



A HEALTH CARE PAYER'S APPROACH TO VALUE-BASED CARE AND INNOVATION

SEPTEMBER 5, 2023

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Through targeted initiatives and partnerships, Blue Cross Blue Shield of Michigan is a national leader in enhancing value-based care for members, customers and providers



Blue Cross has a strong and growing partnership with the Multicenter Perioperative Outcomes Group (MPOG) through the Anesthesiology Performance Improvement and Reporting Exchange



Blue Cross has a robust process for evaluating new medical technologies and reviewing existing medical policies to ensure that members have access to cost-effective and medically appropriate clinical services

Blue Cross Blue Shield of Michigan by the numbers

83 year history of operation

5.3 million health plan members

9th largest
health insurance company in the U.S.

3rd largest
Blue Cross plan by membership

\$32 billion in 2021 gross revenue

283rd equivalent ranking
on the Fortune 500 list

10,000 employees

A shift to more value-based payment models offers an opportunity transform care delivery to address both cost and quality

February 25, 2022 06:00 AM

Blue Cross execs: Pandemic proved fee-for-service health care payment model is broken. Here's how to fix it.

Todd Van Tol
Dr. James D. Grant



It's no shock to anyone reading this that there is an affordability crisis in American Health Care. And while much of the focus is rightly centered on the cost of services, how those services are paid for is also a factor that influences the pocketbook pressures consumers face every day.

Moving to transform payment to a value-based system — with payments tied to quality, cost effectiveness and patient experience — offers a solution that should diminish negative effects on providers during the next dramatic shift in health care.

The COVID pandemic continues to spotlight the heroic efforts of those within our health care system — particularly those on the front lines of delivering care.

But it also has confirmed that our traditional fee-for-service payment approach is antiquated and doesn't serve our population well, especially for providers when they are managing a global crisis.

Historically, insurers like Blue Cross pay physicians, hospitals and pharmacies per unit of service. During the pandemic, services that brought steady cash flow to providers, like office visits and elective procedures, slowed to a trickle. Revenues dropped significantly — precisely when health system resources were desperately needed...

Fee-for-service models

Value-based care models



Incentivizes quantity of care



Incentivizes quality of care



Drives reliable income for providers



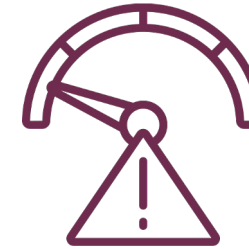
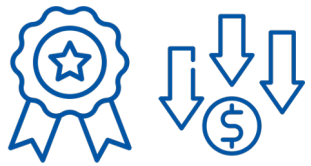
Promotes population health management



Lowers physician stress and burnout



Value-based care prioritizes quality and affordability outcomes



Optimizing
outcomes,
experience
and **affordability**...

...for a **defined**
population...

