



# Health Plan Role in Health Care Transparency

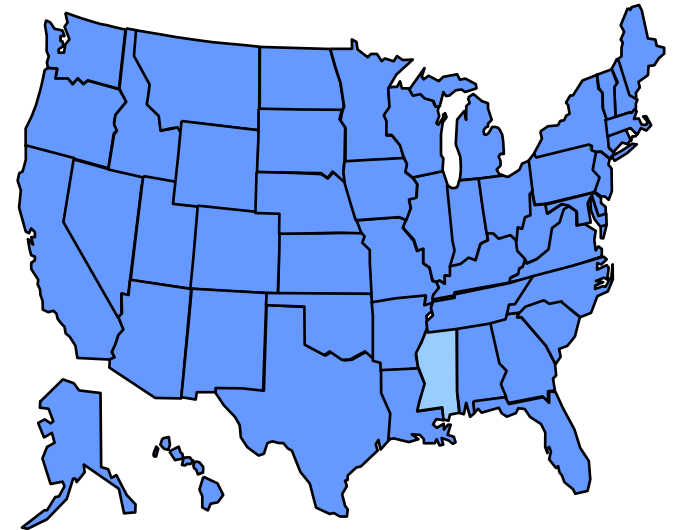
**George Lenko**  
National Network Initiatives

## *Anthem View*

- Anthem supports transparency to help members *choose better care*
- Anthem believes transparency improves market competition
- Transparency is the *foundation* for advanced benefit designs

# National Cost Transparency

- 2006:** Anthem Care Comparison launched in Dayton OH
- 2009:** Anthem's methodology was selected as the BCBS standard cost transparency methodology
- 2011:** GAO report on Meaningful Price Transparency included observations on Anthem Care Comparison
- 2013:** BCBS cost transparency expands substantially



\*MS cost data delayed until 2014

## Transparency & Advanced Benefit Designs

**Anthem is committed to develop best-in-class consumer tools**

**Anthem is now able to work with 3<sup>rd</sup> Party Transparency vendors upon client request**

**Using our *national* cost data set as the basis to develop and deliver advanced benefit options**

- **AIM Imaging Initiative**
- **Reference Based Benefits (RBB)**
- **Blue Distinction Plus**



# ***AIM Imaging Initiative***

*Delivering better value*



**Clinical  
Review**



**Network  
Value**



**Member  
Engagement**

## ***Right Test***

Based on clinical  
guidelines

Members flagged for  
high aggregated-  
radiation exposure

## ***Right Place***

Quality-driven site  
of service score

Information provided  
to ordering physician

## ***Right Price***

Engage employees in  
the site selection  
process

Enables them to make  
more informed  
decisions

*Projected gross savings  
\$0.85 PMPM to \$2.00 PMPM*

# RBB: How it works....

Wide price variation exists within a region

Price for Neck MRI

\$575   \$647   \$705   \$840   \$926   **\$1000**   \$1360   \$1510   \$1671   \$2030

