

JUNE 12, 2023



State of Delaware SEBC VBR Overview

Who We Are



EXECUTIVE LEADERSHIP

Nick Moriello
President
Highmark BCBS Delaware

Adam Knox
Head of Commercial Business
Highmark BCBS Delaware

Jerry Walsh
Market Executive
Highmark

CLIENT MANAGEMENT

Wendy Beck
Executive Client Manager

Lisa Mantegna
Senior Client Service Manager

HIGHMARK VALUE-BASED REIMBURSEMENT (VBR)

Brendan McDonald
Director
Reimbursement Design & Market Evaluation

Highmark Health Family of Companies

Highmark Health is a leading, diversified national health and wellness organization committed to getting health care right.

One of the nation's 10 largest health insurance organizations

4th largest Blue Cross Blue Shield organization in the US

1st Blue Cross Blue Shield plan to form an Integrated Delivery Financing System (IDFS)

3rd largest IDFS in the US

Serving more than **6.8 million members and hundreds of thousands of additional individuals** through BlueCard



NON-PROFIT HIGHMARK HEALTH PLANS INCLUDE:

- Highmark Blue Cross Blue Shield
- Highmark Blue Shield
- **Highmark Blue Cross Blue Shield Delaware**
- Highmark Blue Cross Blue Shield West Virginia
- Highmark Blue Cross Blue Shield Western New York
- Highmark Blue Shield Northeastern New York

Highmark Blue Cross Blue Shield Delaware proudly serves ~500,000 members directly plus ~150,000 through Blue Card, the BCBSA national benefit program

Creating a Health Care Partnership That Goes Beyond Coverage

80+ YEAR
PARTNERSHIP
BETWEEN
HIGHMARK
DELAWARE AND
THE STATE OF
DELAWARE



YOUR HIGHMARK ACCOUNT
MANAGEMENT TEAM AND
DEDICATED MEMBER
SERVICES TEAM
HAVE OVER 150 YEARS
OF COMBINED SERVICE
WITH HIGHMARK
DELAWARE

100% OF SURVEYED
GHIP RESPONDENTS
WERE “EXTREMELY
SATISFIED” WITH HIGHMARK
BCBS DELAWARE

99% NETWORK UTILIZATION
MOST COMPREHENSIVE
NETWORK IN DELAWARE

DEEPLY INVESTED IN OUR COMMUNITY:

BLUEPRINTS FOR THE COMMUNITY: \$36M+ IN GRANTS TO DATE

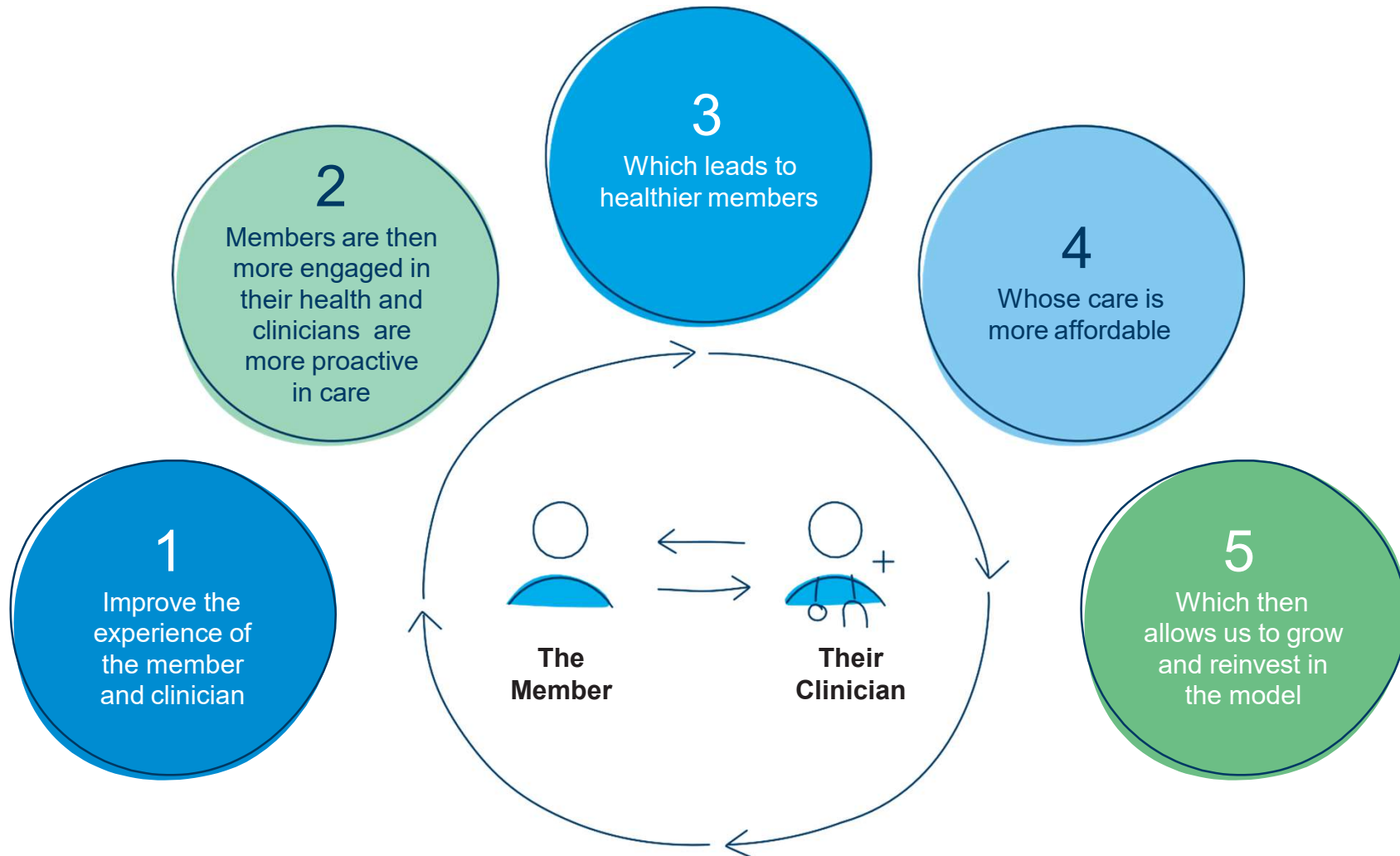
DHIN: \$12.5M+ (2016-2022)

HEALTH CARE PROVIDER LOAN REPAYMENT PROGRAM: \$1M (2021)

COMMUNITY SPONSORSHIPS: \$5.7M (2011 – 2022)

Living Health Strategy – Member Journey

Reinventing the health experience for members and clinicians.