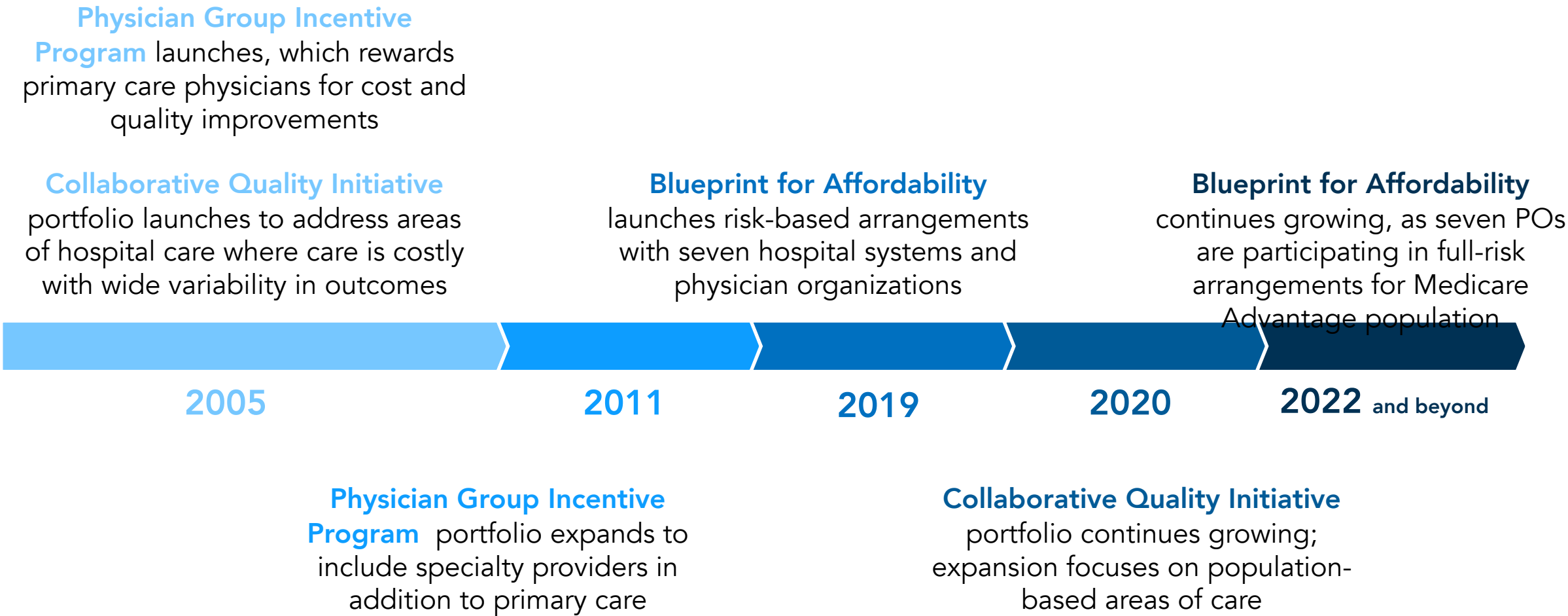
...via a **whole**
person
approach to
care...

...where providers
are **held**
accountable for
performance...

... driving
results by
enabling
focused care on
the **right**
patients at the
right time.

Source: [The March To Value: Ingredients For A Value-Based World](https://www.oliverwyman.com)
(oliverwyman.com)

Blue Cross has been a driver in the shift toward value-based care since the mid-2000s



A_nesthe_Siology P_erformance I_mprovement and R_eporting E_xchange

- ASPIRE is the **Blue Cross sponsored component** of the **Multicenter Perioperative Outcomes Group**
- The goal of ASPIRE is to improve the care of patients undergoing anesthesia by **reducing unexplained variation in practice** and collaborating with anesthesia providers to **define best practices**
- Participating sites work together to **build quality measures, review best practices, and exchange ideas for improving patient outcomes**



ASPIRE has demonstrated strong performance through tangible improvements in clinical outcomes

The collaboration through ASPIRE continues to produce meaningful results and reinforce the utility of this initiative



16%

Improvement in perioperative glucose management, reducing the risk of postoperative infections (2020-2022)



4x

As many patients received **smoking cessation counseling** compared to 2021



25%

Reduction in carbon footprint by more efficient and environmentally friendly use of anesthetic gases in patients undergoing general anesthesia (2022-2023)

