



# Primary Care Reimagined

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Blue Shield of California

May 2024





# Blue Shield of California

## We are rebels **with** a cause

We are a non-profit, tax-paying health plan on a mission to create a healthcare system that is worthy of our family and friends and sustainably affordable for everyone.



**7,500+**  
employees



**4.8M**  
Californians served  
across all 58  
counties



**\$24B**  
in revenue



**\$97M**  
Invested in communities

# Blue Shield is investing in primary care to support a healthcare system worthy of our family and friends

## Support primary care's strengths



Support care coordination and continuity



Align incentives to quality and utilization outcomes.

## Provide novel support



Provide timely, actionable data.



Adjusted payment based on primary care-oriented factors.

## Create a better experience



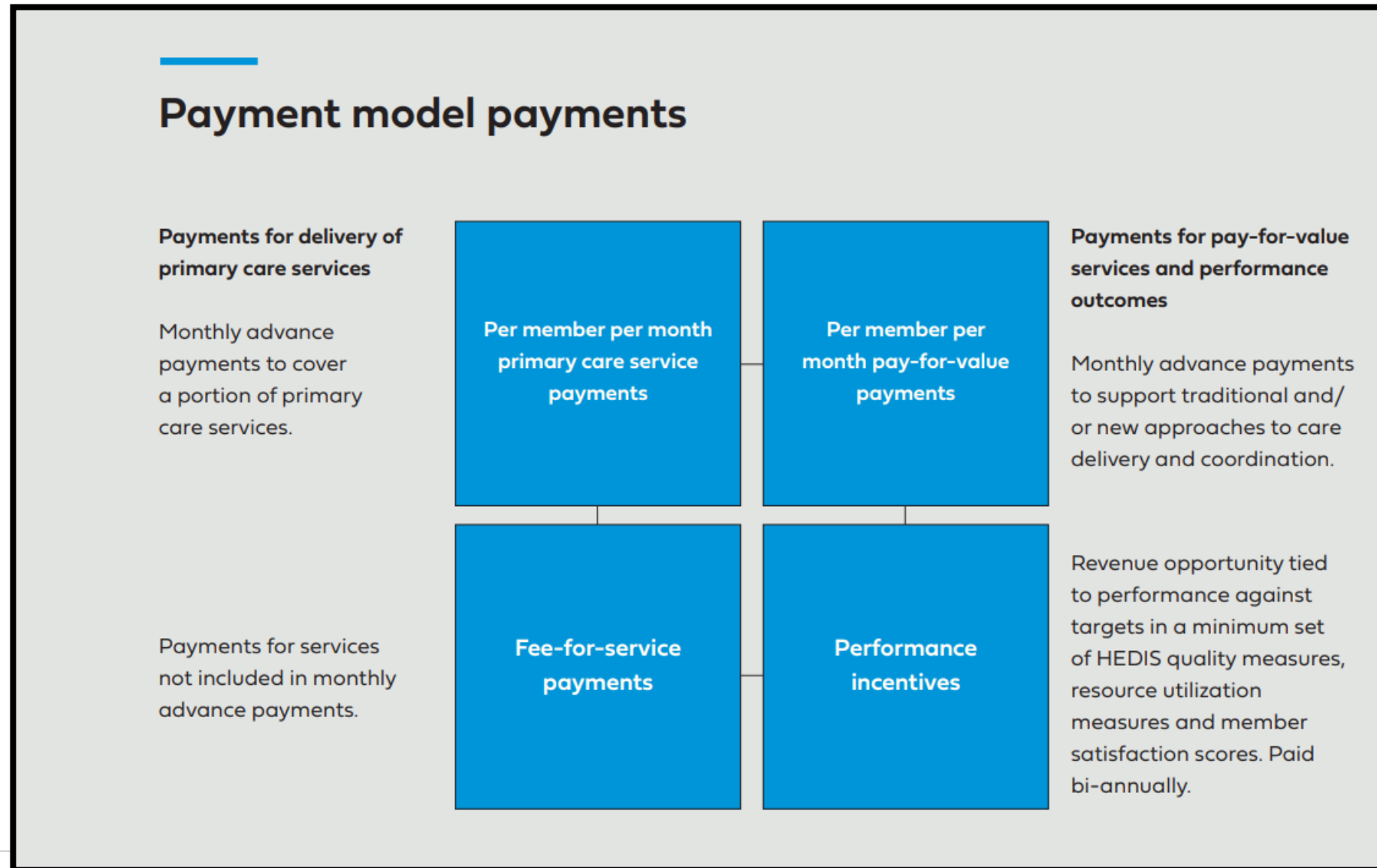
Shifting clinical work to what is more meaningful: Coordinating care, communicating with patients, leading the care team



