

Highmark Delaware Reimbursement Strategy

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Highmark's Approach to Value-Based Care

What is Value-Based Care?

- Value-Based Care is paying providers for high-quality outcomes—healthier patients while managing cost
- Supporting providers in reducing or eliminating waste and avoidable costs
- Shifting incentives away from volume to value

Why is it important?

- Aligning incentives with providers; ensuring a material economic interest in the outcomes resulting in better coordination of the patient experience across the continuum of care
- Working toward healthier patients at lower cost improves affordability across the system (e.g., members, employers, governments, pensions)
- Future fee for service reimbursement will be impacted based on value-based results to emphasize our commitment to drive quality and outcomes

How do we deliver it?

- Making value inherent in all our reimbursement methodologies
- Building strategic relationships with provider partners
- Providing education, cost awareness, actionable data, and field-based support resources to providers
- Moving providers to more advanced models incorporating shared savings and shared risk based upon readiness
- Promoting evidenced-based medicine and nationally recognized standards of care from medical societies

Our objective is for all of our providers to be successful in value-based programs

We are listening to the provider community and evolving Highmark's VBR programs

Lessons Learned	Provider Benefit
Introduce providers to risk through a VBR Glide Path	Allows providers the time to become acquainted with and mature into a different mindset of delivering care
Enhance/pilot new reporting capabilities	Provides more member level insights through consistent monitoring and reporting of performance (Daily ED Reports, Specialist Efficiency Reports, Tableau-Visual Dashboards)
Profile measures prior to scoring providers	Informs providers about the measure and increases the potential of achieving measure thresholds when scoring is introduced
Align metrics with national standards (CMS and HEDIS)	Reduces provider confusion between payer programs and limits reporting burden

Highmark is delivering best-in-class analytics and consultative support to providers in True Performance

True Performance Analytics Suite

Regular Reports

- Monthly reporting package includes 12 Quality and Cost and Utilization reports
- More frequent reports also provided, e.g., weekly ER frequent flier report

Self Service Tools

- Self-service platform allows Providers to cut their data for aggregate trends and individuals



Consultation

- CTCs and PR Reps provide interpretation and insights from analytics
- Provider-facing analytic team provides “deep-dive” and ad hoc analytic support

Delaware PCP Census activity

	Beginning of year	Adds	Terms	End of Year
2016	981	298	(64)	1,215
2017	1,215	134	(76)	1,273
2018	1,273	202	(73)	1,402

Highmark Primary Care Provider trends relative to the DE geography have increased year over year since from 2016 to 2018. For Year 1 this population increased by 24%, Year 2 increases 5% and Year 3 saw a 10% increase. In total a marked PCP increase of 43% in that same time period.

**Limited to Highmark In-Network Providers*

True Performance is Making an Impact

TOTAL: 538 contracted entities
1,699 practices
Approximately 1.89 million attributed members
Approximately 30% in an advanced arrangement

*Figures current as of Jun 30, 2019

Central Pennsylvania

- 117 entities
- 569 practices
- More than 560,000 members

NEPA

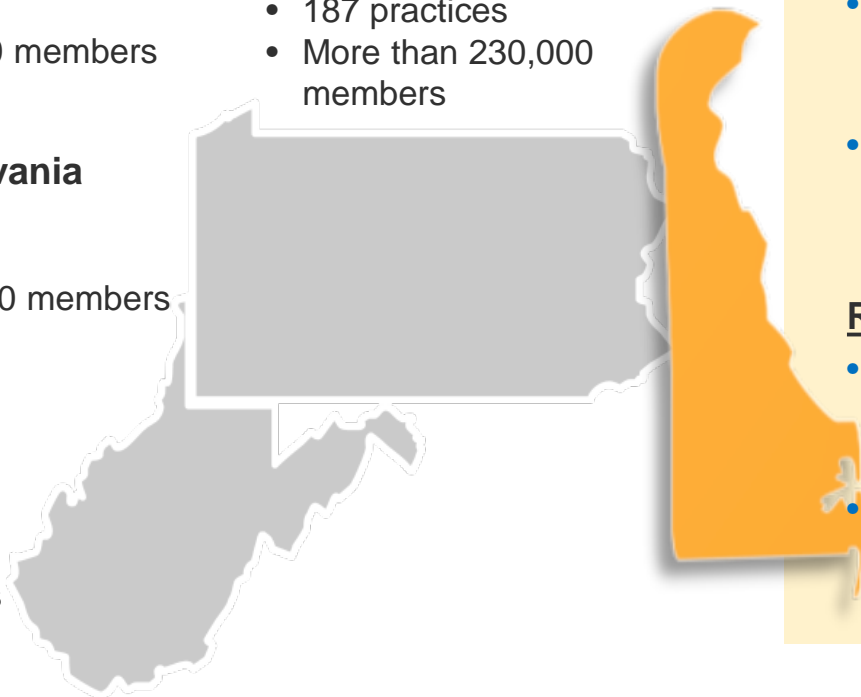
- 87 entities
- 187 practices
- More than 230,000 members

Western Pennsylvania

- 169 entities
- 556 practices
- More than 645,000 members

West Virginia

- 86 entities
- 262 practices
- More than 215,000 members



Delaware

- 79 entities
- 125 practices
- More than 240,000 members

2018 Program Results:

- **ED Visits**
 - Potentially avoided costs of \$37.6 million
- **Admission Rates**
 - Potentially avoided costs of \$311 million

Results to date*:

- **ED Visits**
 - Potentially avoided costs of \$76.4 million
- **Admission Rates**
 - Potentially avoided costs of \$535 million

- *Results through June 2019.