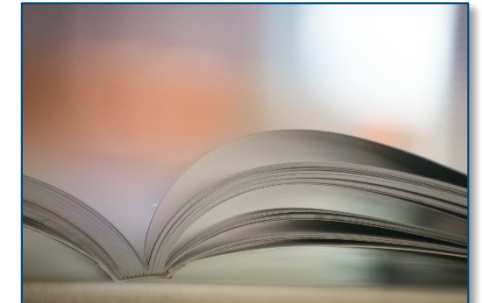
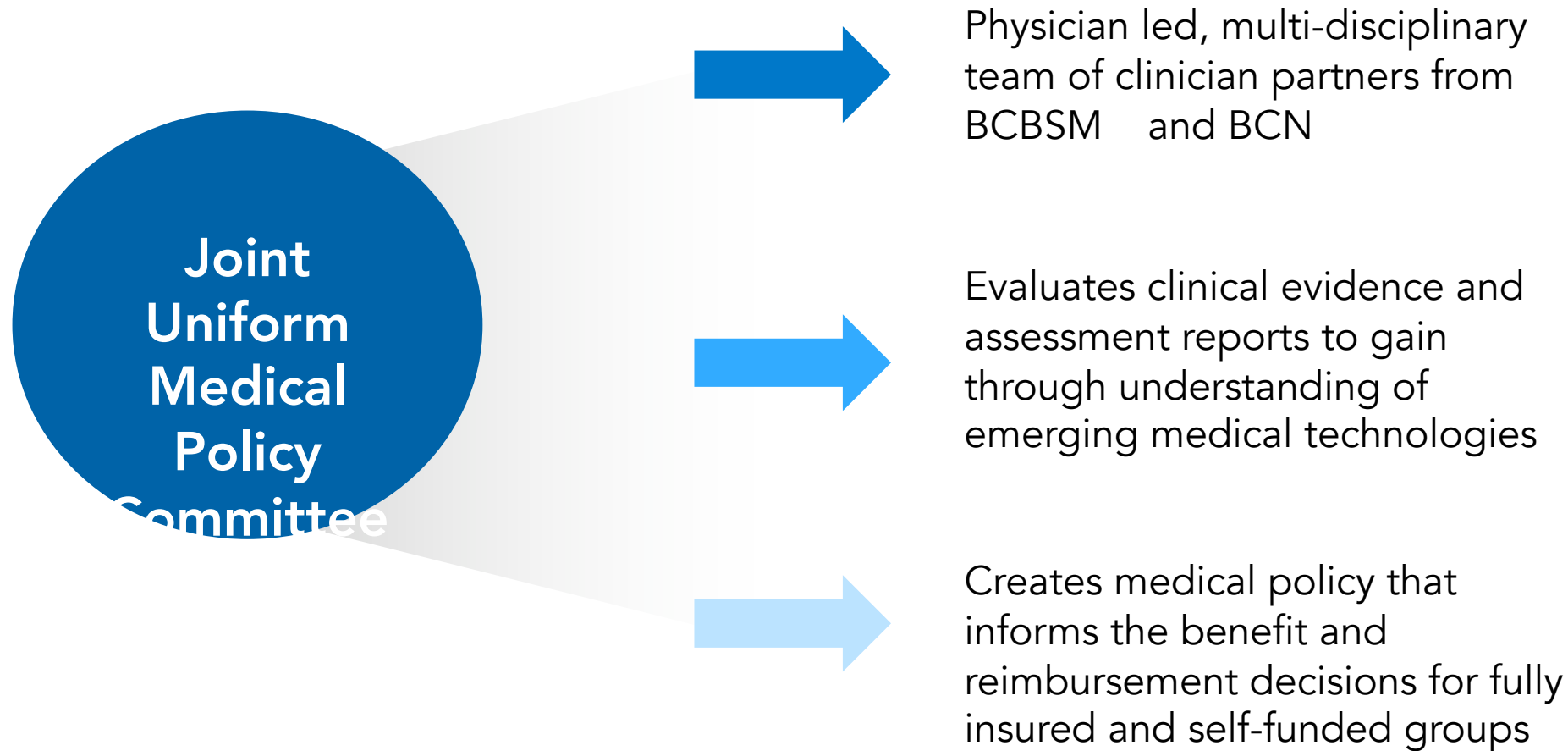
As technology advances, health care payers are evaluating the efficacy of care innovations that can enhance value for members



