Welcome and Introduction

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HMO Network Management Update
December 11, 2013

PRESENTED BY:
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This presentation is a high-level summary and for general informational purposes only. The information in this presentation is not comprehensive and does not constitute legal, tax, compliance or other advice or guidance.
Agenda

• Government Programs
• 2014 MSA Highlights
• Beyond 2014
Medicare Advantage
- HMO and POS products offered in 2014
- Network in 4 counties

State Programs
- Medicare/Medicaid Alignment Initiative (MMAI)
  - February 1, 2014
  - Network in 6 counties

- Integrated Care Plan (ICP)
  - February 1, 2014
  - 606 zip code area
  - Cook County expansion

- Temporary Assistance for Needy Families (TANF)
  - July 1, 2014
2014 MSA Overview

- Reducing Cost of Care
- Improving Quality
- Compliance
- Reporting
Delegation Compliance Audit

- Annual audit of documentation, processes and operations
  - Current policies and procedures
  - System review
  - Claims payment and QIRA submission accuracy

IPA Financial Solvency

- Compliance with financial reporting requirements
- Oversight to ensure the IPA business model maintains a balanced budget

Assignment of any IPA responsibilities

- Notification and approval at least 60 days in advance
Timely reporting

- Claims timely filing provision of IPA provider agreements – no later than 90 days from date of service
- Semi-monthly QIRA data submissions

Accuracy of data

- Certification of data accuracy
- Correction of rejected records within 10 days of notification
- List of IPA capitated providers and advance notification of changes

Penalties

- Ineligible to qualify for Quality Improvement Fund payments
- Costs associated with reprocessing of QIRA data
Advance Premium Tax Credit Grace Period
(apply to Blue Precision HMO)

Claims payment requirements

• Pay all claims during the first (1st) month
• Pend all claims during the second (2nd) and third (3rd) months and
  • Issue Provider notification that claims are pended
• Issue appropriate payment or denial of pended claims within ten (10)
days following HMO notification to the IPA of Member status

Provider notification requirements

• Issue Provider notification that a Member is in an Advance Premium Tax
  Credit Grace Period during the second (2nd) and third (3rd) month
  • Eligibility verification, referral and/or authorization approval process.

Accept BCBSIL PPO fee schedule

• Payment within 30 days following the required 3 month grace period
Availability and Accessibility

Routine Care

• Expanded hours outside of 9:00 am – 6:00 pm Monday through Friday

Immediate Care

• Early morning availability 8:00 am – 9:00 am
• Evening availability 6:00 pm – 8:00 pm
• Weekend availability twice a month
• Alternatives to PCP office for immediate care
  • Immediate and/or Urgent care facilities not billing as an ER
Capitation Fees

- Expansion of risk adjusted funding to Capitation Fee
  - 1.0% allocated to risk adjustment
  - Risk adjustment payments available to MGs with a risk score over 1.00
  - Payments in July, January and final reconciliation June, 2015
  - Blue Precision – Blue Advantage risk score used until final reconciliation

Utilization Management Fund

- Continue Risk Adjustment to the UM Fund
UM Fund Units

• Chemical Dependency transition
  • Increase to available fund units

<table>
<thead>
<tr>
<th>BENEFIT PLANS</th>
<th>ADULT MALE</th>
<th>ADULT FEMALE</th>
<th>CHILD MALE</th>
<th>CHILD FEMALE</th>
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<tr>
<td>All Plans</td>
<td>0.4517</td>
<td>0.5892</td>
<td>0.2733</td>
<td>0.2458</td>
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<td></td>
<td>0.4702</td>
<td>0.6055</td>
<td>0.2795</td>
<td>0.2499</td>
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• Gastroenterology Procedures
  • Hospital-based – 0.25 increase in unit charge
  • Freestanding Ambulatory Surgery – Class 1 facility 0.25 decrease in unit charge
  • Office-based – No unit charge

