

# Brief Notes

NEWS FOR BROKERS & CONSULTANTS

**September 26, 2018**

**Applies to:** All Markets

## **Value-Based Care Programs Positively Impact Our Members' Lives**

### *Significant Improvements Achieved by Value-Based Providers*

Horizon Blue Cross Blue Shield of New Jersey's members receiving care from doctors and other health care professionals who participated in one of our patient-centered, value-based care programs were less likely to be admitted to the hospital, more likely to have essential health screenings, and had a lower overall cost of care in 2017. By receiving health care from a value-based provider, members see a doctor and a team of health care professionals who closely monitor their health to help get the care, health care information, support and assistance they need, when they need it.

“Horizon BCBSNJ began engaging doctors in value-based care collaborations nearly a decade ago and these results confirm that it is our members – their patients – who benefit most when we create a strong partnership and work as a team to provide the care they need. The question is no longer whether to pursue value-based partnerships, it is which models deliver the best quality improvements, best patient experience and are most effective at lowering an individual's total cost of care,” said Allen Karp, Executive Vice President, Healthcare Management and Transformation, Horizon BCBSNJ. “We owe it to our members to continue driving changes and expanding the value-based partnerships that are making it easier for our members to get the right care, in the right setting at the right time.”

This ongoing collaboration with health care professionals allows Horizon BCBSNJ to lead the transformation of health care in New Jersey. More than 1.6 million Horizon BCBSNJ members currently participate in one of our value-based care programs. According to 2017 results, when compared to all commercial members, members engaged with value-based providers experienced a:

- 4 percent lower cost of care trend<sup>1</sup>
- 4 percent lower rate of hospital inpatient admissions

- 6 percent higher rate of colorectal cancer screenings
- 7 percent higher rate of breast cancer screenings

Additionally, value-based providers produced dramatic improvements in 2017 managing members with chronic conditions that require ongoing medical attention and intervention.

For example, results show that members under the care of a value-based provider had:

- 24 percent lower rate of readmissions for patients with diabetes
- 11 percent improvement in diabetes management
- 6 percent lower medical cost trend for patients with congestive heart failure
- 2 percent reduction in potentially avoidable ER visits year over year

Dr. Thomas R. Graf, Vice President of Transformation and Chief Medical Officer for Horizon BCBSNJ, noted that the success of the value-based approach to care demonstrates the power of collaboration between two sides that are too often seen as having a competing, instead of a common, focus.

“The better outcomes and lower costs demonstrate that a health insurer like Horizon BCBSNJ can have a very different kind of relationship with its network doctors and hospitals and that working together fulfills our common commitment to do what is best for our patients and members,” Dr. Graf said.

“I want to thank the overwhelming majority of doctors, health care providers and hospital leaders who are working with us to recognize that value-based care is the best way to produce real improvements in health care quality, affordability and the patient experience,” added Dr. Graf.

Horizon BCBSNJ has more than 70 percent of its in-network Primary Care Physicians participating in one or more of its value-based care programs – a 20 percent increase over the last two years. Thousands of specialists also participate in those programs.

Horizon BCBSNJ provides care coordination and shared savings payments to doctors and organizations led by health systems that participate in one or more of its value-based programs. In 2017, these value-based payments totaled \$104 million and were in addition to what those health care professionals were reimbursed on a fee-for-service basis. Horizon BCBSNJ has several value-based care initiatives, including the OMNIASM Health Alliance, Accountable Care Organizations, Patient-Centered Medical Homes and Episodes of Care.

If you have questions, please contact your Horizon BCBSNJ sales executive or account manager.