Members receive improved continuity of quality-driven care.

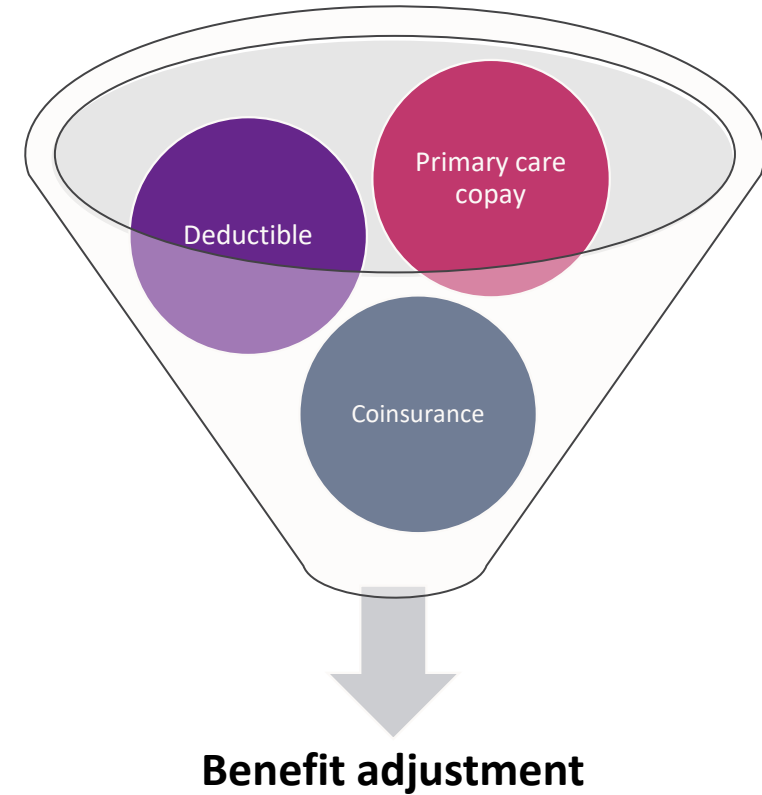
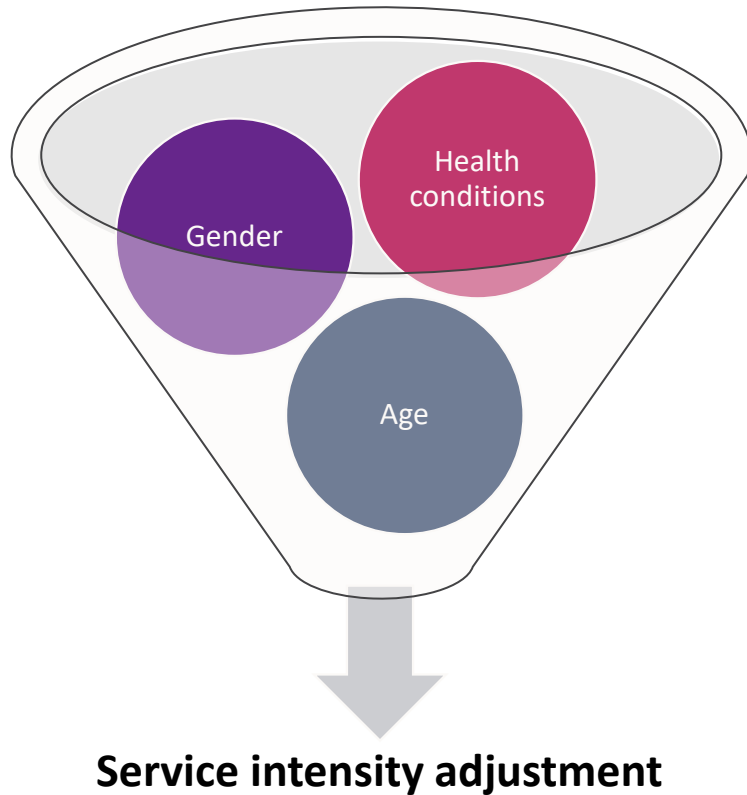
# Primary Care Pay-for-Value Hybrid Model