• PCED Emergency Room Visits
  • 0.50 unit charge
Emergency Room Utilization Credit Fund

• PCED unit charge offset
  • Baseline established as IPA’s 2011 PCED visit/per 1000 rate
  • Adjusted funding level to recognize performance

<table>
<thead>
<tr>
<th>2011 Baseline</th>
<th>PCED/1,000 rate</th>
<th>Funding Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 and &lt;= 30</td>
<td></td>
<td>125%</td>
</tr>
<tr>
<td>&gt;30 and &lt;= 40</td>
<td></td>
<td>115%</td>
</tr>
<tr>
<td>&gt;40 and &lt;= 65</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>&gt;65 and &lt;= 90</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>&gt;90</td>
<td></td>
<td>50%</td>
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</table>

• Funding Adjustment Exceptions
  - 2011 visit per/1000 rate of less than or equal to 40 with a 20% or greater increase in 2014 - Funding Level will be 100%
  - 2011 visit per/1000 rate of greater than 65 with a 10% or greater decrease in 2014 - Funding Level will be 100%.
Administrative Compliance

- Additional reporting requirements
  - Weekly submission of Maximum Out-of-Pocket Expense report
  - Quarterly submission of total member assignment by PCP
  - Annual submission of IPA capitated providers

Case Management

- Case Management Program requirement
- HMO funding for Complex Case Management component
  - Increase in CCM funding

Program Compliance and Survey Results

- Submission of Utilization Management and Case Management Plan
- Annual Delegation Compliance Audit rating of 95% or greater
Quality Improvement Project Plan

- Increase in QIPP funding
  - 14.50% available for HMOI and Blue Advantage
  - 17.00% available for Blue Precision

- Blue Precision Annual Health Assessment funding
  - Early identification of member needs before claims

<table>
<thead>
<tr>
<th>Date Annual Assessment Performed</th>
<th>Age &lt;40 Years</th>
<th>Age &gt;=40 Years</th>
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<tbody>
<tr>
<td>1/1/2014 to 6/30/2014</td>
<td>$100</td>
<td>$200</td>
</tr>
<tr>
<td>7/1/2014 to 12/31/2014</td>
<td>$50</td>
<td>$100</td>
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</table>
Generic Drug Management

- Increase Compliance rate
- Elimination of 8.0% earning

<table>
<thead>
<tr>
<th>Percent of Generic Drugs Compliance Rate</th>
<th>Percent of IPA Base Capitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.00% or higher</td>
<td>12.0%</td>
</tr>
<tr>
<td>82.00% - 84.99%</td>
<td>11.0%</td>
</tr>
<tr>
<td>78.00% - 81.99%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Below 78.00%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Targeted Drug Class Management

- New drug management program
- 2.25% of capitation earning opportunity
- Targeted drug classes, ARBs, PPIs and Statins
Beyond 2014

Medicare Advantage

- Expansion to Group business
  - PPO offering in 2015
  - Network offering in 4 counties

Repositioning Commercial HMO

- New Product development for Group and Retail
  - Narrow network offerings focused on
    - Cost of Care
    - Quality performance
    - Care management programs
Questions
Break
2014 QI Fund Project Updates

Dr. Carol Wilhoit
Senior Medical Director, Quality and Outcomes
2014 QI Fund Project Updates

Carol Wilhoit, MD, MS
• There is a need for 2014 quality improvement initiatives for Blue Precision. However, many aspects of the Blue Precision membership are still unknown.
  • Enrollment
  • Timing of enrollment
  • Demographics
  • Health status
  • Degree to which Blue Precision members have unmet health needs
• It will be mid-2014 before claims, encounters and pharmacy data allow identification of members with specific conditions.

QI Projects for Blue Precision
• Based upon the many unknowns, the 2014 QI Fund projects aim to assure that the quality improvement process for Blue Precision BEGINS in 2014. The payment thresholds represent a starting point – not the desired endpoint.