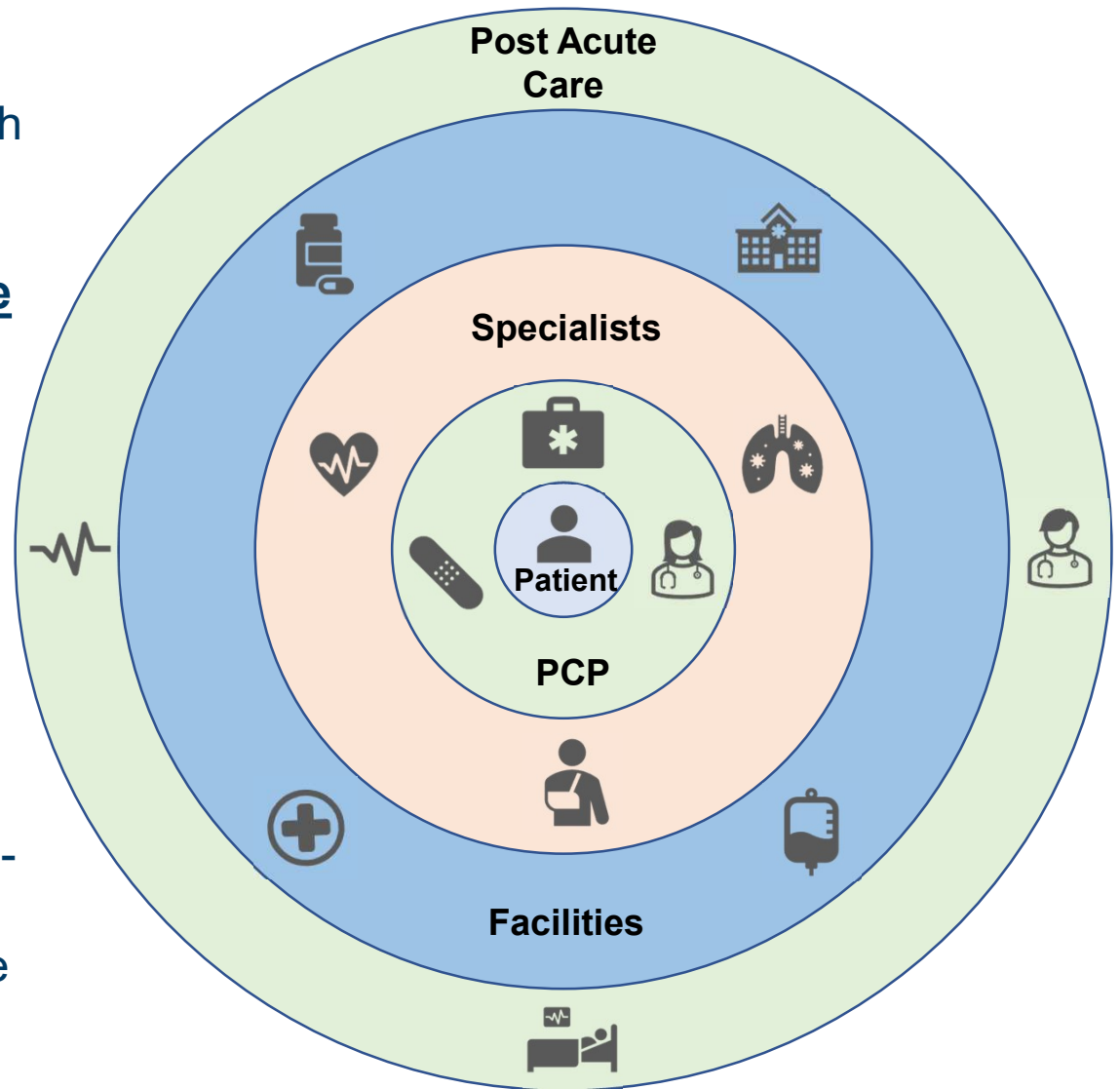
Value-Based Reimbursement Overview

What is Value-Based Reimbursement (VBR)?

Traditional reimbursement models pay providers based on volume—the number of patient engagements, visits, and tests. VBR prioritizes health care **outcomes** over **activity**.

VBR aims to **improve quality of care and reduce costs across** well-coordinated health care platforms by focusing on prevention, screening, and maintaining wellness for all populations.

Highmark members receiving care from a VBR PCP experience care coordination and patient advocacy designed to improve their holistic well-being, prevent and reduce the effects of chronic disease, and help them live healthier lives—at less cost than traditional health care models.

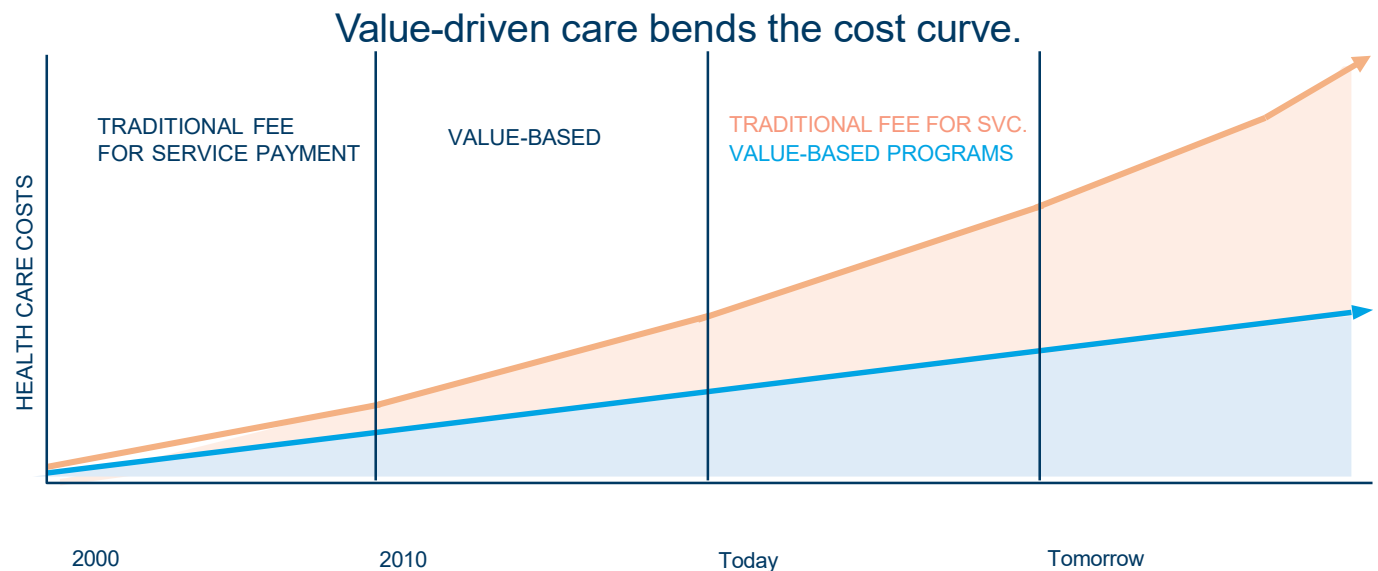


PCP refers to Primary Care Physicians

Value-Based Care: Quality over Quantity

Working with providers to deliver better value for you.

We've proven that when you focus on member health first, **costs inevitably go down.**

