through engagement and outcomes reporting

**Incent**
- Compensate PCPs that drive improved outcomes and focus on quality care

**Support**
- Provide tools and resources that support care coordination with PCPs
- Commit dedicated resources of care coordinators, hospital transition of care nurses to support care needs
- Report population health measurements through online SearchLight reporting functionality
Engaged Providers Who Understand Cost and Quality

Empower Primary Care Providers to lead patient care and be accountable for the patient’s entire health care spend

- Primary Care Provider: 6.4%
- Specialists: 27.0%
- Inpatient: 22.4%
- Outpatient: 19.5%
- Pharmacy: 23.5%
- Skilled Nursing/Hospice: 0.8%
- Home Care: 0.2%

*N: Medical spending is based on 2011 CareFirst Book of Business. The Pharmacy % is adjusted to represent typical spend for members with CareFirst’s pharmacy benefit.

Nearly 90% of CareFirst members are attributed to a local Primary Care Provider
### Panel Characteristics By Panel Type As Of January 2015

<table>
<thead>
<tr>
<th>Panel Type</th>
<th>Panels</th>
<th>Practices</th>
<th>Providers*</th>
<th>Providers / Panel</th>
<th>Members</th>
<th>Members/Panel</th>
<th>Members/Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Panel Virtual</td>
<td>164</td>
<td>948</td>
<td>1,414</td>
<td>8.6</td>
<td>421,280</td>
<td>2,569</td>
<td>298</td>
</tr>
<tr>
<td>Single Panel Independent</td>
<td>73</td>
<td>73</td>
<td>605</td>
<td>8.3</td>
<td>183,543</td>
<td>2,514</td>
<td>303</td>
</tr>
<tr>
<td>Multi Panel Independent</td>
<td>127</td>
<td>134</td>
<td>1,212</td>
<td>9.5</td>
<td>267,386</td>
<td>2,105</td>
<td>221</td>
</tr>
<tr>
<td>Multi Panel Health System</td>
<td>74</td>
<td>64</td>
<td>821</td>
<td>11.1</td>
<td>206,981</td>
<td>2,797</td>
<td>252</td>
</tr>
<tr>
<td><strong>Total January 2015</strong></td>
<td>438</td>
<td>1,219</td>
<td>4,052</td>
<td>9.3</td>
<td>1,079,190</td>
<td>2,464</td>
<td>266</td>
</tr>
<tr>
<td><strong>January 1, 2016 (Projected)</strong></td>
<td>445</td>
<td>1,300</td>
<td>4,359</td>
<td>9.8</td>
<td>1,160,000</td>
<td>2,607</td>
<td>266</td>
</tr>
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Member enrollment in the PCMH Program stood at just over 1.1 million as of January 1, 2015. Enrollment in the Program is now automatic for individual and small or medium group Members as well as for large self-insured group Members who

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1. Primary Care Physicians and Nurse Practitioners (NPs) are included in the Provider counts above.
Member Health Record – Empowering Providers with Actionable Data

Provider Information

LCC/Case Manager and Care Plan Information

Top 3 Health Conditions

Patient Demographics
- Date of Birth:
- Etnicity:
- Group Name:

Provider Demographics
- Panels:
- Practice:
- PCP:
- Consent:

Care Plan
- Care Plan Status: Active
- Started: 05/14/2014
- Last Updated: 12/08/2014
- Responsible Lead: Venitia McNealy, LCC

Top 3 Problem List
- Other Cardiac Conditions
- Diabetes Mellitus with Complications
- Overweight and Obesity

Illness Burden Score

Health Scores Including the Drug Volatility Score

Member Health Record - Timeline

Period: Dec 2013 - Nov 2014

Episode Duration: Click on the episode to see health details.

Prescription Drugs: Click on the supply link or colored block to see prescription details.

Drug Name
- CARVEDILOL
- OXYCODONE-ACET
- ISOOSORBIDE MONONOITRATE ER

Therapeutic Class
- Alpha-Adrenergic Blockers
- Analgesic/Narcotic Agents and Combinations
- Antianginal - Coronary Vasoconstrictors (Mixt es) and Combinations

Health Care Spend
- Year to Date: $100,000
- Trailing 12 Months: $100,000

Health Scores
- Drug Volatility Score: 10
- Framingham Risk Score: N/A
- AUE Score: 0
- LACE Score: 8
Improvement Without Intrusion
Engagement

TCCI Engagement

- 97% engaged in Programs
- 3% engaged in Care Plans
Resources to Guide the Member

Care providers and programs who understand the local community
Programs to Support the Member

**Care Coordination**
- Hospital Transition of Care Program (HTC)
- Complex Case Management Program (CCM)
- Chronic Care Coordination Program (CCC)
- Behavioral Health and Substance Abuse Program (SBH)

**Self-Management Promotion**
- Home-Based Service Program (HBS)
- Enhanced Monitoring Program (EMP)
- Community-Based Programs (CBP)
- Telemedicine Services (TMS)

**Wellness & Disease Management**
- Health Promotion, Wellness and Disease Management Services (WDM)

**Enhanced Pharmacy Management**
- Comprehensive Medication Review Program (CMR)
- Pharmacy Coordination Program (RxP)

**Additional Provider Support**
- Preauthorization of High Cost, High Impact Services (PRE)
- Expert Consult Program (ECP)
- Centers of Distinction Program (CDP)
- Urgent Care and Convenience Access (UCA)
Member Tools

CareFirst Mobile Access

Keep your health plan information in your pocket with our new mobile site and app!