• 2014 QI Fund payments for Blue Precision are based upon ASSESSING and beginning to manage members – not on achieving control.

• 2014 payment thresholds are low because of the many unknowns. We anticipate that the care provided will far exceed these thresholds.

QI Projects for Blue Precision
• In the 2014 MSA, the QI Fund Project section was reformatted into a table.
• This allows the HMOI/BlueAdvantage HMO project indicators and thresholds to be easily compared to those for the Blue Precision projects.
• This presentation aims to describe and explain many of the major changes to the QI Fund projects for 2014.
• The presentation does not attempt to identify every change.
• QI Fund payments are based upon the actual MSA language and other supporting documents.
• While some payment thresholds have changed, these are not individually addressed in this presentation. Most payment threshold changes are noted in the presentation with **.

Disclaimer
• Some IPAs use non-clinical staff for medical record review.
• IPA oversight of these staff by the Medical Director or other clinician is essential to be certain that the IPA is accurately providing all of the necessary information.
• **HMOI/BlueAdvantage**: The project is very similar to 2013:
  • Asthma Action Plan
  • Asthma Control**
  • Interventions when Asthma is Not Well Controlled**

• **Blue Precision**: The project is based upon evaluating asthmatics and starting to manage care. Payment thresholds are 30%:
  • Asthma Action Plan
  • Assessment of Asthma Control
**HMOI/BlueAdvantage**: The project is similar to 2013. However, while a flowsheet is still recommended, its use will no longer be required.
- HbA1c control, LDL-C control, Blood Pressure control**
- Eye Exam**, Medical Attention for Nephropathy**, Depression Screening**

**Blue Precision**: The project is based upon assessment of diabetics. Payment thresholds are 40%:
- HbA1c testing
- LDL-C screening
- Blood Pressure screening
Cardiovascular Conditions

- **HMOI/BlueAdvantage**: The project is very similar to 2013:
  - LDL-C Control
  - Blood Pressure Control
  - Advice to Quit Smoking
- **Blue Precision**: The project is based upon assessment for members with cardiovascular disease. Payment thresholds are 40%:
  - LDL-C Screening
  - Blood Pressure Screening
Clarifications for HMOI/BlueAdvantage:

• Aspirin use was inadvertently omitted from the 2014 QI Fund. While this will not be a scored indicator in 2014, IPAs may include aspirin information in the data submission and receive feedback on results. This indicator will be scored in 2015.

• The MSA indicates that Blood Pressure Control is based upon a value of <140/80 mmHg. This is the correct threshold for Diabetes, but is not the correct threshold for CVD. The CVD payment will be based upon Blood Pressure Control <140/90 mmHg.
• This project is for HMOI/BlueAdvantage only.

• The project is very similar to 2013:
  • Percentage of members who had CVD risk assessed** in 2012 or 2013, including: aspirin use, blood pressure,, LDL-C, and advice to quit smoking (or documentation of non-smoking status)
• **HMOI/BlueAdvantage**: The project is very similar to 2013:
  • Combination 3 rate**
  • Combination 10 rate**

• **Blue Precision**: The project is based upon documentation of immunization status for children who turn two between 1/1/2014 and 6/30/2014.
This project is for HMOI/BlueAdvantage only.
The project is very similar to 2013, with payment based upon the colorectal cancer screening rate**
This project is for HMOI/BlueAdvantage only.

The project is very similar to 2013:

- Percentage of members who had BMI/BMI Percentile, Counseling for Physical Activity and Counseling for Nutrition
- Influenza Vaccination rate**
• This project is for HMOI/BlueAdvantage only.

• The project is very similar to 2013:
  • BMI**
  • Advice to Quit Smoking and Screening for Problem Drinking**
  • Influenza Vaccination rate
• Project requirements are the same for HMOI/BlueAdvantage and for Blue Precision.
• Payment is based upon outreach for:
  • Breast Cancer Screening
  • Cervical Cancer Screening
  • Colorectal Cancer Screening
  • Asthma
  • Diabetes
  • Cardiovascular Conditions
• The outreach timeframe is 1/1/2014-9/30/2014. IPAs may choose to do outreach later than in prior years, due to the potential for slow Blue Precision enrollment.

