



5-YEAR VISION AND STRATEGY

The Transition from Volume to Value

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Agenda

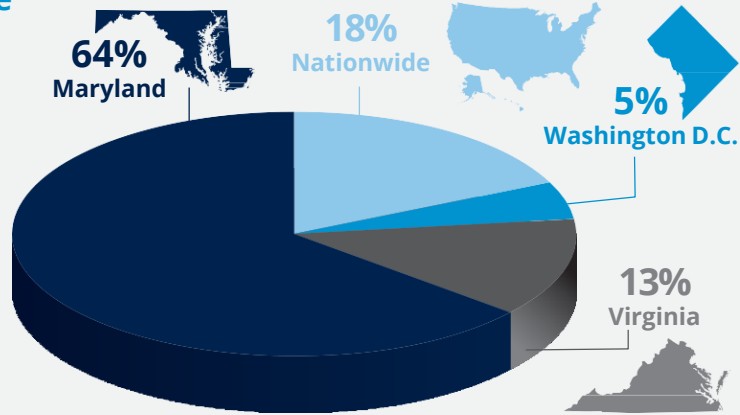
- CareFirst's 5-Year Vision
- CareFirst's Strategic Direction
- Changes in your Economic Environment
- Positioning for Success in the New Health Care Economy

80+
YEARS OF
SERVICE

- Provide **affordable and accessible health insurance to the plan's insured** and those persons insured or issued health benefit plans by affiliates or subsidiaries of the plan
- Assist and support **public and private health care initiatives** for individuals without health insurance
- Promote the integration of a **health care system that meets the health care needs of all the residents** of the jurisdictions in which the nonprofit health system service plan operates

Where Our Members Live

3.3 MILLION
CareFirst members
the largest health
care insurer in the
Mid-Atlantic region



625,000
members in the **Federal Employees Health Benefits Program (FEHBP)**
the largest FEP enrollment in the Mid-Atlantic region

54.8 MILLION medical claims processed



97% claims paid in-network

\$12.3 BILLION in paid health claims

100%
of **hospitals**
participate in one or more of
CareFirst's networks

\$38 MILLION
invested in 2018 to improve overall health, and increase the accessibility, affordability, safety and quality of health care throughout its market areas.



5,500 Full-time CareFirst associates

CareFirst's Five-Year Vision

We want to fundamentally improve the healthcare system – by **leading thoughtful innovation** ourselves and **partnering with others** to drive change

We will be a **trusted partner** to our members, empowering them to lead their **healthiest lives**

Drive transformation of the
healthcare experience •
• **with and for** our
members and communities

Our members and communities are our priority; we aspire to expand our impact to more **members and communities**

We are dedicated to delivering a **distinctive experience** in ways that matter for our members and stakeholders, with a focus on **quality, equity, affordability, convenience, and access** to care



2018 | **WORLD'S MOST**
ETHICAL
COMPANIESTM
WWW.ETHISPHERE.COM

Provider Profiles

Measurable Shift to Value

Models Available

VBP Infrastructure

Network Design

Network Infrastructure

Provider Relationships

Steward of Transition

**2019
Build & Test**

**2021
Scaling**

**2023
New Market
Dynamics
Drive Care
Delivery**

Traditional Fee
for Service

Fee for Service
with Adjusted
Economics to
Drive Targeted
Infrastructure
Transformation

Episode-Based
Incentives
Drive Targeted
Procedural
Transformation

Total Cost of
Care,
Accountable
Care Models
Drive Systemic
Transformation



Build upon national experience

- HCP LAN
- CMS
- Other Blues



Enhance partnership between CareFirst and providers

- Collaborative model design
- Data exchange
- Clinical care support programs & expanded Practice Transformation



Reduce provider burden

- Align common measures wherever practical
- Harmonious model design
- Introduce technologies to enable better use of existing data



Create meaningful incentives

- Performance recognition
- Shared savings / shared risk programs
- Incentives for Patient Experience and Outcomes



