



Health Care Task Force Managed Care

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Profile: Blue Cross of Idaho

- Formed in 1945 as Idaho Hospital Services
- Changed name to Blue Cross of Idaho in 1973
- Not-for-profit mutual insurance company
- Serves only Idaho residents and employer groups
- 440K medical members and an additional 226K free standing dental members for a total membership of 706K
- Premium revenues in 2012 at \$1.8 billion
- Market share: Commercial 34%; Medicare Advantage 45%



Evolution of Managed Care

- Introduced HMO Blue in 1990
- Introduced True Blue Medicare in 1997
- Care and Quality management staff have grown 300% from 42 staff members in 2002 to 129 in 2012 (or 14% of total staffing)
- Information Technology staff increased by 70% (137 during the 10-years while total staff increased by 47%)
- Managed care principles applied across entire 440,000 member population
- Senior management has many years experience from integrated managed Medicare/Medicaid systems

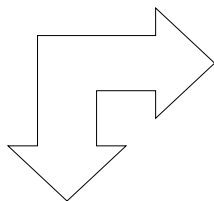
What Works Well in Managed Care?

- Coordinated Care
- Aligning incentives between the provider and the members
- Systems profiling of individuals health risk – allowing for appropriate preventive measures
- Sharing information between health plan and provider
- Promoting evidence based approach to care
(*right care / right place / right cost*)



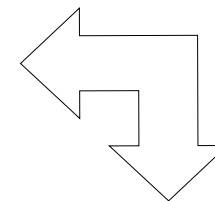
Blue Cross of Idaho Care Continuum

Integrated Care Management Platform



Wellness

HRA/Health Maintenance/Life Style
Coaching/Risk Behavior
Change/Improved Productivity



Member Centric Care Coordination

Total Population Health

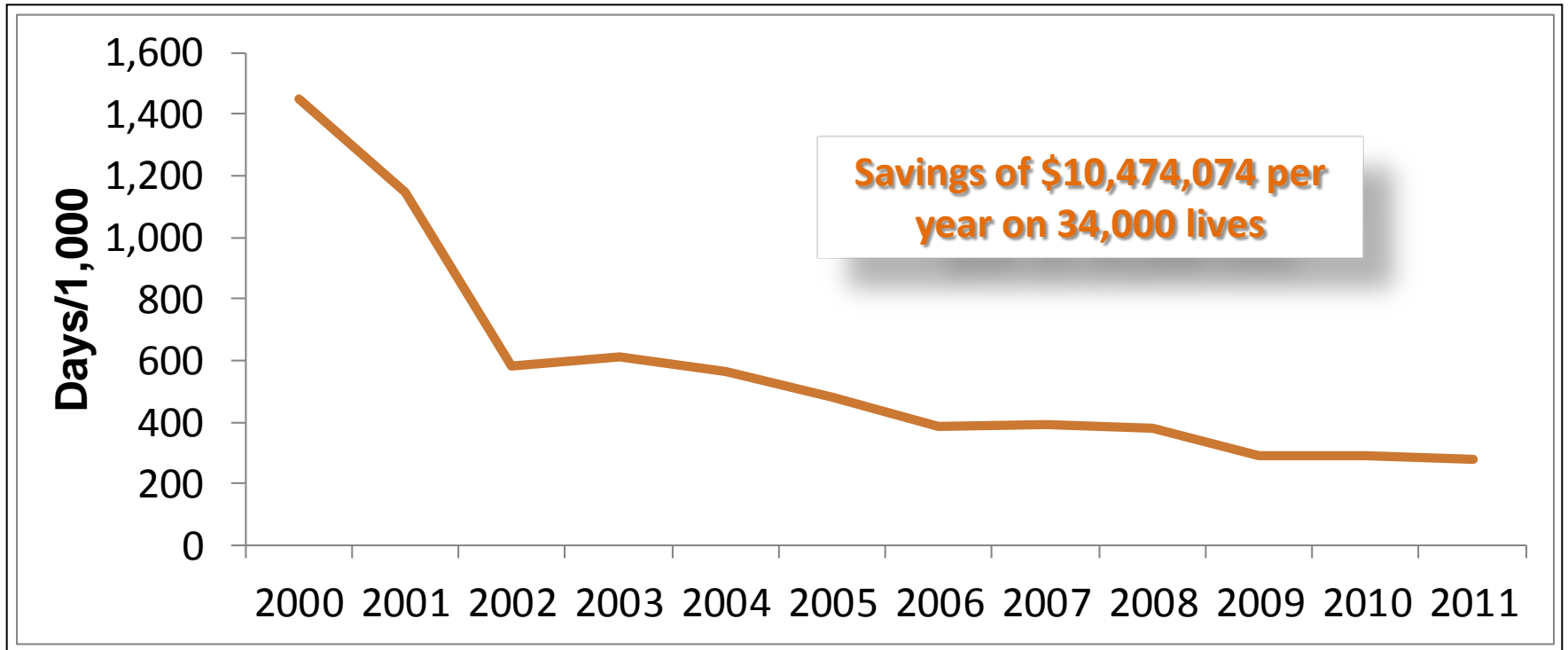
Diabetes/Congestive Heart
Failure/Asthma/COPD/
Chronic/Self-Management