Physician and Member Outreach
• This project is the same for HMOI/BlueAdvantage** and for Blue Precision.
• Since payment is based upon the percentage of PCPs who complete the Quality Interactions CME program, one submission will be adequate for both products.
• The IPA denominator will be based on BCBSIL credentialing records for the IPA as of 3/1/2014. There are no exceptions.
• Each IPA will receive automatic credit for PCPs for whom the IPA submitted documentation of program completion in 2013 who are still on the IPA’s list of credentialed PCPs as of 3/1/2014.

Cultural Competence
HMO HEDIS Prenatal and Postpartum Care

Prenatal Care

- HMO/BA HMO Results: 93%, 94%, 88%
- Quality Compass National Average: 91%, 91%, 90%

Postpartum Care

- HMO/BA HMO Results: 84%, 84%, 75%
- Quality Compass National Average: 81%, 81%, 80%

** Statistically Significant Change (p < 0.01)
• This is a new project in 2014 for HMOI/BlueAdvantage and for Blue Precision.
• The population includes members with a live birth between 1/1/2014 and 6/30/2014.
• **HMOI/BlueAdvantage:**
  • Prenatal care during the first trimester (or within 45 days of enrollment)
  • Postpartum care visit 21-56 days after delivery
  • Payment thresholds are 50%.
    • 2012 HMO HEDIS rates were 88% and 75%, so these thresholds are very achievable.
• **Blue Precision:**
  • The IPA submits requested documentation about prenatal and postpartum care for at least 90% of identified members.
Select Administrative Quality Indicators Reported Using NCQA Certified Software
• These measures have been included in the QI Fund each year since 2011.
• The measures are HEDIS measures that are based upon administrative data (BCBSIL claims and IPA encounters) only.
• BCBSIL uses the final HEDIS results from its NCQA Certified Software, and performs an analysis by IPA.
• For these measures, supplemental IPA data submission is not allowed.

Select Administrative Quality Indicators Reported Using NCQA Certified Software
Select Administrative Quality Indicators Reported Using NCQA Certified Software

- The number of indicators included in this section of the QI Fund has increased over time.
- In 2014, Mental Health Follow Up will move to this section of the QI Fund.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Indicators</th>
<th>Percent of Possible QI Project Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4</td>
<td>7.5%</td>
</tr>
<tr>
<td>2012</td>
<td>7</td>
<td>12.7%</td>
</tr>
<tr>
<td>2013</td>
<td>9</td>
<td>20.0%</td>
</tr>
<tr>
<td>2014</td>
<td>11</td>
<td>24.1%</td>
</tr>
</tbody>
</table>
• For 2012, IPAs earned less than half of the available QI Fund payment for the Administrative Indicators.
Possible Reasons for Low IPA Rates
for Administrative Indicators

- IPA physicians are not providing recommended services.
- The IPA is not submitting complete QIRA (encounter) data. Possible issues include incomplete documentation of:
  - Physician visits
  - Laboratory services
  - Radiology services
  - Behavioral health services
  - Physician specialty
- The IPA is not submitting QIRA data in a timely manner.
  - 2013 QIRA data must be submitted by early March, 2014 to assure inclusion in the results for the 2014 QI Fund.
Recommendations