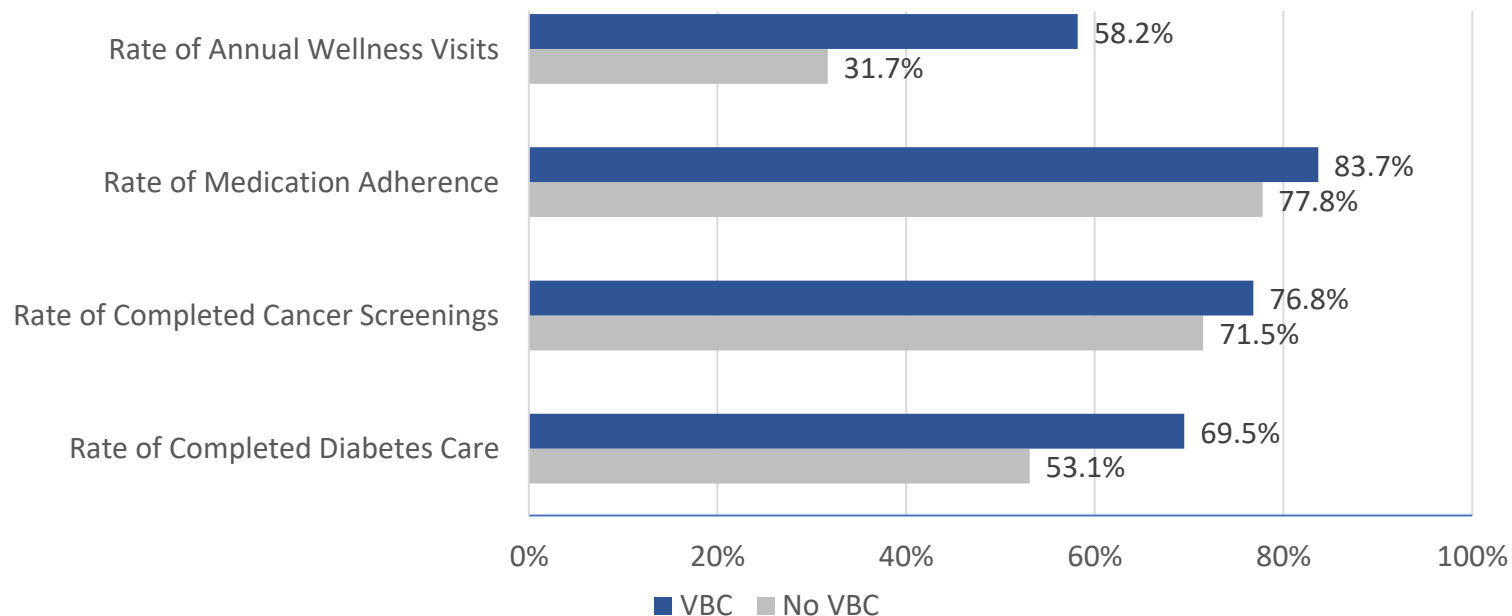


Since 2017, Highmark value-based PCPs have achieved nearly **\$2.5B** in avoided costs savings.

Value-Based PCPs Enhance Care Quality Across All Markets

Preventive care is crucial in keeping members healthy and avoiding unnecessary emergency care and hospital stays.

All Markets – Preventive Care with VBR



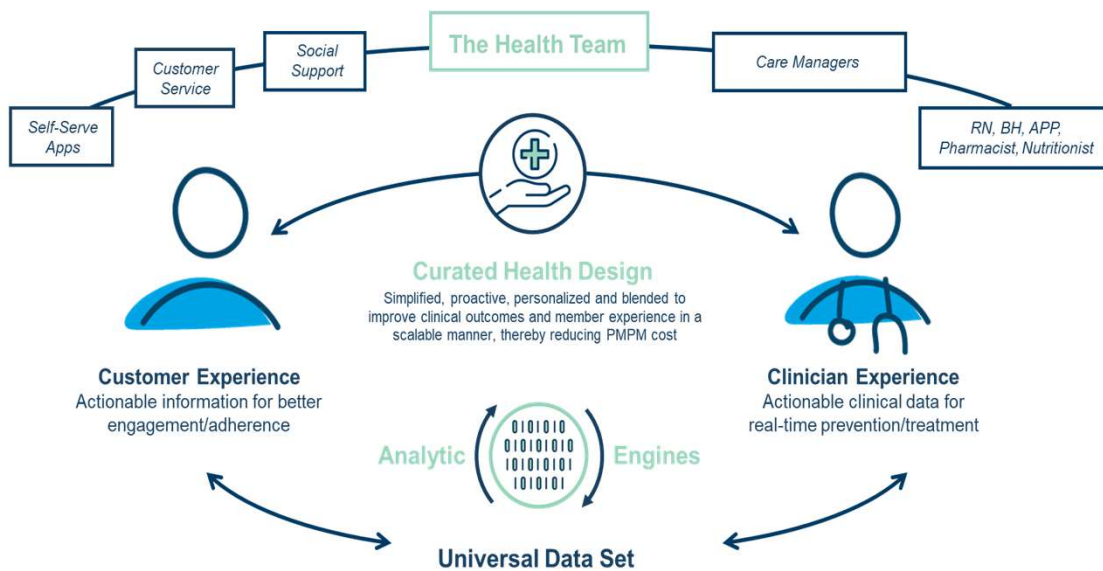
Value-based PCPs:

- Have a **significantly higher rate of completed annual wellness visits** compared to non-VBR providers
- Have made measurable improvements making sure **patients are taking their medications as prescribed**
- **Perform better** at completing **screenings for colorectal cancer and breast cancer**
- **Outperform** others in providing care that is critical for **effective diabetes management**

Redesigning Insurance and Care Delivery to Support Providers and Members Alike

Simplified. Proactive. Personalized. Blended.

Better Insurance Products



Redesigned Delivery System



Provider Resources to Ensure Positive Impact on Member Health and Avoid Unnecessary Care Costs



Care Quality

Dedicated focus and improvement of quality outcomes



Integrated Technology Solutions

Simplified workflow solutions that enable the management of members' chronic conditions to ensure complete and accurate documentation, in real-time, at the point of the patient encounter



Medical Cost Improvement

Targeted focus on care delivery optimization and cost reductions, using Advanced Analytics & Reporting, Integrated Technology Solutions, and Clinical Advisory Support



Clinical Advisory Support*

Train providers to succeed in VBR programs and partner with provider and practice leadership to discuss year-round gap closure activities through a regular meeting cadence that focus on building strategies to close remaining gaps

*Additional details in Appendix



Advanced Analytics & Reporting

Entity- and practice-level reports, analytic support, and population health management tools

Value-Based Reimbursement & Delaware

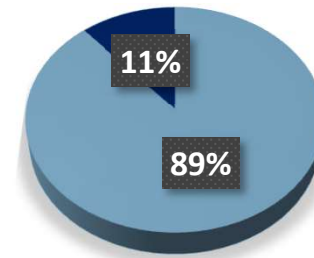
Highmark Delaware Value-Based Care Network Coverage



By the Numbers

~1,500 PCPs
~190+ Practices

PCP Reach



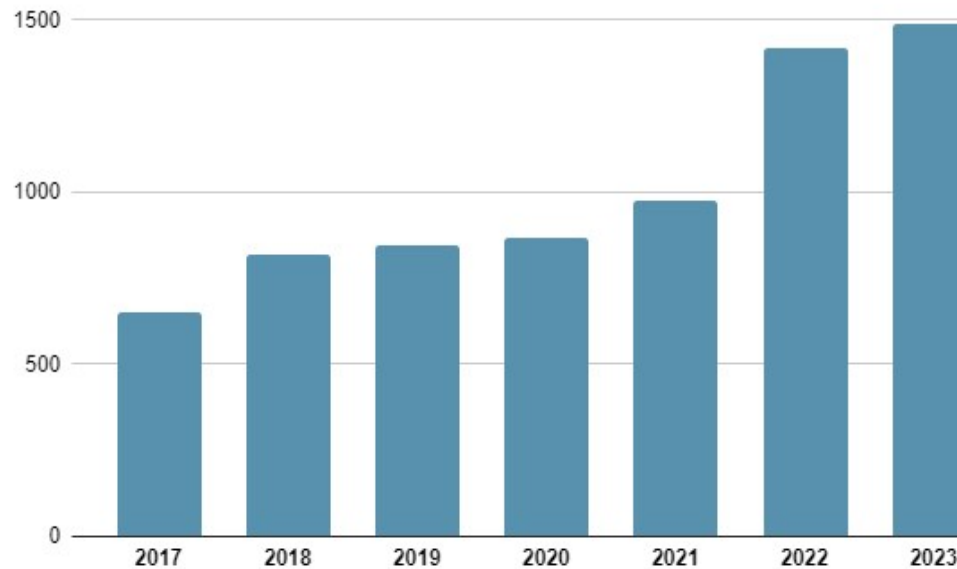
Highest PCP reach of all Highmark markets

■ PCPs in Value-Based
■ PCPs Not in Value-Based

+129%

Increase in the number of Delaware PCPs participating in Highmark value-based care programs since 2017

