Anthem BlueCross
BlueShield
Key Initiatives and Programs

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Provider Network Management
Director-Central Region
Presentation Topics

- Exchanges
- Dual Eligibles
- Payment Innovations-Enhanced Personal Healthcare
- PC2
Exchanges
Health Insurance Exchanges (HIX)

- Health Care “EXCHANGES”, as required under ACA, will become effective on **January 1, 2014**, for individuals and small groups (less than 50 employees).

- Certainly not all, but the majority of Exchange members will likely be those currently uninsured. For those with income between 133% and 400% of the Federal Poverty Level (FPL), they will be eligible for a premium subsidy.

- Exchanges *(you may also hear these referred to as Marketplaces)* will have four levels of coverage: **Platinum, Gold, Silver, and Bronze**; however, all plans must include “essential health benefits” or EHBs as defined by the health care reform law.

- The higher the coverage level, the higher the premium but with less member cost share. Conversely, the lower the coverage level, the lower the premium but with higher member cost share.
Health Insurance Exchanges (HIX) - continued

• Anthem will use our current HealthKeepers PCP network and those PCPs received a letter and an amendment that specified the reimbursement for “exchange” members will be equal to their reimbursement for regular HK members.

• The Specialist network for these exchange products will be a narrower subset of our existing HealthKeepers SCP network; however, an annual analysis will be conducted to determine participation.

• Members began enrolling on 10/1/13 for the 1/1/14 effective date; however, Open Enrollment runs through 3/31/14, so effective dates will be staggered, i.e. 1/1, 2/1, 3/1, 4/1, and 5/1/14 depending upon when enrolled.

• NOTE: There is now a HIX section on the provider website under COMMUNICATIONS. Additionally, an extra “Special Edition” newsletter will be posted very soon online in October re: HIX and Medicaid.
WHERE TO PURCHASE:

- **Marketplace**: “ON” Exchange for *Individuals*
- **SHOP**: “ON” Exchange for *Small Groups*
- “OFF” Exchange: Both private individual products and small group products sold by Anthem Sales agents and brokers.

NEW ANTHEM NETWORKS CREATED:

- “Pathway X Tiered Hospital” network is the “ON” exchange new network available for Marketplace individual and SHOP small group products.
- “Pathway Tiered Hospital” network is the new network available for “OFF” exchange individual and small group products.

NEW ANTHEM PRODUCTS CREATED:

- Based on “metal levels” as previously described
- Will either be “Guided Access” (PCP gatekeeper) or “Direct Access (like “open access”/no referrals required) - *example slide to follow* . . .
NEW: “Pathway X Tiered Hospital” Network

To support both the Individual and Small Group “ON” Exchange strategy this new network was created. *Pathway X Tiered Hospital* is the network selected for ON exchange Marketplace Individual and SHOP small group products.

<table>
<thead>
<tr>
<th>New Network Features</th>
<th>Description</th>
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<tbody>
<tr>
<td>Base Network</td>
<td>Our traditional HealthKeepers network is the foundation of our new network, <em>Pathway X Tiered Hospital</em>.</td>
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<td>Physicians</td>
<td>All specialties are included; however, some of the current specialty providers are not included.</td>
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<td>Hospitals Tiered</td>
<td><em>Most</em> of our current HealthKeepers hospitals are included; however, all have been designated as either a Tier 1 or Tier 2 (<em>higher member cost share</em>) hospital.</td>
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### Pathway Tiered Hospital Network Differences

<table>
<thead>
<tr>
<th>Non-Par Hospitals (OON)</th>
<th>City/Town</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedford Memorial Hospital</td>
<td>Bedford</td>
</tr>
<tr>
<td>2 Bon Secours Memorial Regional Medical Center</td>
<td>Mechanicsville</td>
</tr>
<tr>
<td>3 Bon Secours Richmond Community Hospital</td>
<td>Richmond</td>
</tr>
<tr>
<td>4 Bon Secours St. Francis Medical Center</td>
<td>Midlothian</td>
</tr>
<tr>
<td>5 Bon Secours St. Mary’s Hospital</td>
<td>Richmond</td>
</tr>
<tr>
<td>6 Bath Community Hospital</td>
<td>Hot Springs</td>
</tr>
<tr>
<td>7 Sentara CarePlex</td>
<td>Hampton</td>
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NEW: “Pathway Tiered Hospital” Network

Created to support the individual and small group “OFF” Exchange Products.