Effectively transitioning practices from pay-for-volume to pay-for-value reimbursement

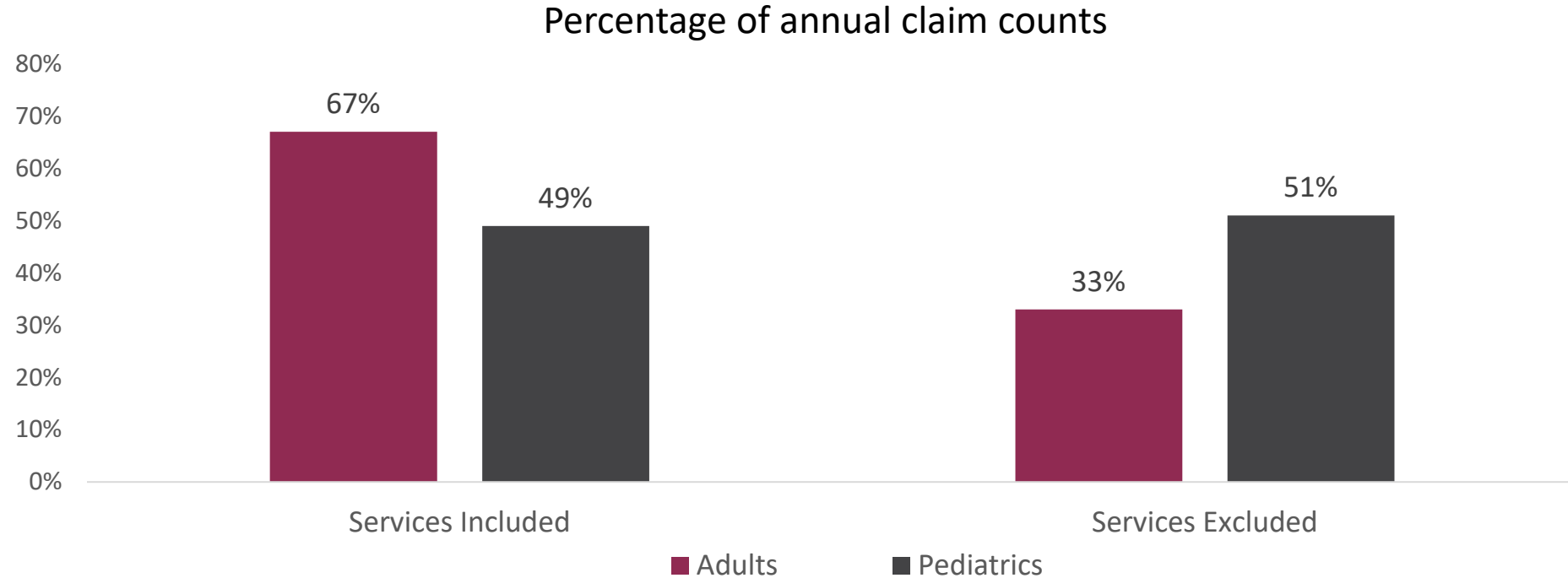


# Base payment member-level adjustments

Applying an adjustment to the PMPM amount accounts for differences in patient risk and cost share.