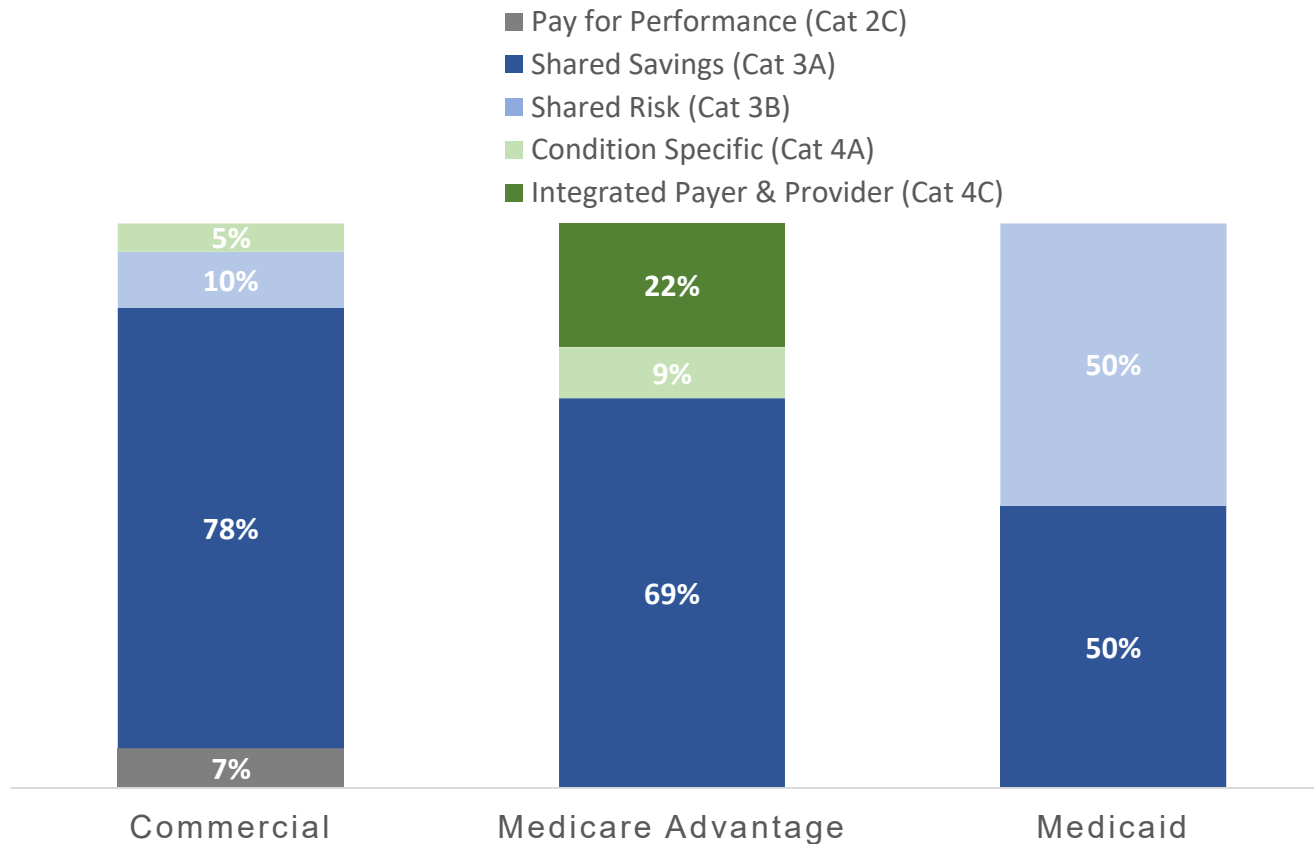
Highmark DE PCP Participation Growth



Alternative Payment Models (APMs) by DE Lines of Business

APMs vary across Lines of Business (LOBs) because of the different drivers and dynamics that affect each of them.

