PAYMENT REFORM CASE STUDY FROM WASHINGTON

Dennis Hagemann, Hagemann Healthcare Consulting, LLC
Sara Mathews Colic, ASA, Premera Blue Cross
Mark Nelson, PharmD, Northwest Medical Specialties
Frederick M. Schnell, MD, Community Oncology Alliance, Moderator
Premera Blue Cross and Northwest Medical Specialties
Premera Blue Cross

- Mountlake Terrace and Spokane, Washington
- 2.1 million members in Washington and Alaska
  - Fully Insured
  - Self Funded
  - Medicare Advantage
- Value Based Agreements that align interests of customers, providers, & payer
- Oncology – one of the areas of focus
  - Improving the customer experience
  - Supporting delivery system transformation
  - Controlling the total cost of care
  - Reimbursing for quality care and managing health
  - Using data and analytics transparently and collaboratively
Value-Based Oncology Program

- Trust: Launched 1Q16 after yeeears of internal discussion
- Lives: 160 cancer episodes in program to-date
- Types: Breast, lung, colorectal cancers triggered by initial chemotherapy
- Cost: Medical & Rx costs over a 6-month episode
- Quality: Mutually agreed upon metrics
- Data: Quarterly cadence of meetings to monitor progress & provide analytics
- Patient First: PMPM payment for care coordination & patient navigation
- Experience: Money back guarantee
- Zig & Zag: VBA as a relationship document
- Outcomes: Shared savings if beat network cost or 3% improvement, gated by quality score, net of PMPM payment
  - Year 1 no savings; Year 2 savings of $15k per episode