



Blue Shield of California
An Independent Member of the Blue Shield Association

Blue Shield of California: Consumer Initiatives

UC/CHCF California eCare Conference

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What We'll Cover

- Our products and services
- Improving the quality of care
- The role of technology

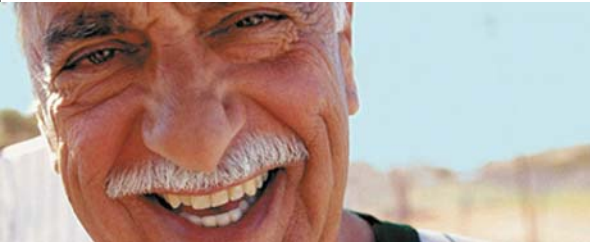


About Blue Shield

- Not-For-Profit
- 2.6 million members (3rd largest in California)
- Products include PPO, HMO, ASO, POS
- Lines of business include Large Group, Small Group, Individuals and Families, and Medicare

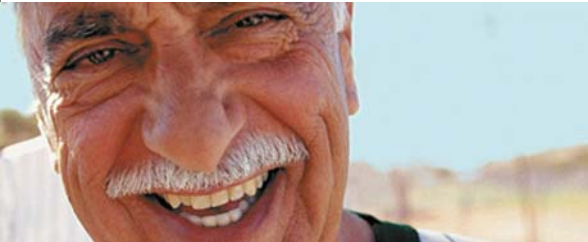
Our Mission:

Ensure that Californians have access to high quality care at an affordable price



About Blue Shield

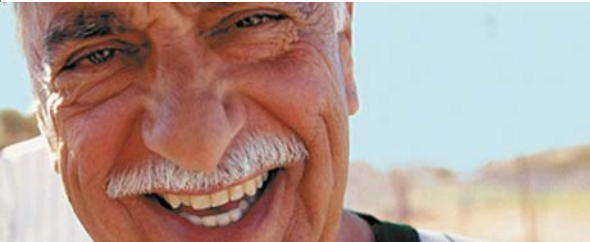
- Delivering on the mission
 - History of Firsts - We were first to:
 - cover preexisting conditions (1943)
 - cover a heart transplant (1984)
 - offer online benefits and enrollment (1996)
 - offer HMO members direct access to specialists (1996)
 - offer discounts on complementary medicine (1997)
 - offer guided imagery program to pre-surgical patients (2000)



About Blue Shield

- Delivering on the mission (cont'd)
 - 2002 awards:
 - eHealthcare Leadership Awards
 - Gold for Best Intranet Site
 - Silver for Best Interactive Site
 - CEO eHealthcare Commitment award (special mention)
 - Best of Blues - Best Practice in:
 - Health Management (Reach Your Peak, Asthma program)
 - Partnerships (Alliance Working for Antibiotic Resistance Program)



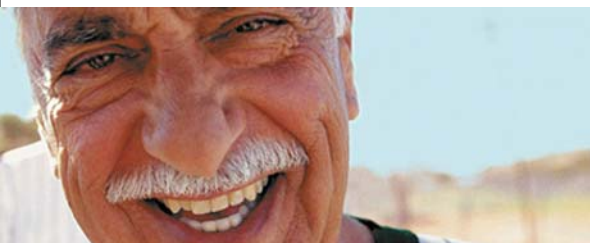


It's the Consumer, Stupid

- Our strategy:
 - Provide the support, products and information our members need, throughout the varied stages and events of their lives
- The How:
 - Through products, services, quality programs
 - Be a competitive health plan with excellent customer service
 - Deliver information, tools, resources

Channel is secondary

Technology is an enabler



This presentation

- Initiatives that deliver on our strategy and mission.
 - Products and services
 - Quality programs
 - How they leverage technology



Products & Services

- **Objectives**
- **Lifepath Advisers**
- **Network Choice**
- **Consumer Driven Health Plans**



Product Strategy Objectives

Deliver on our non-profit mission and vision of ensuring Californians have access to quality care at an affordable price through innovative solutions.

- **Offer broad network choices through access to a statewide network of credentialed providers.**
- **Access and Choice in products, services and providers**
- **Integrate informed consumers within their healthcare decisions**
- **Products and services that raise consumer awareness around the true cost of care**



Lifepath Advisors

- **Integrated, comprehensive services from a single, easy to use resource**
 - **24/7 call access to registered nurses and master's level counselor**
 - **Face-to-face mental health assessment visits**
 - **EAP services**
- **Member decision support through multiple channels**



health & wellness

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Network Choice

- **Charge average premium for a given geography**
- **Charge average premium that covers “outlier” cost providers**
- **Don’t overtly disclose variation in provider costs**
- **Premium increases or provider disengagement**



Network Choice

- **We asked consumers:**
 - Lose access to provider selections as a result of disengagement
 - Pay a higher copayment that reflects the higher cost of specific providers

Key Finding: Consumers prefer informed options in their provider choices (reduced network, higher rates).