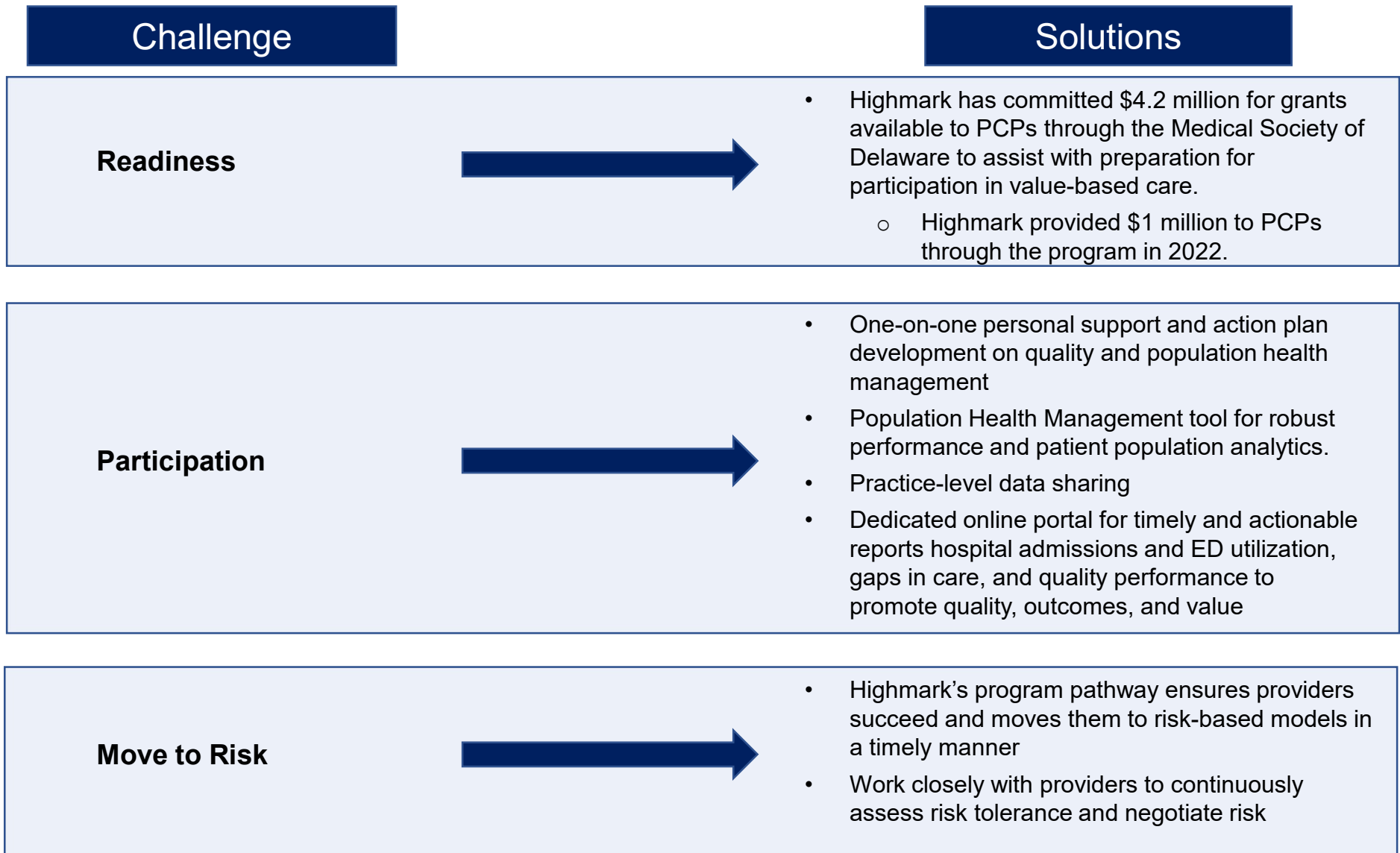
VBR APM Breakdown by Line of Business



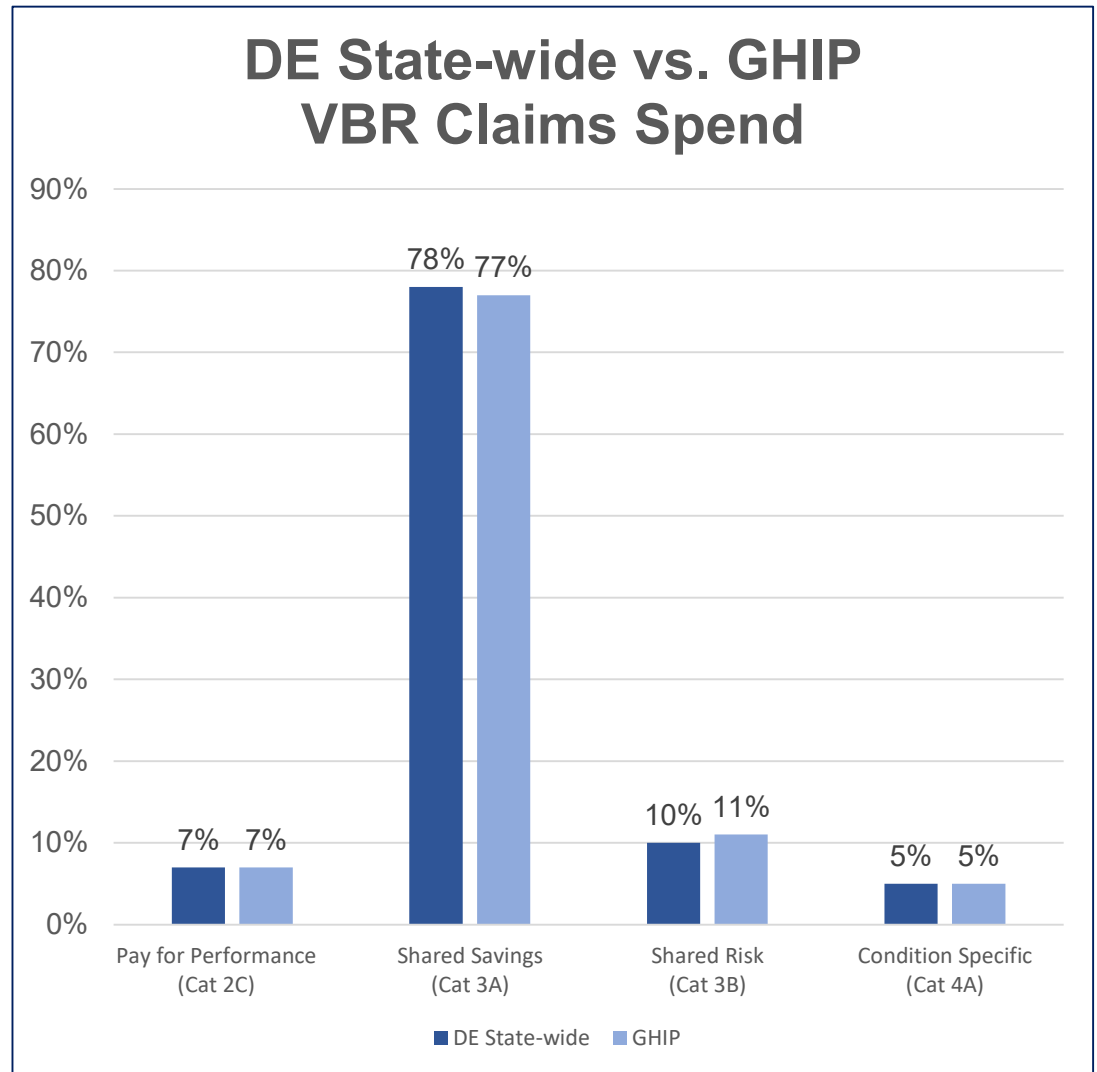
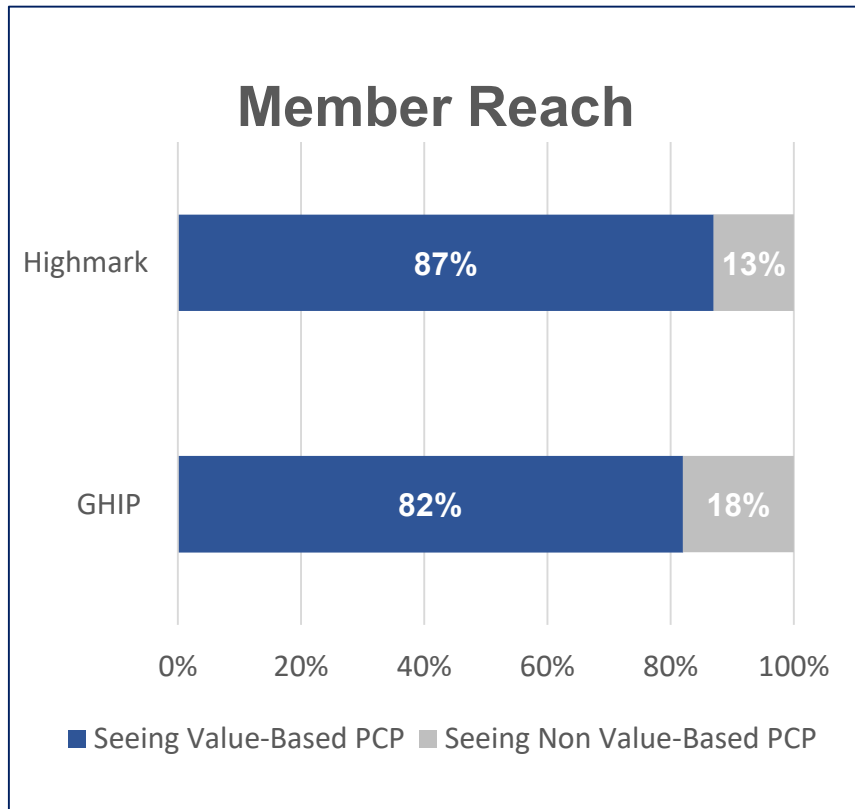
APM Category 2C - Pay for Performance: Must meet cost & quality targets to earn
APM Category 3A - Shared Savings: Eligible for portion of savings from meeting targets
APM Category 3B - Shared Risk: Might owe money if targets not met
APM Category 4A - Condition Specific: Must meet targets for certain health issues (e.g., heart, diabetes)
APM Category 4C - Integrated "Payer & Provider": PCP and health system tied to same cost & quality targets

VBR Participation in Delaware: Challenges & Solutions

Highmark considers the unique characteristics of the Delaware provider landscape to maximize provider participation and drive the advancement to risk-based arrangements and success.