Independent Primary Care Providers

- Patient-Centered Medical Home



Independent Specialists

- Episode-Based Incentive Programs

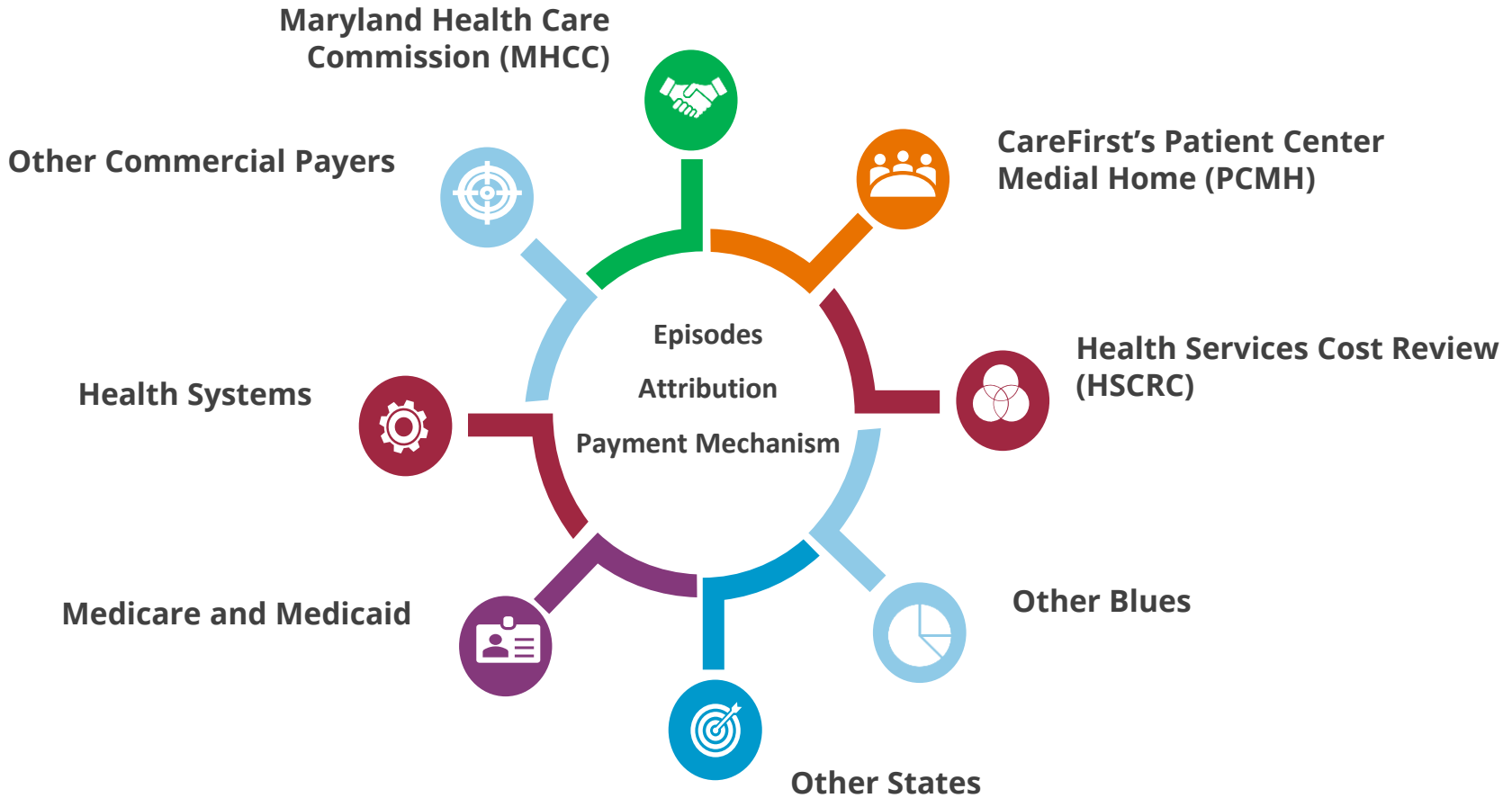


Hospitals and Health Systems

- Accountable Care Organizations
- Total Cost of Care Model



Multi-Payer Alignment Opportunities



MEASURES	PANEL SUMMARY					BENCHMARKS				
						Not Tiered (0 Points)	Tier 4 (50% Points)	Tier 3 (65% Points)	Tier 2 (80% Points)	Tier 1 (100% Points)
POPULATION HEALTH MEASURES	Points Available	Points Obtained	Compliant Members	# Member Opportunities	% Compliance	% COMPLIANCE TO ACHIEVE EACH TIER				
1. Optimal Care for Diabetic Population *	10.00					<12.06	12.06	19.41	28.53	42.98
- HbA1C Control (<8%)						<49.48	49.48	56.93	62.04	68.04
- Blood Pressure Control (<140/90)						<52.01	52.01	62.16	69.83	79.08
- Retinal Eye Exam						<43.07	43.07	50.36	60.17	73.20
- Chronic Kidney Disease Screening (ACR and eGFR annually) *						<45.62	45.62	53.47	61.77	68.25
- Statin Therapy (80% adherence)						<62.67	62.67	67.59	71.99	78.27
2. Controlling High Blood Pressure	10.00					<51.09	51.09	57.77	66.39	78.83
3. Colorectal Cancer Screening	10.00					<55.23	55.23	61.07	67.19	76.35
EVENT-BASED MEASURES	Points Available	Points Obtained	Compliant Members	# Events	% Compliance	% COMPLIANCE TO ACHIEVE EACH TIER				
4. Use of Imaging Studies for Low Back Pain	10.00					<72.23	72.23	76.14	80.30	85.68
5. Follow Up After Emergency Department Composite - with any Practitioner	10.00									
- Follow Up After ED Visit for Mental Illness (7 days)	5.00					<37.75	37.75	44.42	51.82	68.87
- Follow Up After ED Visit for Alcohol/Drug Dependence (7 days)	5.00					<6.82	6.82	9.72	12.94	19.24