Network Choice

Two new categories of Participating Providers with consumer out-of-pocket tied to category of provider:

- Choice
- Affiliate

Categorization through cost and quality index that takes into consideration:

- Outlier cost providers
- The importance of quality reporting and measurement (PEP-C, Leapfrog)



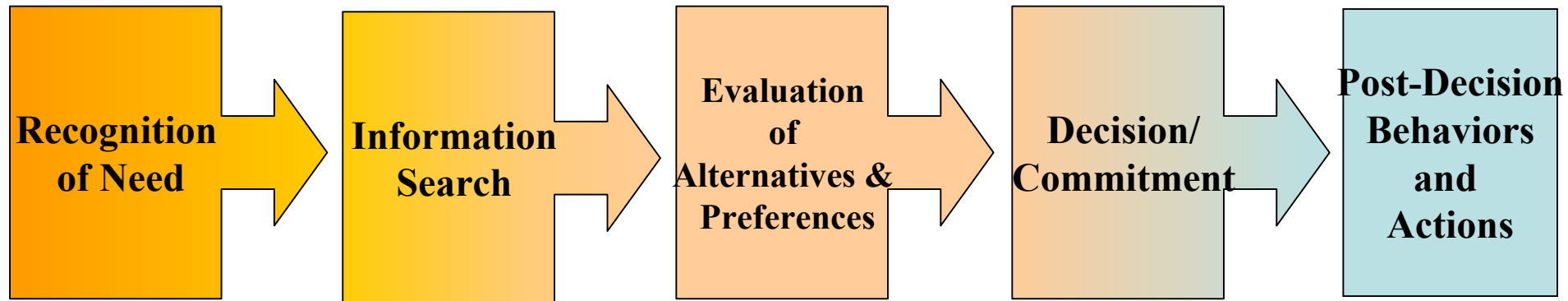
Consumer Driven Healthcare

- **Benefit plans that expose the member to the true cost of care**
- **Out-of-pocket costs that requires the consumer to engage in thoughtful spending without compromising essential care**
- **Consumer decision support that support consumers within their healthcare decisions**



Consumer Driven Healthcare

The Consumer Decision Support process involves predictable steps...





Consumer Driven Healthcare

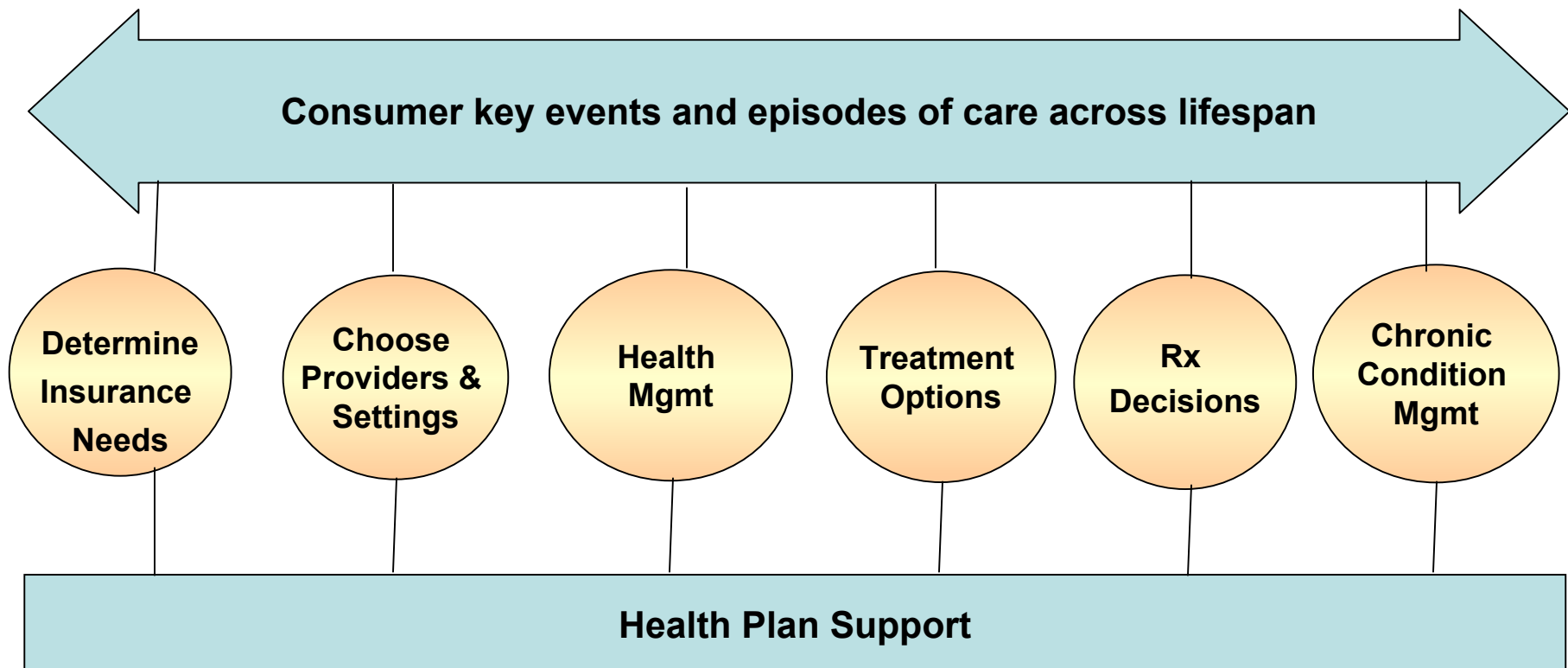
...and is a significant member touchpoint with the health plan

Member contacts health plan to:	Touchpoint Examples
Get Info	Health content, cost info., benefit details, network info, ask ques.
Make a Decision	Rx decisions, facility choice, treatment options
Complete a Transaction	Change PCP, request new mbr. card, add dependent
Get Care	Enter DM program, talk to case manager, seek advice & support
Resolve an issue	Grievance/Appeal, solve a problem



Consumer Driven Healthcare

A “lifespan” model helps to identify and anticipate member needs for decision support, plan targeted marketing and build operational processes





What Happens When Patients can Communicate with their Doctors Online?

*Results of the Blue Shield
RelayHealth webVisitSM Study*