Delaware State-wide vs. GHIP VBR Claims Spend



Notes:

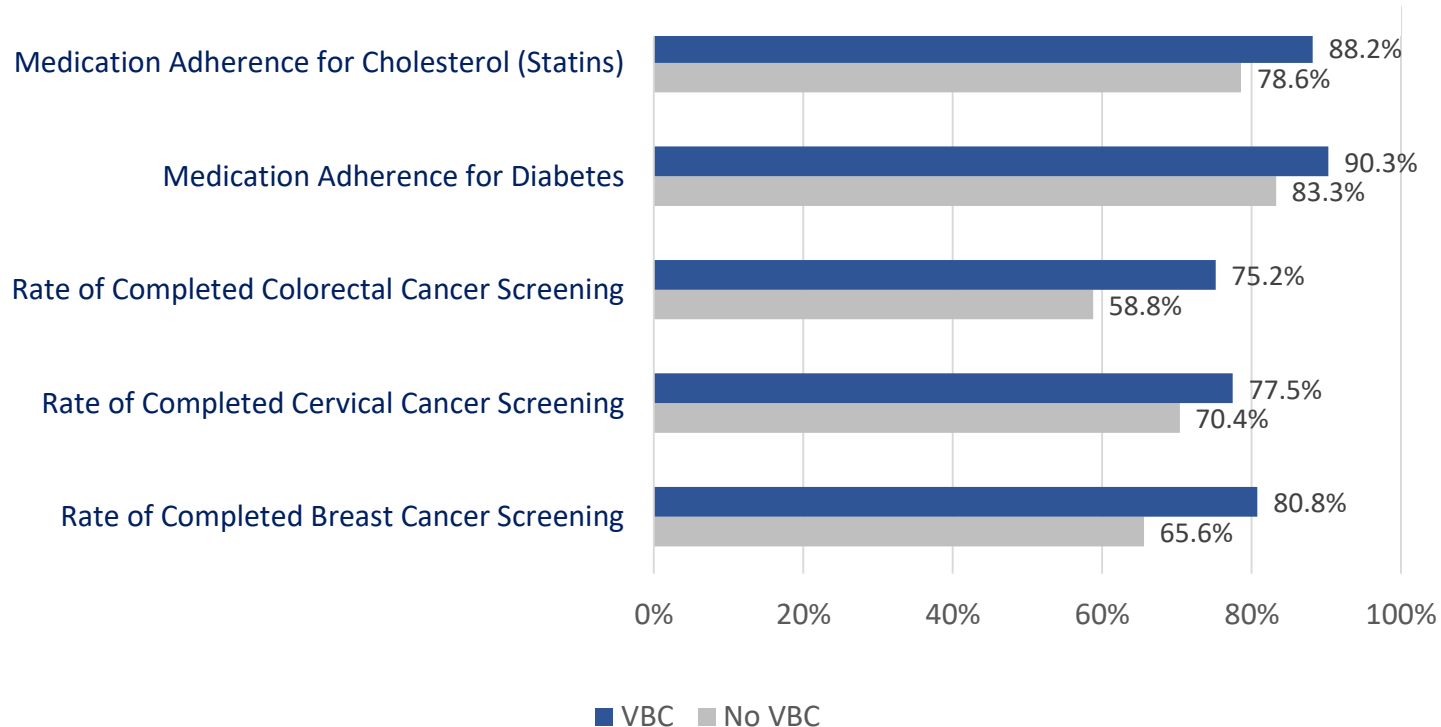
1. Does not include care transformation activity spend associated with DE Primary Care Physician payment legislation – APM Category 4.
2. The State of Delaware GHIP population is not regulated by this legislation.

PCP refers to Primary Care Physicians

Value-Based PCPs Enhance Care Quality for GHIP Members

GHIP members who use Value-based PCPs are getting better care.

GHIP Preventive Care with VBR



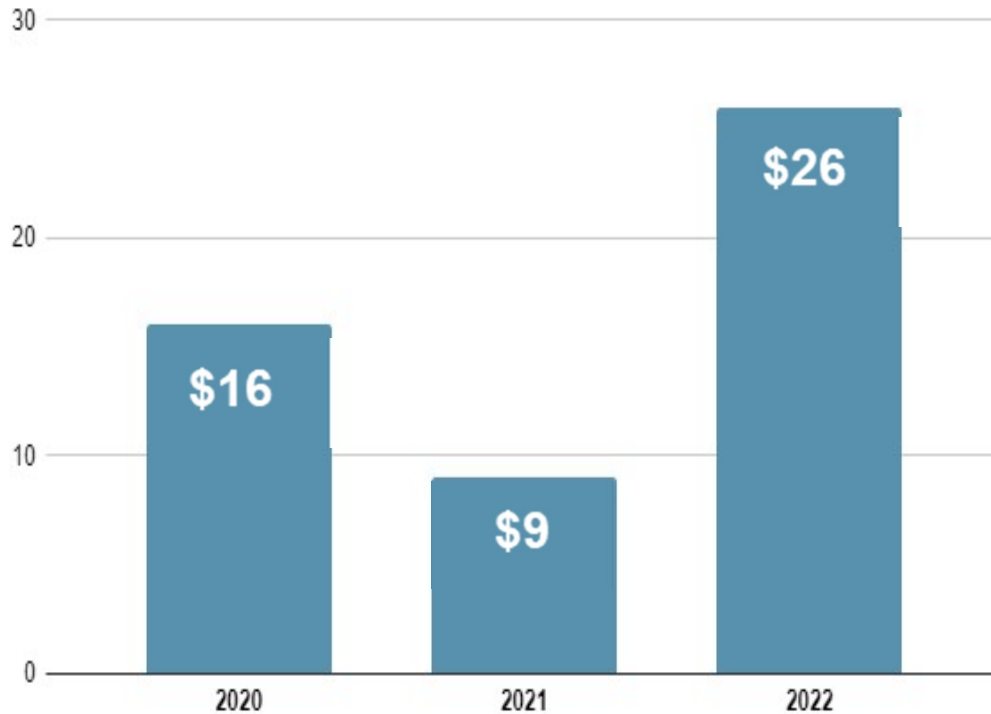
Value-based PCPs **significantly outperform** other PCPs in several key preventive care categories:

- Higher rates of **ensuring diabetes patients take their medications properly**
- Higher rates of **completing screenings for colorectal, cervical, and breast cancer**

Highmark Value-Based Care & GHIP Outcomes

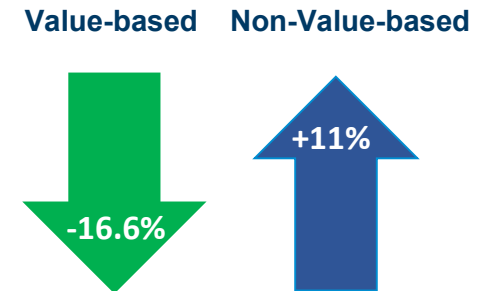
PCPs in Highmark's value-based care serving the State of Delaware Group Health Insurance Plan population have made noteworthy improvements to care cost and quality.

PMPM Savings: Value-Based vs. Non-Value-Based

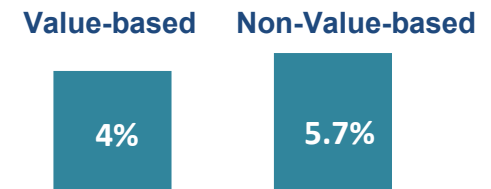


PMPM refers to Per Member Per Month

Hospital Admissions Trend Since 2020



Average Re-admissions Rate Since 2020



Questions, Comments or Suggestions

Appendix



OUR MISSION

is to create a
remarkable
health experience,
freeing people
to be their best.

OUR VISION

is a world
where everyone
embraces health.