# Base Per Member Per Month inclusions and exclusions



## Standard inclusions:

- Evaluation & Management visits (E&M)
- Pathology and lab
- Non-Oral Drugs

## Standard exclusions:

- Immunizations
- Annual wellness visits
- Durable Medical Equipment
- Surgery
- Radiology
- Prior authorization procedures
- Expensive injectable medications
- Chemotherapy

# Blue Shield has adopted a core set of Primary Care Performance Metrics

## Adult performance measures

Measure type	Measure name
Resource utilization	<ul style="list-style-type: none"><li>Emergency Room (ER) visits per 1,000 members</li><li>Inpatient Admits (IA) per 1,000 members</li></ul>
Clinical quality	<ul style="list-style-type: none"><li>Hemoglobin A1C &lt;8.0%</li><li>Controlling high blood pressure</li><li>Breast cancer screening</li><li>Colorectal cancer screening</li></ul>
Member experience	<ul style="list-style-type: none"><li>Member experience survey administered by Blue Shield</li></ul>

## Pediatric performance measures

Measure type	Measure name
Resource utilization	<ul style="list-style-type: none"><li>Emergency Room (ER) visits per 1,000 members</li></ul>
Clinical quality	<ul style="list-style-type: none"><li>Childhood immunization status: Combo 10</li><li>Immunizations for adolescents: Combo 2</li><li>Weight assessment and counseling for nutrition and physical activity</li></ul>
Member experience	<ul style="list-style-type: none"><li>Member experience survey administered by Blue Shield</li></ul>

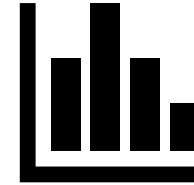
# Resources to Support Primary Care Payment Models