6. Follow Up After Hospitalization for Mental Illness (7 days) - with Behavioral Health Practitioner	10.00					<38.33	38.33	46.28	54.25	65.42
RISK-ADJUSTED MEASURES	Points Available	Points Obtained	Observed # Events	Expected # Events	Observed to Expected	OBSERVED TO EXPECTED RATIO TO ACHIEVE EACH TIER (Lower ratio is better)				
7. Hospitalization for Potential Preventable Complications *	10.00					>14.35	14.35	9.16	5.71	2.55
- Hospitalization for Potential Preventable Chronic Complications										
- Hospitalization for Potential Preventable Acute Complications										
8. All-Cause Readmissions	10.00					>0.77	0.77	0.72	0.65	0.54
9. Emergency Department Utilization	10.00					>1.16	1.16	1.04	0.92	0.73
SURVEY MEASURES	Points Available	Points Obtained	Average Score	Denominator	Success Rate	RATE TO ACHIEVE EACH TIER				
<i>Survey Measures are currently under review.</i>										
Overall Clinical Score	100.00									

* Indicates a non-HEDIS measure for which the benchmarks were set using actual PCMH scores for currently active adult viable panels.

- New approach to working with Providers
- The Provider Experience, from contracting to escalated issues to administrative tools, are being reviewed and improved
- Measuring and monitoring performance on provider facing functions

- Capital investments to drive efficiencies, not expansion of capacity
- Critical self-reflection and benchmarking is key
- Get lean, fast
- The “Member experience” is a priority
- New skills and talent may be required for future success
- Search for real innovation in care delivery

DISCUSSION AND QUESTIONS



THANK YOU