Highmark Value-Based PCP Success to Date*

Value-Based Success



One of the **largest** PCP value-based reimbursement programs in the country



86% of all eligible **PCPs** in Highmark's service areas are value-based PCPs



About **12,000 participating physicians** from over 2,100 practices



Nearly **47%** of practices are in an **advanced arrangement**



2 million attributed members



*As of June 30, 2022

Highmark Value-Based PCP Success to Date*

Value-Based Success (continued)



In 2021, value-based PCPs had **lower ED Utilization** than those not in the program with potentially **avoided costs of \$73 million**



In 2021, value-based PCPs had **lower inpatient admissions** than those not in the program with potentially **avoided costs of \$621.5 million**



Since 2017, value-based PCPs have helped potentially **avoid costs totaling nearly \$2.5 billion**, due to better health management



Continuing to grow participation in **more advanced value-based reimbursement** arrangements (shared savings, risk share, budget or capitated models)



*As of June 30, 2022
ED refers to Emergency Department

Highmark Value-Based Hospital Success to Date*

Value-Based Success (continued)



In 2021, value-based hospitals realized approximately a **6.9% decrease** in the **average cost of care** for 10 episodes:

1. Major Joint Replacement of the Lower Extremity
2. Chronic Obstructive Pulmonary Disease Bronchitis and Asthma
3. Esophagitis, Gastroenteritis, and other Digestive Disorders
4. Sepsis
5. Cardiac Arrhythmia
6. Percutaneous Coronary Intervention
7. Simple Pneumonia and Respiratory Infections
8. Major Bowel Procedure
9. Spinal Fusion (non-cervical)
10. Stroke



Approximately **\$14.7 million** in total costs avoided in 2021.

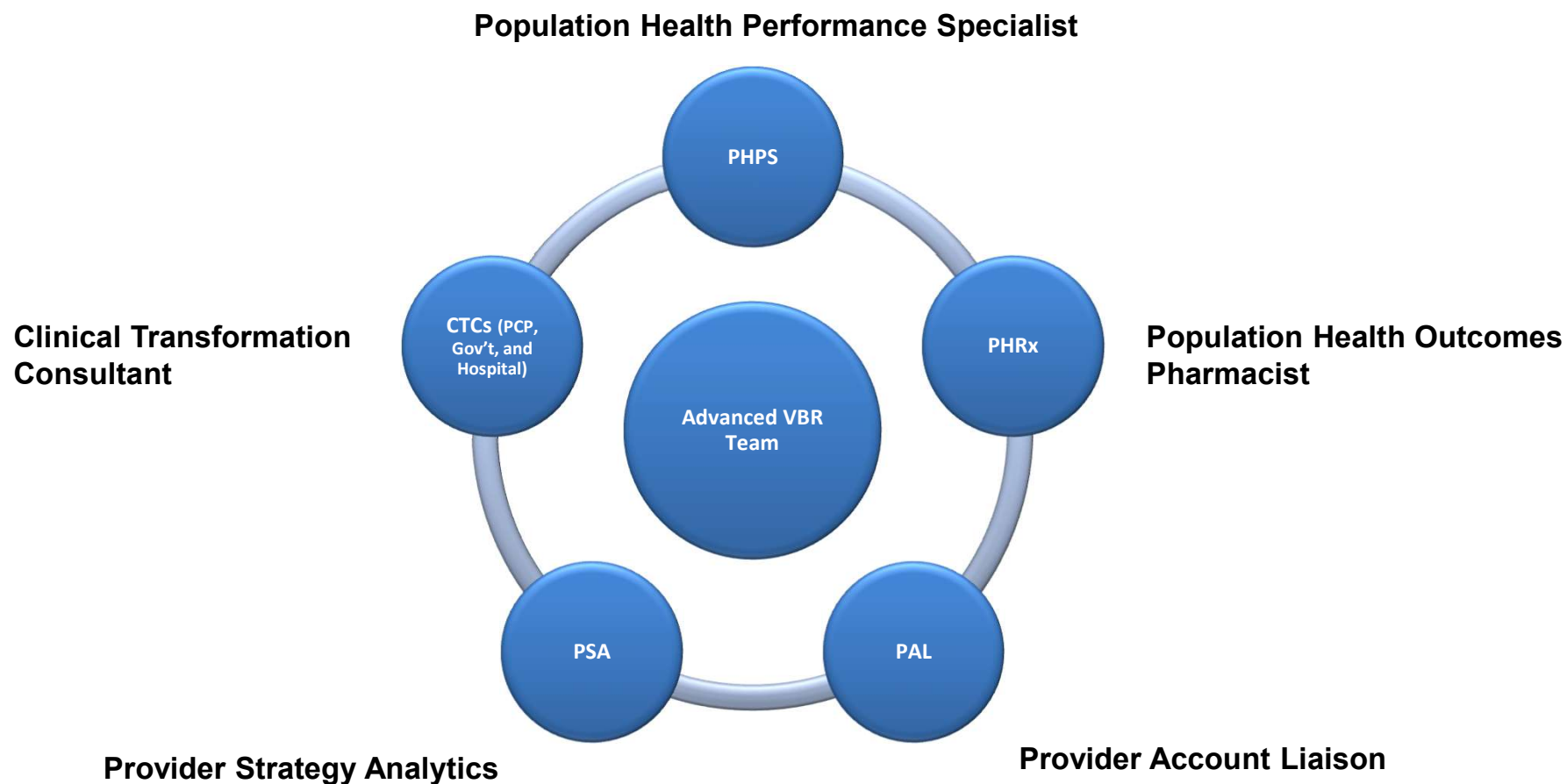
1,581 potentially averted readmissions generated an estimated cost savings of **\$17.8 million** since 2016.

With the average ED cost of **\$1,140**, Highmark estimates avoided costs of approximately **\$1.15 million** due to fewer return ED visits since 2016.

*Numbers through 2021 program year.

Highmark Clinical Team Partners with PCPs to Build & Execute Action Plans, Ensure Provider Success, Boost Quality Outcomes

PCPs in Highmark's value-based programs get access to subject matter experts who work with them to create and execute customized action plans to bring high-value, low-cost care to members and maximize performance.



Highmark Clinical Team Partners with PCPs to Build & Execute Action Plans, Ensure Provider Success, Boost Quality Outcomes

PCPs in Highmark's value-based programs get access to subject matter experts who work with them to create and execute customized action plans to bring high-value, low-cost care to members and maximize performance.

Customized Action Plans

- ✓ Designed in collaboration with provider.
- ✓ Clinically focused, accommodating a provider's specific risks, resources, and culture.
- ✓ Data-driven using Population Health tools and customized supplemental information such as the Rising Risk report.
- ✓ Provides measurable targets that are evaluated over time as programs and initiatives are implemented.

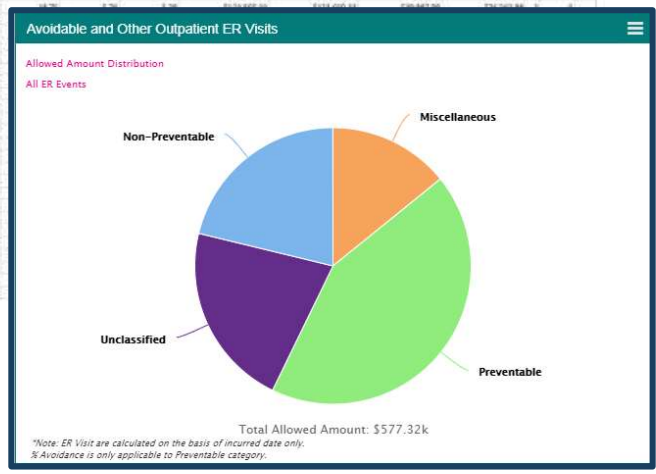
INITIATIVE	OBJECTIVE	ACTION	TIMING	TEAM	PROGRESS/GOAL
Transition of Care	Decrease readmissions while improving transitions between levels of care	<ul style="list-style-type: none"> Develop process in conjunction with CMS guidelines TOC Policy TOC scripting/documentation Tracking Tool Motivational Interviewing techniques 	Q3-Q4 Q3-Q4 Q3-Q4 Q3-Q4 Q3-Q4	PHPS	Goal – Decrease Readmissions by 25%
Collaborate with Post Acute Care Partners	Develop Post Acute Care	<ul style="list-style-type: none"> Increase bi-directional communication Refer to high quality providers 	Q3-Q4	PHPS/HCS	