New contract amendment



Regulatory approval



Pay for Value platform



Provider educational resources



Claims processing  
modifications

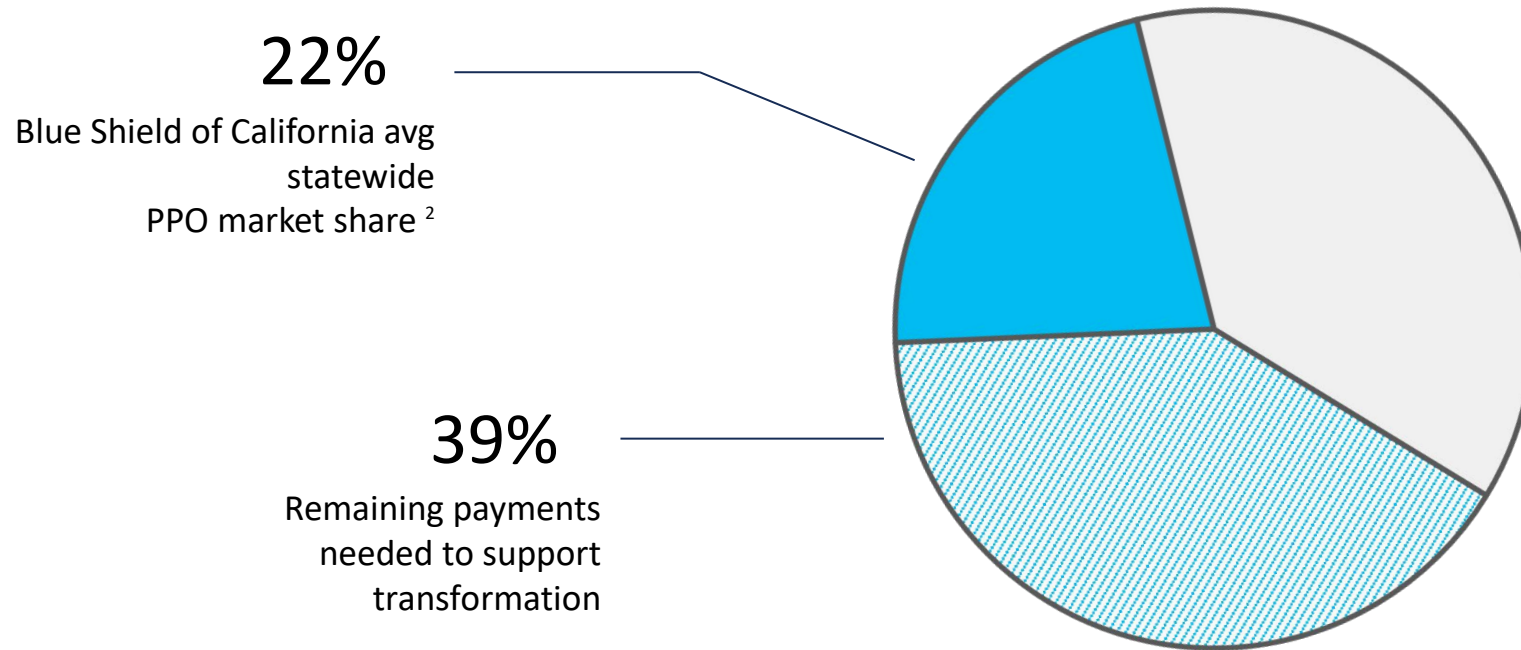


Internal provider contract and support  
resources



# Multi-payer alignment is essential for scale and success, but competitive market hinders adoption

*63% of payments via capitation needed to transform PCP practice<sup>1</sup>*



<sup>1</sup> High levels of capitation payments needed to shift primary care toward proactive team and non-visit care. (2017). <https://www.healthaffairs.org/doi/10.1377/hlthaff.2017.0367>

<sup>2</sup> Competition in Health Insurance: A comprehensive study of U.S. markets. (2021). <https://www.ama-assn.org/system/files/competition-health-insurance-us-markets.pdf>

# California Advance Primary Care Initiative: a novel concept to drive measure harmonization

Multi-payer commitments to align, standardize investment & innovation across primary care networks in California



Quality Measures



Technical Assistance



Performance Incentives



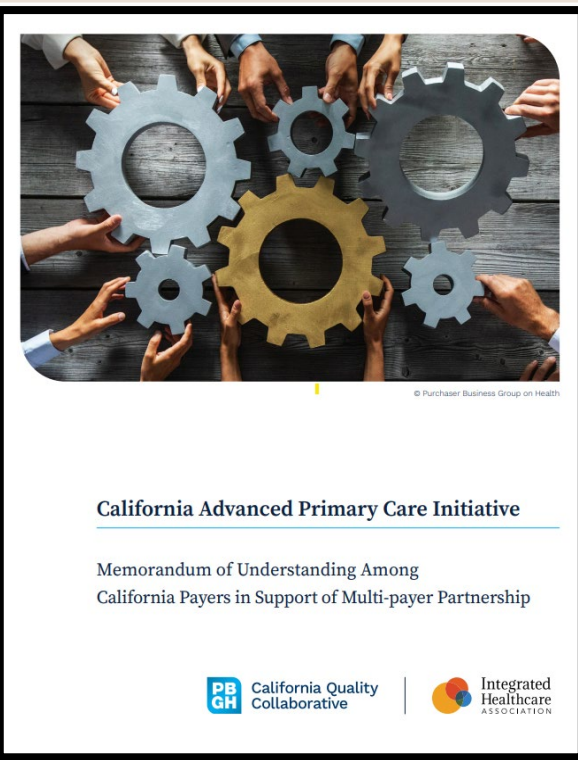
Increased Investment



Provider Manual



Performance Insights





## Three key takeaways

- 1 Primary Care Hybrid Models can be a successful way of paying for primary care
- 2 There are multiple resources needed to launch and be successful with a primary care hybrid model
- 3 We are harmonizing measures and payment methodology with purchasers, providers, and payers



Thank you