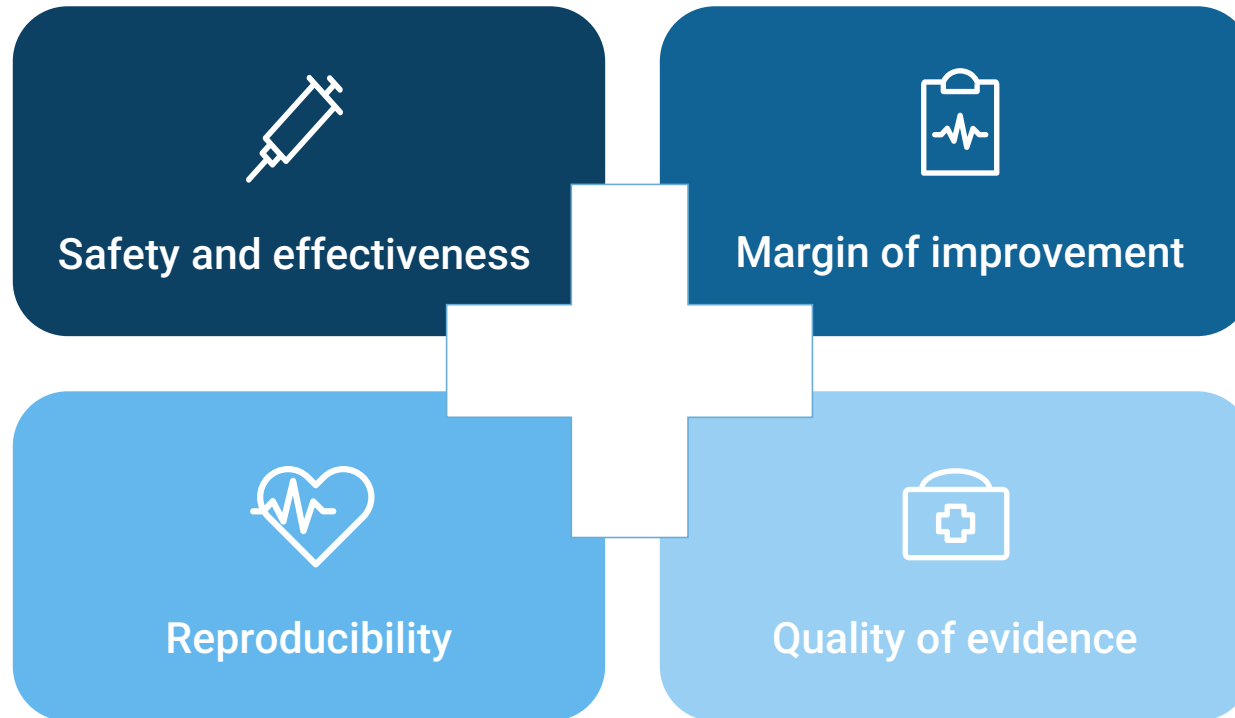
Blue Cross partnerships / initiatives that have enabled patients to receive care outside of the hospital:

- AMC Health (remote monitoring)
- Aspire Health (palliative care)
- Landmark (in-home care)
- In-home assessments
- In-home colorectal test kits
- Livongo (A1C management)

Blue Cross uses a rigorous clinical process to assess emerging medical technologies through the Joint Uniform Medical Policy Committee



The JUMP committee at Blue Cross evaluates emerging technology and existing medical policies based on several key categorical considerations