Opportunity	Opportunity %	LCR Model 1	LCR Model 2	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M	Model 1 \$18 M	Model 2 \$18 M
WAG	MEDC	29	0.84	0.62	20.85	0.80	20.71	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29	\$17,132.29
WAG	MEDC	22	0.87	0.86	12.88	0.56	10.62	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40	\$84,848.40
WAG	MEDC	21	0.93	0.79	7.35	0.53	5.55	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70	\$47,223.70
WAG	MEDC	21	0.89	0.49	13.36	2.81	3.15	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11	\$88,132.11
WAG	MEDC	21	0.1	0.05	0.53	2.20	2.89	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12	\$25,280.12
WAG	MEDC	20	0.89	0.19	39.13	11.87	12.47	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87	\$236,070.87
WAG	MEDC	20	0.78	0.21	18.12	13.04	9.48	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90	\$126,100.90
WAG	MEDC	20	0.32	0.86	0.37	4.36	6.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12	\$35,418.12
WAG	MEDC	20	0.07	0.05	0.46	1.97	0.07	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95	\$22,687.95
WAG	MEDC	20	0.31	0.21	0.77	0.25	0.25	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12
WAG	MEDC	20	0.48	0.17	0.48	0.17	0.17	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12	\$13,418.12
WAG	MEDC	20	0.06	0.81	0.06	0.81	0.81	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12	\$6,418.12
WAG	MEDC	20	0.07	0.49	0.07	0.49	0.49	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12	\$3,418.12
WAG	MEDC	20	0.09	0.19	0.09	0.19	0.19	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12	\$1,418.12
WAG	MEDC	19	0.08	0.12	0.08	0.12	0.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12
WAG	MEDC	19	0.1	0.32	0.1	0.32	0.32	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12	\$18,418.12
WAG	MEDC	19	0.18	0.27	0.18	0.27	0.27	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12	\$21,418.12
WAG	MEDC	19	0.3	0.25	0.3	0.25	0.25	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12
WAG	MEDC	19	0.18	0.23	0.18	0.23	0.23	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12
WAG	MEDC	19	0.17	0.12	0.17	0.12	0.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12
WAG	MEDC	19	0.11	0.14	0.11	0.14	0.14	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12	\$10,418.12
WAG	MEDC	19	0.18	0.46	0.18	0.46	0.46	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12	\$36,418.12
WAG	MEDC	19	0.13	0.28	0.13	0.28	0.28	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12	\$22,418.12
WAG	MEDC	19	0.05	0.19	0.05	0.19	0.19	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12	\$15,418.12
WAG	MEDC	19	0.07	0.49	0.07	0.49	0.49	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12	\$38,418.12
WAG	MEDC	19	0.05	0.38	0.05	0.38	0.38	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12	\$29,418.12
WAG	MEDC	19	0.15	0.14	0.15	0.14	0.14	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12	\$11,418.12
WAG	MEDC	19	0.12	0.79	0.12	0.79	0.79	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12	\$62,418.12
WAG	MEDC	19	0.46	0.22	0.46	0.22	0.22	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12	\$17,418.12
WAG	MEDC	19	0.11	0.39	0.11	0.39	0.39	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12	\$30,418.12
WAG	MEDC	18	0.15	0.1	0.15	0.1	0.1	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12	\$8,418.12
WAG	MEDC	18	0.19	0.25	0.19	0.25	0.25	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12	\$19,418.12
WAG	MEDC	18	0.28	0.12	0.28	0.12	0.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12	\$9,418.12

Dedicated support to help with meeting objectives.

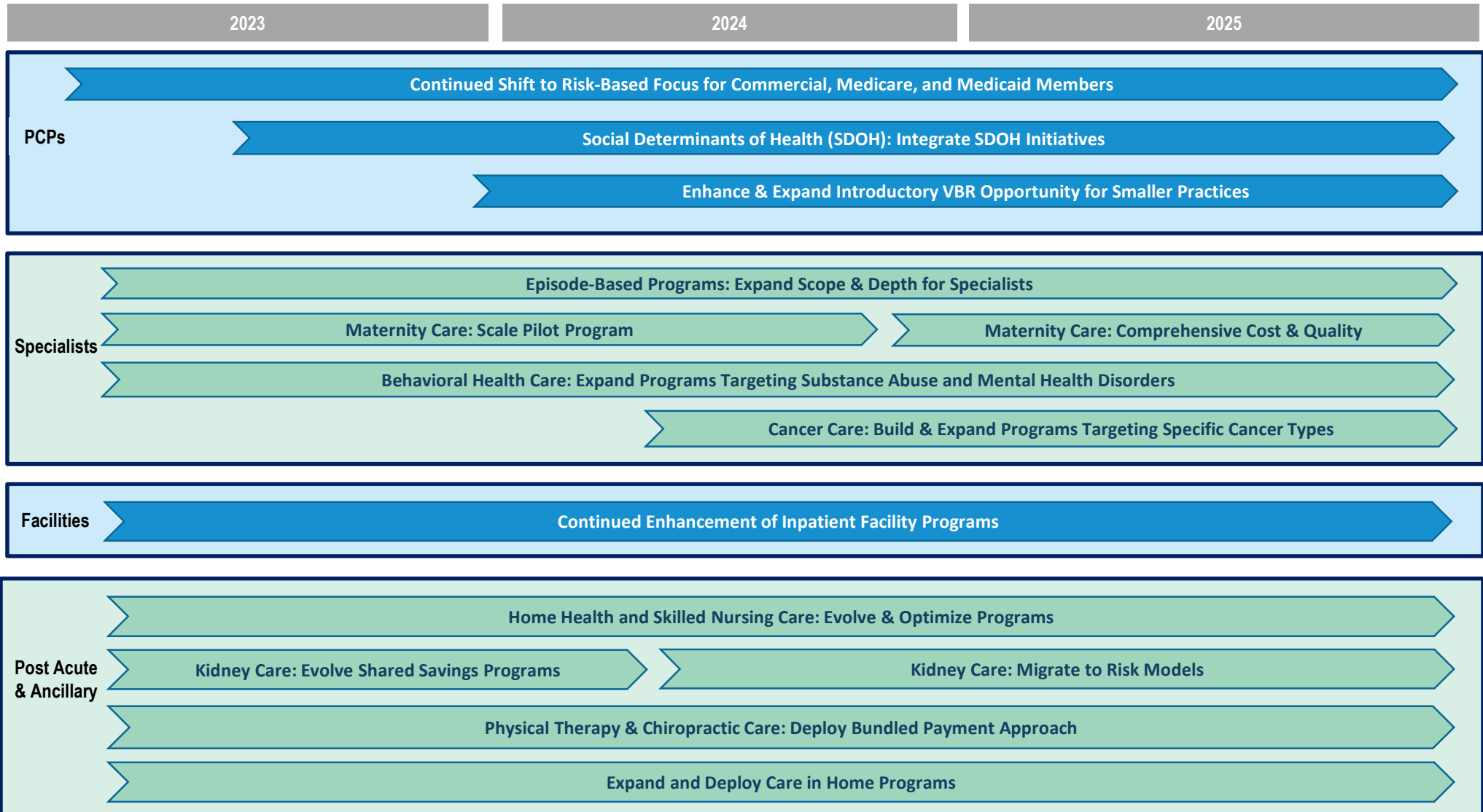


Rising Risk predicts individuals likely to have greater health care needs and expenditures.



Population Health Tool provides insights that can be drilled down to the individual member level.

Value-Based Care Evolution through 2025 and Beyond



From point solutions to **simplified, coordinated** offerings.