Keep us with you wherever you go!

With our new mobile site and app, you will have easy and convenient access to:
- View your member ID card
- Find a provider
- Find a nearby Urgent Care Center
- View claims and deductibles
- Check your coverage
- So much more!
Online Access
# CareFirst Pharmacy Program

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<th>Traditional Pharmacy Model</th>
<th>How are Savings Achieved</th>
<th>CareFirst Pharmacy Model</th>
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<td>Unit cost savings</td>
<td><strong>How are Savings Achieved</strong></td>
<td>Unit Cost Savings + Improved Health Care Outcomes</td>
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<tr>
<td>Standard Formulary with exclusions</td>
<td><strong>Formulary</strong></td>
<td>Multiple Formulary options to meet the goals &amp; objectives of the client</td>
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<td>Optional programs available for a PMPM fee</td>
<td><strong>Clinical Programs</strong></td>
<td>Core clinical programs available through TCCI at no additional cost</td>
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<td>Fragmented – contracted separately - each with its own way of doing business – lack of communication</td>
<td><strong>Clinical Integration</strong></td>
<td>Integrated – Pharmacist and PCP partner as a coordinated care team – timely and actionable data</td>
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<td>Customer – transactional</td>
<td><strong>Member Experience</strong></td>
<td>Patient - holistic</td>
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**CareFirst Pharmacy Program**

- **Traditional Pharmacy Model**
  - Unit cost savings
  - Standard Formulary with exclusions
  - Optional programs available for a PMPM fee
  - Fragmented – contracted separately - each with its own way of doing business – lack of communication
  - Customer – transactional

- **CareFirst Pharmacy Model**
  - How are Savings Achieved
  - Formulary
  - Clinical Programs
  - Clinical Integration
  - Member Experience

**Justification**

- **Unit cost savings**
- **Improved Health Care Outcomes**
- **Multiple Formulary options to meet the goals & objectives of the client**
- **Core clinical programs available through TCCI at no additional cost**
- **Integrated – Pharmacist and PCP partner as a coordinated care team – timely and actionable data**

**Clinical Programs**

- **Core clinical programs available through TCCI at no additional cost**

**Clinical Integration**

- **Integrated – Pharmacist and PCP partner as a coordinated care team – timely and actionable data**

**Member Experience**

- **Patient - holistic**
The Value of Integrated Pharmacy

- BCBS Association Study: Used de-identified Blue Health Intelligence®11 data on 1.8 million members under age 65 in 25 Blue Plans for 2011 and 2012. Members who had changes in benefit design or who had lapses in coverage were excluded from the study.
Reporting

- HealthCheck Overview
- I. Network Overview - Paid
- II. Vigilance Shield - Paid
- III. Account Demographics - Paid
- IV. Account Financials - Paid
- V. Member Clinical Risk Profile - Incurred
- VI. Key Use Patterns - Paid
- VII. High Cost Members - Paid
- VIII. Total Care and Cost Improvement Programs - Incurred
- IX. Wellness
- X. Account Administrative Efficiency
- Appendices

• 140+ Clinical & Financial Reports
• Cost, demographic and clinical patterns
• Benchmarked
• Available on-line, on demand, 24x7
Experience of 11,943 Commercial Members in Complex Case Management

- 56% Reduction in Admissions
- 32% Reduction in ER Visits
- 8% Reduction in Readmissions

Average Age at Care Plan Start: 46.2
Average Illness Burden Score: 7.8
Care Coordination

Experience of 4,717 Commercial Members in Chronic Care Coordination

- 28% Reduction in ER Visits
- 44% Reduction in Admissions
- 34% Reduction in Readmissions

Average Age at Care Plan Start: 53.7
Average Illness Burden Score: 5.5
Bending the Cost Curve

5-year Average Overall Medical Trend 7.5%

Overall Medical Trend - “Feared”

Cost Avoided by Bending Trend $1.15 Billion

Actual Medical Trend

Year | Medical Trend | Cost
--- | --- | ---
2010 | 7.5% | $39M
2011 | 7.1% | $262M
2012 | 4.9% | $405M
2013 | 3.5% | $405M
2014 | 3.5% |
2015P | 3.5% |