- 2013 IPA reports for the Select Administrative Quality Indicators Reported Using NCQA Certified Software are posted on MXOtech.
- Also posted are:
  - Member lists for each of the indicators.
  - A description of each indicator (in the HEDIS Reference Documents section).
- If there are indicators for which your IPA rate is lower than the National Average, please review medical records for a sample of the members to determine whether the issue is that care was not provided, or whether the issue is incomplete QIRA data.
- Contact me if you need assistance in interpreting your IPA report.
• Payments for the Annual Health Assessment apply to Blue Precision only.
• The Annual Health Assessment payments account for a substantial portion of the 2014 Blue Precision QI Fund.
• The QI Fund includes two payments:
  • A quarterly payment is available, with a payment for each member who had an Annual Health Assessment.
  • An annual payment is available to IPAs that perform an Annual Health Assessment for ≥55% of Blue Precision members. There are five payment thresholds, with the highest payment for IPAs with Annual Health Assessment rates of ≥85%.
• The Annual Health Assessment is intended as a mechanism for each new Blue Precision member to have an early assessment of clinical and care management needs.

• This involves a FACE TO FACE PCP visit that must include:
  • Past medical history, social history, family history, review of systems
  • Medication reconciliation
  • Physical exam including BMI
  • Age-appropriate immunizations
  • Age-appropriate preventive care services
  • Chronic disease monitoring
  • Ordering of appropriate laboratory/diagnostic tests
  • Anticipatory guidance/risk factor reduction interventions

Annual Health Assessment
For payment, IPAs must provide documentation of the Annual Health Assessment in two ways:

- Submission in QIRA data
- Submission of the Health Assessment Form

BCBSIL will provide age-specific Health Assessment Forms and coding instructions.

Note that the quarterly payment is based upon the both the age of the member and the timing of the assessment, with payment being higher for assessments performed by June 30, 2014.
Other Topics
• In 2014, the Blue Star Medical Group/IPA Report and Blue Ribbon Report℠ will be similar to the report in 2013 and previous years.
• There will be major changes for the 2015 report.
• Going forward, Access will be a key component of the Blue Star Report.
• Details will follow in the near future.

Blue Star Report
• When performing outreach, wording is very important.

• DO NOT reference BCBSIL in your outreach. Members are more likely to take a recommended action if the recommendation comes from their physician than from BCBSIL.

• DO NOT use words like “study” or “HEDIS” in the outreach.
2014 HEDIS Data Collection
• The timeframe for HEDIS data collection is defined by NCQA and was shortened starting in 2013.

• For the past few years, BCBSIL has used “smart” HEDIS data collection forms on MXOtech that would only allow IPAs to enter dates and lab values within specified ranges.

• The downside of this approach is that BCBSIL could not download and quality check submitted information until all IPAs had completed data entry.

• In order to make HEDIS data collection more timely, this previous process will not be used for HEDIS in 2014.

Background
• The 2014 HEDIS forms posted on MXOtech will not restrict the dates or lab values that can be entered.
• IPAs will be asked to submit the forms as they are completed, and to upload supporting documentation throughout the HEDIS process.
• BCBSIL will review forms as they are available, rather than waiting until data collection is complete.
• HEDIS will be reported for Medicare Advantage in 2014.
• There will be a separate HEDIS data submission process for Medicare Advantage.
• IPAs in the BCBSIL Medicare Advantage network will receive instructions about Medicare Advantage HEDIS data collection.

2014 HEDIS Data Collection
2014 HMO Case Management

Dr. Richard Gayes
Medical Director
2014 UM Plan Updates

Marie Baker
Director, Health Services Programs

Laura Mesmer
Manager, Health Services Programs
2014
HMO UM Program
UM Plan Updates
HMOs UM Team

Laura Mesmer, RN, Manager

Augie Delisa, RN    Becky Gordon, RN    Marguerite Stovall, RN

Ritchelle Baldovino, RN    Kim Raineri, RN
Lessons Learned

NCQA Site Survey in 2013 (based on 2012 NCQA Standards)
- A documented “policy” alone does not meet many NCQA Standards
- Many NCQA standards require a documented process and/or assessment of process/performance
- Additional UM / CM Findings:
  - Assessment of Life Planning needs to be consistently assessed - if not appropriate for the member, it needs to be documented
  - Assessment of status to goals needs to be documented consistently and new goals established as appropriate