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One Example of an “ON” Exchange ID Card

**Product:**  Anthem Gold DirectAccess
**Network:**  Pathway X Tiered Hospital
Getting the right health coverage is easy.

Like most people you may have questions about what the new health care law means specifically to you. We understand.

We're here to help you learn about the new health care plans and choose one that best fits your needs.

Just call 1-877-411-1594 (toll free) today to get help from a Virginia licensed agent at no cost to you.
Shopping for a health care plan can be confusing. Let us help.

Beginning in 2014, you are required by law to have health coverage and we can help you get a health coverage plan that is right for you.

See why you need coverage

Protection from the unexpected
You can be careful every day and still have an accident or get sick. Health insurance protects you from the big medical bills. In the U.S., health care costs an average of $7,6811 per person each year and these costs are expected to rise through 2018.2

Being healthy is easier
Preventive care services are covered at no cost to you when received from an in-network doctor. These services include annual checkups, flu shots, routine vaccinations, mammograms, screenings and more.

Average cost of care

1-day hospital stay       $1,9103
Physician, drugs and treatment costs not included

5-day hospital stay      $9,5504
Physician, drugs and treatment costs not included

Broken leg (no surgery) $2,500 or more5

Broken leg (with surgery) $17,000-35,0005

Changes you'll like in 2014
• Your coverage is guaranteed, regardless of your health.
• There are no lifetime dollar limits on covered services.
• You get preventive care at no additional cost.

Financial help is available
Starting in 2014, the federal government will help some Americans pay for part, or in some cases, all of their health insurance premium. That's called a subsidy. To be eligible, you cannot have affordable coverage through an employer or qualify for coverage through Medicare or Medicaid, and your household income must be below 400% of the federal poverty level.

If you don't get a health plan in 2014...
You may have to pay a penalty, unless you qualify for an exemption. In 2014 the penalty is the greater of $95 per adult and $47.50 per child (up to $285 per family) or 1% of your annual income. By 2016, the penalty increases to the greater of $695 or 2.5% of income.9

For more information about the latest changes in health care, so you can make the right choice for you and your family, call 1-877-411-1594.
Dual Eligibles
Commonwealth Coordinated Care Program

Background

• ACA establishes Medicare-Medicaid Coordination Office
• DMAS and CMS sign LOI for a dual demonstration program in VA
• DMAS issues an RFP for Duals for 5 regions (Northern, Tidewater, Roanoke, Central, Western)
• Anthem selected as MCO option for all 5 regions
• CCC program to be rolled out during 2014, first in Central, Northern and Tidewater
Current Dual Eligible Reimbursement

• Social Security Act requires that Medicare pay first for all Part A and Part B services provided to dual eligibles.

• State Medicaid agencies are secondary payers, and states may limit Medicaid payment (these payments limitations may result in a Medicaid payment of $0).

• Provider must submit 2 separate claims and will receive 2 separate remits from the 2 government agencies.
Anthem Dual Reimbursement Strategy

• For providers, the proposed reimbursement amount in the Dual Attachment is intended to represent the combined reimbursement the provider receives from Medicare and Medicaid on FFS Dual beneficiaries.
Anthem Claim Processing

• Provider will submit one claim to Anthem
• Anthem will process each claim twice in the Claims system—once as Medicare, and once as Medicaid
• Claims System will combine the allowed amounts that FFS Medicare and FFS Medicaid would have paid into a single payment
• Anthem will send out combined allowed amount on a single voucher
• For Medicaid and Duals, Anthem will have 2 check runs per week
Payment Innovations
Enhanced Personal Healthcare-Patient Centered Primary Care (PC2)
Objectives of Patient-Centered Care

Promote change in the current structure by:

- Sharing actionable information and care management resources
- Moving away from a fragmented and episodic health care system
- Focusing on care coordination, patient outreach, and quality improvement
- Redesigning the payment model to move from volume-based to value-based payments
- Having PCPs manage ALL aspects of their patients’ care
- Promoting access, shared decision-making, and care planning around the individual needs
Patient Centered Primary Care: Foundational Pillars

This strategy will drive transformation to a patient-centered care model by aligning economic incentives and giving primary care physicians the tools they need to thrive in a value-based reimbursement environment.