Define Reference Price

If member chooses location  
below reference price



Normal coverage  
rules apply

If member chooses location  
above reference price



Member pays portion  
above reference price

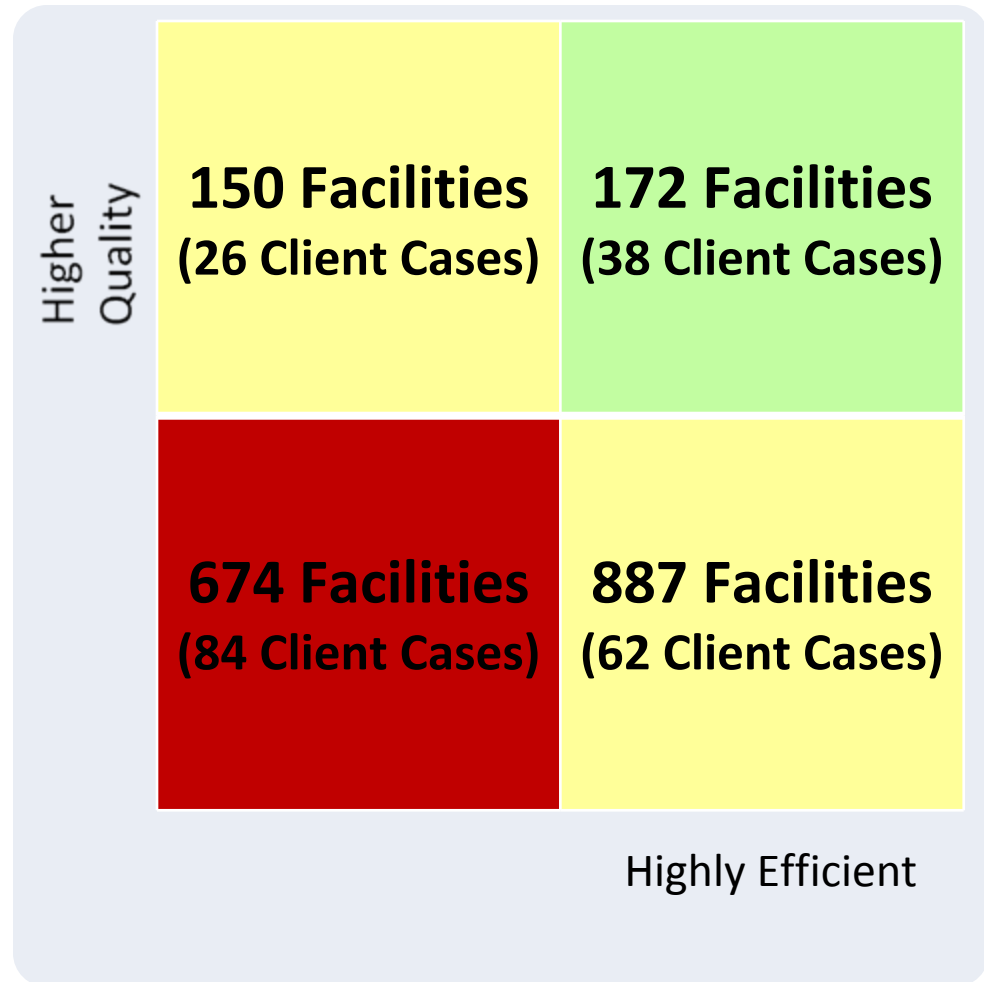
# ***RBB: Proven Results***

- **CalPERS Experience: Knee and Hip Replacements**
  - HealthCore Study
    - Use of designated sites increased 21%, member OOP was constant
    - Overall cost/unit changed (-19%), from \$35,408 to \$28,695
    - CalPERS quality statistics fared better than Anthem's non-CalPERS members
  - UC Berkeley Study
    - Use of designated sites increased 21%, use of non-designated sites fell (-34%)
    - Cost/unit at designated sites fell (-6%) and at non-designated sites (-34%)
    - Main program impact due to price decreases rather than utilization shift
- **Kroger Experience: Advanced Imaging**
  - Internal analysis
    - CT price/unit in RBB states (-6.3%), in non-RBB states (+1.8%)
    - MRI price/unit in RBB states (-11.1%), in non-RBB states (+2.6%)

# ***Blue Distinction Centers***

## ***The need to focus on “value”***

- The Blue Distinction program addresses quality variation, but hadn't considered cost efficiency
- Referenced Based Benefits and other Cost of Care initiatives have focused on cost, but hadn't addressed quality.
- Anthem worked with a client on an initiative *linking cost to quality*, triangulating the two to steer patients to top value sites
- This effort foreshadowed and is conceptually aligned with BCBSA's Blue Distinction Value effort





# ***Blue Distinction Evolution***

Transition from a quality-only program to a value-based program to meet the needs of our clients

**2006**

Recognize facilities  
delivering **quality  
specialty care**

Delivered value to providers  
and consumers

**2013**

Quality Only: Recognize facilities  
delivering **higher quality specialty care**  
– these facilities are called  
***Blue Distinction***

Quality + Cost: Recognize facilities  
delivering **higher quality, cost  
effective specialty care** –  
these facilities are called  
***Blue Distinction+***