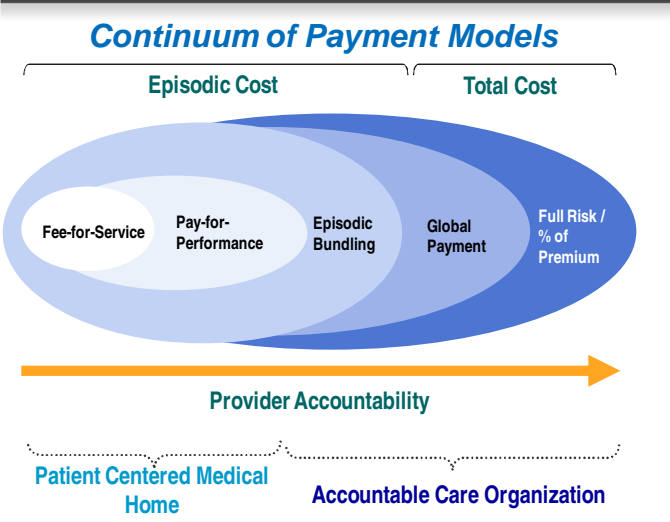


Accountable Practice Model
Aligning Provider Incentives to Improve the Value of our Healthcare System

Align Reimbursement & Incentives

Continuum of Payment Models



Variables to consider:

- Provider infrastructure and appetite for risk
- Patient condition
- Benefit design

ACA Alternative Payment Legislation



- Title III, Subtitle A, Part III
 - Improving the Quality and Efficiency of Health Care
 - Transforming the Health Care Delivery System
 - Encouraging Development of New Patient Care Models
- §3022 – Medicare Shared Savings Program - ACOs
- §3023 – National Pilot Program on Payment Bundling



Experience. Without. Borders.™

Texas Legislation



In 81st Legislature, Senate Bill 10 authorized ERS to establish alternate payment arrangement.

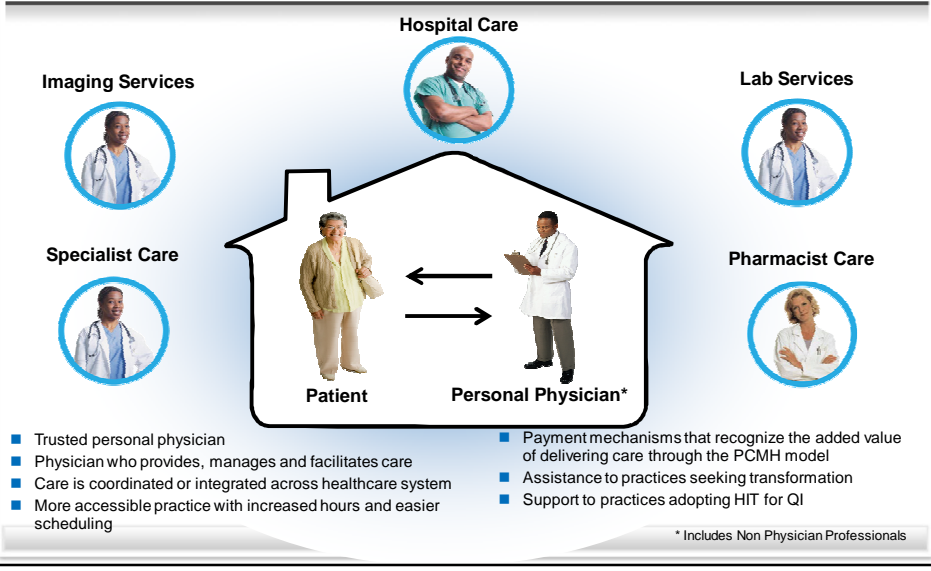
- The Bill sited
 - Global Payment Systems
 - Episode based bundled payments system
 - Pay for performance payment system
 - A blended payment system

Patient Centered Medical Home Model



BlueCross BlueShield of Texas

Redesigning the Way Primary Care is Delivered and Financed



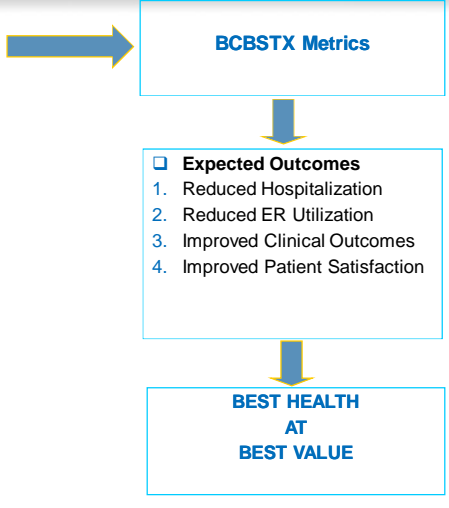
Medical Home/Accountable Practice Model



BlueCross BlueShield of Texas

- ❑ Built off of NCQA Medical Home Standards
- ❑ Focuses on Chronic Conditions and Preventive Care
 - Asthma, Coronary Artery Disease, Diabetes
 - Cervical, Colorectal, Breast Cancer Screenings
- ❑ Family Practice, Internal Medicine, Pediatrics

- Current Model**
- ❑ 2 – 3 year pilot programs
 - ❑ Two medical home pilots in North Texas
 - ❑ Total Membership = approx. 20K
 - ❑ Three Accountable Practice Model pilots effective 1/1/11
 - ❑ Total PCMH/Accountable Practice Model Membership = 100K



Accountable Practice Model



- Primary Care/Medical Home focus – in a POS/PPO environment
- Standard practice evaluation criteria based on NCQA must pass elements
- Standard set of quality metrics (primarily NCQA based)
- Shared Savings model
 - Historical population trend performance
 - Year 1 Target Trend = historical 3 year average trend less trend reduction percentage
 - Year 2 – Year 3 Target trend – movement toward floor of general CPI
 - Savings only shared if quality metric performance is attained
- Care coordination payment
 - Software, Outreach services, Mailers, Increased time with physician, IT support
- Data sharing
- Collaborative chronic condition, case and trend management
- Performance measurement

Questions?