Enhanced reimbursement tied to measurable behavior changes and outcomes

Expanded access through innovation

Aligning care management with the delivery system

Exchange of meaningful information

Four Foundational Pillars
Patient Centered Primary Care: Transforming Physician Compensation

Meaningful enhanced reimbursement tied to desired and measurable behavior changes

• Implement value based reimbursement that promotes care coordination and shared accountability for the member:
  ✔ New care coordination codes
  ✔ eVisits and telephonic communication
  ✔ Shared savings opportunities

• Leverage provider tools and resources to help reduce cost and thereby increase primary care physician “shared savings”
Patient Centered Primary Care: Enhanced Access

• What it **IS**:  
  ✓ Being Available – “First Contact of Care”  
  ✓ Being “On Call” and calling back  
  ✓ Having access to patient’s history 24/7  
  ✓ Utilizing web technology and eVisits  
  ✓ Leveraging physician extenders as part of the care coordination team with retail clinics or nurse practitioners as appropriate.

• What's it **IS NOT**:  
  ✓ “My office is currently closed, please go to the ER if this is an emergency”
Patient Centered Primary Care: Care Management and Care Coordination

• Create PCP Led Accountable Patient-Centric Team

• Attribute patients to each practice through a predictive model

• Provide virtual care managers for their Anthem patients or working with their embedded care managers

• Provide access to Anthem’s Member Medical History Plus (MMH+) tool
  ✓ Web based tool that organizes claims data and lab results into a “patient” record
  ✓ Same tool used by Anthem case management nurses
  ✓ Also useful for meaningful after hours coverage
Patient Centered Primary Care: Bi-Directional Exchange of Actionable Data

- In addition to providing 24/7 access to MMH+, Anthem delivers actionable information in areas such as cost, quality, efficiency, and utilization:
  - Avoidable ER
  - Gaps in care
  - Admissions/Readmissions
  - Imaging/Lab site of service
  - Anthem Care Comparison (site specific cost and quality information)
  - Brand vs generic prescribing
  - Specialty referral management
Program Overview

**Purpose:** Improve the health of our members, particularly members with chronic and multiple chronic conditions through better care management & coordination resulting in reduced total medical costs.

**Participation:**
- Products: PPO, HMO, FEP, … (essentially all except Medicaid & Medicare)
- Applies to PCPs at the ‘practice’ level (TIN)
- Solo vs Medical Panel participation

**Attribution:** Visit Based for all products

**Measurement:** Cost, Quality & Utilization

**Revenue Components:** Routine Care Mngt Fee & Shared Savings Opportunity

**Provider Responsibilities:** Care Plans, Registries, Improved outreach & care coordination

**Support:** Anthem Staff, Reports, Online Tools, Education, …
Two Reimbursement Paths

Care Management Fee
- PMPM paid monthly on attributed members
- Reimbursement intended to help
  - Fund transformation costs
  - Care plan costs, registry maintenance, etc…

Shared Savings Opportunity
- Cost target is set based on historic total medical cost of a practice’s attributed members… measured as a cost PMPM
- Total Medical Costs = PCP, Specialists, IP, ER, Rx, Lab, Imaging… “All costs”
- Risk Adjusted ~ set relative to patient acuity
- Adjusted for expected medical trends
- Year-End costs compared to target = savings or deficit
Anthem + Employer Partnership + Providers

To truly impact cost and quality of care, *WE* – Anthem and employers – need to migrate towards value based reimbursement

- Our local market penetration and breadth across Virginia positions us well to provide solutions that best respond to local market needs and foster provider capabilities
- Value based contracting is a paradigm shift and will be our standard method for compensating providers going forward
- We can help drive positive change in quality and cost when we bring all of our business to the table – we can do this effectively in partnership with you

Working together (Anthem, Customer and Provider) we can drive healthcare transformation
Questions?