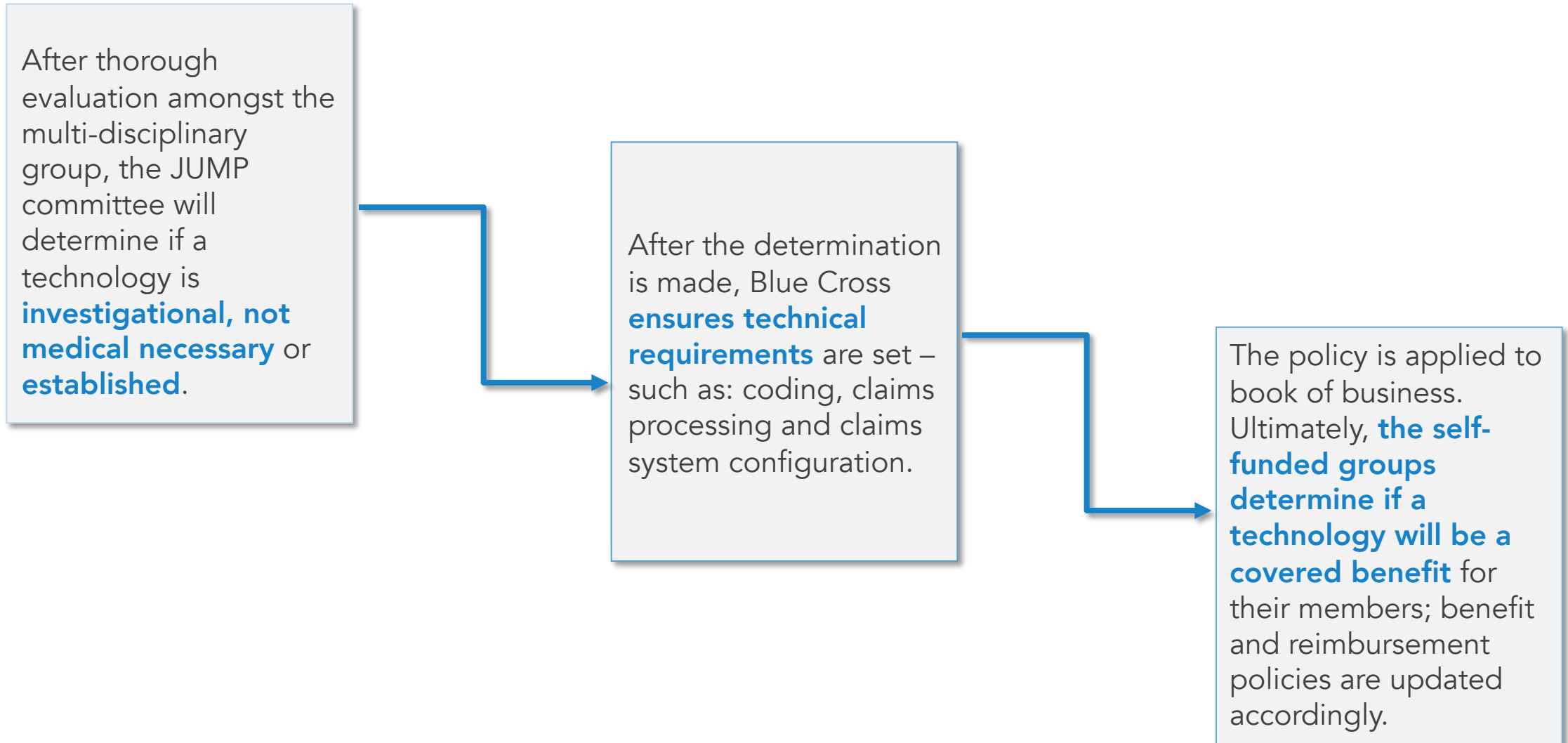
Technology must have final approval from appropriate governmental and regulatory bodies.

Scientific evidence must conclude a positive effect of the technology on health outcomes.

Technology must be as beneficial as any established alternatives, at a minimum.

Improvement must be attainable outside the investigational settings.

Once a medical policy determination is made on an emerging technology, self-funded groups evaluate benefit and reimbursement levels



Let's use bioimpedance devices for cancer related extremity lymphedema as an example



Existing
policy



Policy review &
update



Coverage
determination

1

Current medical policy states that use of bioimpedance devices for cancer related extremity lymphedema is **investigational**; therefore investigational procedures are not a covered benefit.

2

As part of the policy review process, the JUMP Committee considered **new evidence** from clinical publications, discussed with subject matter experts in the provider network and considered guidelines from National Cancer Care Network. Ultimately, the JUMP Committee determined that use of bioimpedance devices for cancer related extremity lymphedema is **established**.

3

Once determined as **established**, BCBSM members now have access to use of bioimpedance devices for cancer related extremity lymphedema as a **covered benefit**.

