Welcome message
from Marketplace CEO
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Welcome to the first edition of the Marketplace Innovation Newsletter. We are pleased to bring you this resource highlighting insights and innovations happening throughout the Marketplace. The Marketplace is serving as a laboratory for provider, payment, and care innovation and is driving issuers and others to build new relationships with consumers. It is an exciting time in health care as we work together to adopt innovative strategies and new techniques to provide high-quality, high-value health care coverage.

In each newsletter, we will highlight experiences and learnings about ways we can serve the Marketplace including innovative practices around care coordination, provider contracting, and consumer engagement. For example, issuers that have shown success in the Marketplace have developed strategies that are locally-focused, data driven, and offer products that resonate with the needs of the Marketplace consumer.

We hope you find this newsletter helpful as you listen and learn from each other, sharing approaches that are helping to build a sustainable Marketplace. Working together, we can all see more and go further!

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INNOVATIVE PLANS DRIVING HIGH-QUALITY COVERAGE

Although the Marketplace is still young, we already see innovations that deliver high quality care efficiently. Today's newsletter takes a look at how one issuer, Blue Shield of California, applied their experience with Accountable Care Organizations (ACOs) to their individual business in California.

Blue Shield of California's ACOs are collaborations with physicians and hospitals to improve patient care while helping to make the care delivery sustainably affordable. Evidence shows that Blue Shield of California's ACOs have
delivered higher quality care at below market trend, and we are excited that they will be offering this integrated care model to individuals and families shopping on California’s health insurance exchange, Covered California, in 2017. Blue Shield has stated that they are committed to the long term success of health reform, which they believe depends on the ability to transform the delivery system towards the type of higher value care that ACOs provide.

ACOs aim to increase patient engagement, decrease overall costs by reducing unnecessary expenses, improve quality of care and maximize provider satisfaction. In Blue Shield’s model, all three participants – hospitals, physician groups and the health plan -- share financial risk using an annual “global budget” for total expected spending. At the end of the year, if health care costs exceed budget, each participant writes off those expenses. If costs fall below budget, participants share in the savings, which help to reduce Blue Shield’s premiums.

In 2010, Blue Shield became the first health plan in California to establish an ACO, an alliance with Dignity Health and Hill Physicians to serve CalPERS members in the Sacramento area. They now have more than 37 ACOs across the state serving 340,000 Californians, and these collaborations have resulted in nearly $400 million in health care savings to date. Over the past five years, the average annual cost of health care increase across their ACO network was below 3 percent, compared to an estimated 7 percent increase for non-ACO providers in the state.

In 2015, Blue Shield introduced ACO HMO plans to employer clients. They plan to extend these plans to the individual market in 2017 through Covered California as well as off-exchange in 22 regions.

Their ACO HMO plans align with Covered California’s quality agenda and the goal is to create a sustainable health care system while continuing to drive delivery system reform and control costs by eliminating unnecessary expenses. Plan features include Shield Concierge, giving members one number to call for all benefit and health-related questions. Shield Concierge helps members understand their coverage, find a doctor or specialist, address questions about prescriptions, understand doctor’s instructions and transfer medical records. The concierge team consists of experienced health advocates, registered nurses, social workers, health coaches, clinical support coordinators, pharmacists, pharmacy technicians and dedicated customer service representatives.

Other next-generation features of the ACO HMO includes Wellvolution and Teladoc. Wellvolution includes a variety of innovative wellness programs using the latest online and mobile technologies to make wellness rewarding, easy, social and fun. Programs include a well-being assessment, smoking cessation support, walking tracker and daily challenges based on eating, finances, stress and more. ACO HMO members will also have access to Teladoc, allowing them to see a doctor virtually without leaving home. Teladoc offers remote access to physicians via telephone and secure video consults for diagnosis and treatment when a member is unable to visit their doctor, such as after office hours. Teladoc’s physicians are available 24 hours a day, 7 days a week to help manage common and routine illnesses, reducing the need for costly and time-consuming emergency room visits for non-emergency medical issues.

Blue Shield of California’s ACO HMO plans provide regional access to health coverage that will help guide members through the health care system, help improve their overall experience and provide meaningful cost savings for everyone.