Case Management

High Cost/Catastrophic
Complex/Acute/Specialty
Care/Behavioral Health

True Blue Post-Acute Days/1,000



Averted Days Through Observation Stays for 2011

- Medical necessity of an inpatient stay determined using InterQual criteria
- Often patients do not meet the criteria for an inpatient stay and therefore the DRG is avoided
- Patients may be managed by observation and discharged with home care
- Net savings for averted admissions for 2011-
\$6,836,700

Total Population Health

- 30,000 Disease Management members
- Heart Failure/Asthma/Diabetes and COPD
- Added new Wellness Program for Healthy Measures product - Cardiometabolic Syndrome
- Personal Health Management to provide member education and coaching

Total Population Health

Utilization Analysis Comparing 2009 to 2010*

Commercial

- **Emergency Department Visits****
 - 66.4% decrease – Asthma
 - 31.6% decrease – Diabetes
 - 64.3% decrease-Heart Failure
- **Inpatient Admissions**
 - 63.6% decrease – Asthma
 - 88.9% decrease – Diabetes
 - 78.8% decrease-Heart Failure



*Awaiting 2010 data

**COPD did not start for Commercial until 9/11

2011 BH Readmission Project

- **Interventions used to address:**

- BCI Bridge Program
- Within 48-hours of discharge contact with member to ensure discharge plan in place, follow up appointment within 7-days. Referral to complex case management if issues.
- Contact with outpatient providers to ensure member kept the follow up appt
- Readmission complex case management protocol within 48 hours of readmission to acute level of care

- **As a result of the above interventions BCI achieved the following results:**

– 30 day Commercial	In State Hospital	10%	8%	decrease of 20%
	Out of State Hospitals	12%	6%	decrease of 50%
– 30 day Medicare	In State Hospital	12%	10%	decrease of 17%
	Out of State Hospitals	25%	12%	decrease of 52%

Pharmacy Generic Initiative

- **In 2005, the pharmacy benefit changed so the member pays the difference in cost between brand and its generic**
 - Generic Fill Rate (GFR) has increased from 43% to 76%
 - Every 1% increase in GFR leads to Plan cost savings of 2.9%
- **In 2010, web tools introduced for physicians to review their prescribing habits**



BCI Transition to Medicaid

- **Currently have the only Medicaid Dual Eligible SNP contract – initiated in 2007.**
- **BCI was awarded the Idaho Smiles Dental Medicaid contract in 2007.**
- **We are evaluating a bid response to the Idaho Behavioral Health RFP.**
- **We look forward to the state's issuance of an RFP for the demonstration proposal to integrate care for Dual Eligibles.**

Transition to Medicaid

- **BCI invited the Lewin Group to present managed care concepts and savings opportunities to state policymakers in February 2011**
 - Overall non-dual savings would range from \$37 million to \$99 million over a 10-year period in the state share at \$11 to \$22 million
 - Implementation takes two years and will cost the state \$1.0 to \$1.5 million

Quality Initiatives

- **Paid \$5 million to hospitals for participating in Quality and Safety measures that target a number of issues such as reducing readmissions, hospital acquired infections, surgical safety, etc.**
- **Developed a pilot Transitions of Care program for Medicare Advantage members to improve discharge from the hospital and reduce readmissions.**
- **True Blue Medicare Advantage improved from 4 to 4.5 STARS (based on a 5 point scale). The national average for 2012 was 3.3.**

Questions/Discussion

