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)

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950,000+ members served

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

Best Practice

Advancing primary care.
Primary Care Struggling

- 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

60 primary care doctors per 100,000 patients in Buffalo
80 primary care doctors per 100,000 patients national average

The Buffalo News

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?

PMPM Base Rate

Member-Level Adjustments

Physician-Specific Adjustment Factors

Monthly Reimbursement

Your BlueCross BlueShield patients

Plan benefit design

Copays

Coinurance

Deductibles

Age

Gender

Acute and chronic conditions

Risk score

Quality

Efficiency

(Beginning 2018)

Capitation

Fee-for-service
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

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