Changes to NCQA Standards: (2013 and 2014)
- Data source requirements have been expanded to include documented processes and assessment of processes / performance
Lessons Learned

Observations from the 2013 HMO UM Program

• UM Plan
  • We got what we asked for – sometimes verbatim
  • It did not always reflect the IPA-specific process
  • Oversight of the HMO primarily relied on the IPA UM Plan to determine compliance of HMO requirements
Lessons Learned

Observations from the HMO 2013 Case Management Program

• We got what we asked for – requirements were too loose
• Appeared that many IPAs chose to manage ICM versus CCM cases
  • ICM was easier and generated more eligible funds
  • 1,000s of members were instructed on the importance of diet and exercise
• Questionable focus on effectiveness of case management
• HMO reporting of IPA-specific status and performance is needed
• The HMO list provided to the IPAs was sent too early and created eligibility concerns
• The HMO lists provided to the IPAs was “dated” and did not always reflect a member’s current health status
Based on what we learned....

2014 UM Plan Requirements changed and/or expanded
  • Documentation of IPA-specific operations/staff will be required
  • Complex Case Management Program has specific requirements

Non-compliance with CCM Program requirement penalties
  • Corrective Action
  • Ineligibility for the Utilization and Case Management Fund

HMOs Oversight of the IPA has been expanded
  • Semi-annual Onsite Adherence Audits will continue with an enhanced focus
  • Collaboration with the designated IPA CCM team will occur throughout the year
  • Comprehensive Oversight of the IPA Case Management Operations to assess compliance with all IPA-specific UM Plan and HMO requirements
Based on what we learned....

Educational Opportunities

- HMOs will provide IPA-specific reporting on Case Management status / performance
- Webinars for the IPA UM/CM staff will be offered monthly
Overview of 2014 UM Plan Changes

- Definitions were added to clarify terminology
- Behavioral Health: Chemical Dependency/Substance Use Disorder (SUD) is delegated to the IPAs
  - Clinical Criteria for SUD – American Society of Addiction Medicine (ASAM) is required
- ALL IPA submissions must be sent through the IPA Portal
  - UM Plans
  - Denials
  - CCM case documentation
- Intensive Case Management (ICM) is not a requirement for submission in 2014 (however it is strongly recommended for IPAs to continue to manage cases they feel are appropriate)
- Complex Case Management Requirements – defined and expanded
- All existing CCM cases will require a CCR to determine if the member meets the 2014 CCM requirements
Complex Case Management Requirements

IPA must have a comprehensive written description for their CCM Program including but not limited to:

- IPA Clinical Structure identified and clinical and non-clinical staff roles defined
  - CCM Coordinator is a licensed health professional who collaborates directly with PCP
  - Clinician or Certified Case Manager required for the Attestation and at least 1 Member contact per month and CCM goals (that are measurable) are established, reviewed and revised if applicable
- IPA process/procedure for member identification and member engagement is required
- Initial Assessment (IA) is required within 30 days of Clinical Case Review (CCR)
Complex Case Management Requirements

- PCP must agree that Member is appropriate for CCM
- PCP also must agree with member-centric goals
- Member must see PCP, face-to-face, at least once every 6 months
- Member contact must be bi-directional
- Monthly contact must include discussion of progress towards goals
Transition Considerations

2013 CCM Cases

• Current CCM cases will not be transferred to the 2014 IPA Portal

• HMOs will provide a list to the IPA portal in March 2014
  • This is only one eligible data source. In the interim:
    • IPAs will be provided a list of open 2013 CCM cases. IPAs can assess if the member meets 2014 HMO CCM criteria. The case may be entered into the 2014 portal on/about January 15, 2014.
    • IPAs can reference 2013 releases to evaluate if any current member meets 2014 CCM criteria.
    • IPAs have more current data on members

• IPAs may continue to manage members not meeting 2014 HMO CCM criteria outside of the IPA portal
Review of 2014 UM Plan
Changes
Closing Remarks
Thank you for your participation!