The Blue Venture Fund invests in health care technology and clinical sciences growth opportunities



BLUE VENTURE FUND



The Blue Venture Fund provides a unique value proposition to emerging companies and health plans looking to innovate within a dynamic marketplace

- The Fund makes equity investments in companies that align with the strategies of its BCBS Plan investors. The Funds are stage-agnostic and typical investments range from \$1M to \$20M.
- The Fund partners with market-leading CEOs to provide strategic guidance, partnership introductions, strategic sales support, and Board oversight.
- The Fund team has well-established programs for introducing portfolio companies to Blue Plans to drive significant revenue, distribution, and partnership opportunities.



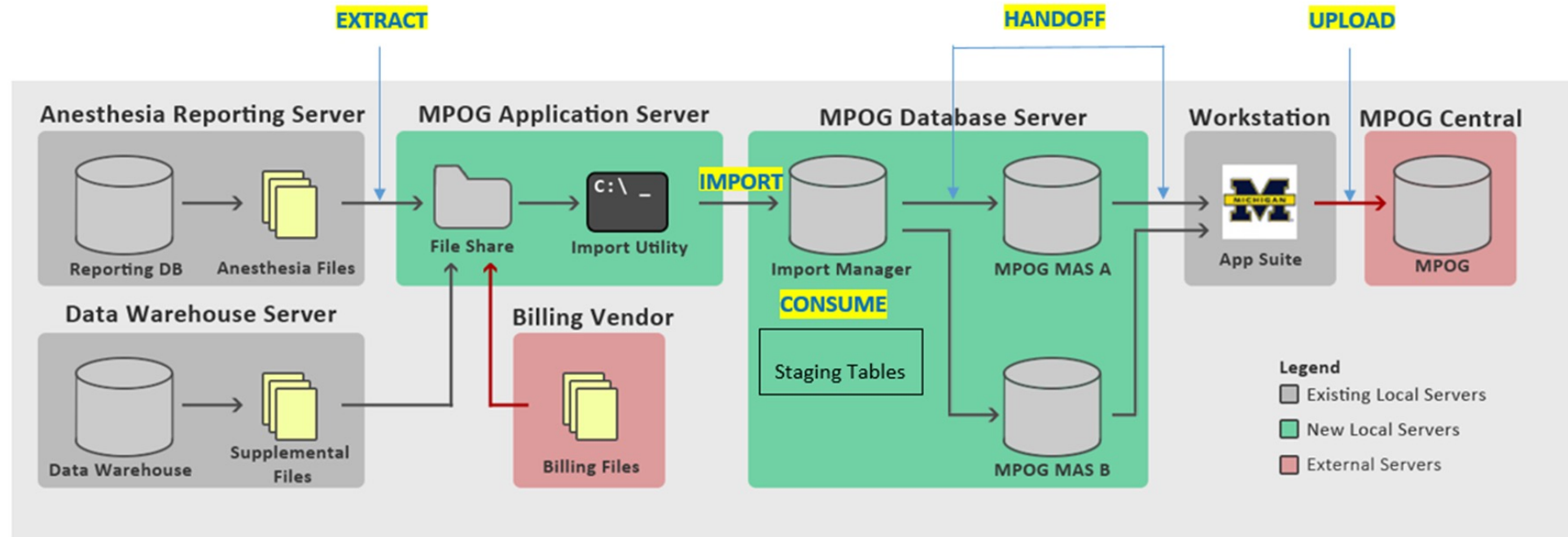
Thank you



Appendix

The ASPIRE data collection process is unique among hospital CQIs in that data is collected electronically and not abstracted manually

File Pipeline Diagram



1. *Extract* – Files are generated by extracting data from its source system. These files are then placed into a file share accessible by the MPOG import utility.
2. *Import* – Files are removed from the file share and inserted directly into the Import Manager database.
3. *Consume* – File stored within the Import Manager are parsed into tabular data and inserted into staging tables. Additionally, metadata regarding variable usage is generated for later mapping.
4. *Handoff* – The tabular data is inserted into the designated MPOG MAS database.
5. *Upload* – Using the transfer utility within the MPOG application suite, surgical cases are uploaded to the central repository.