

LDOI PANEL DISCUSSION

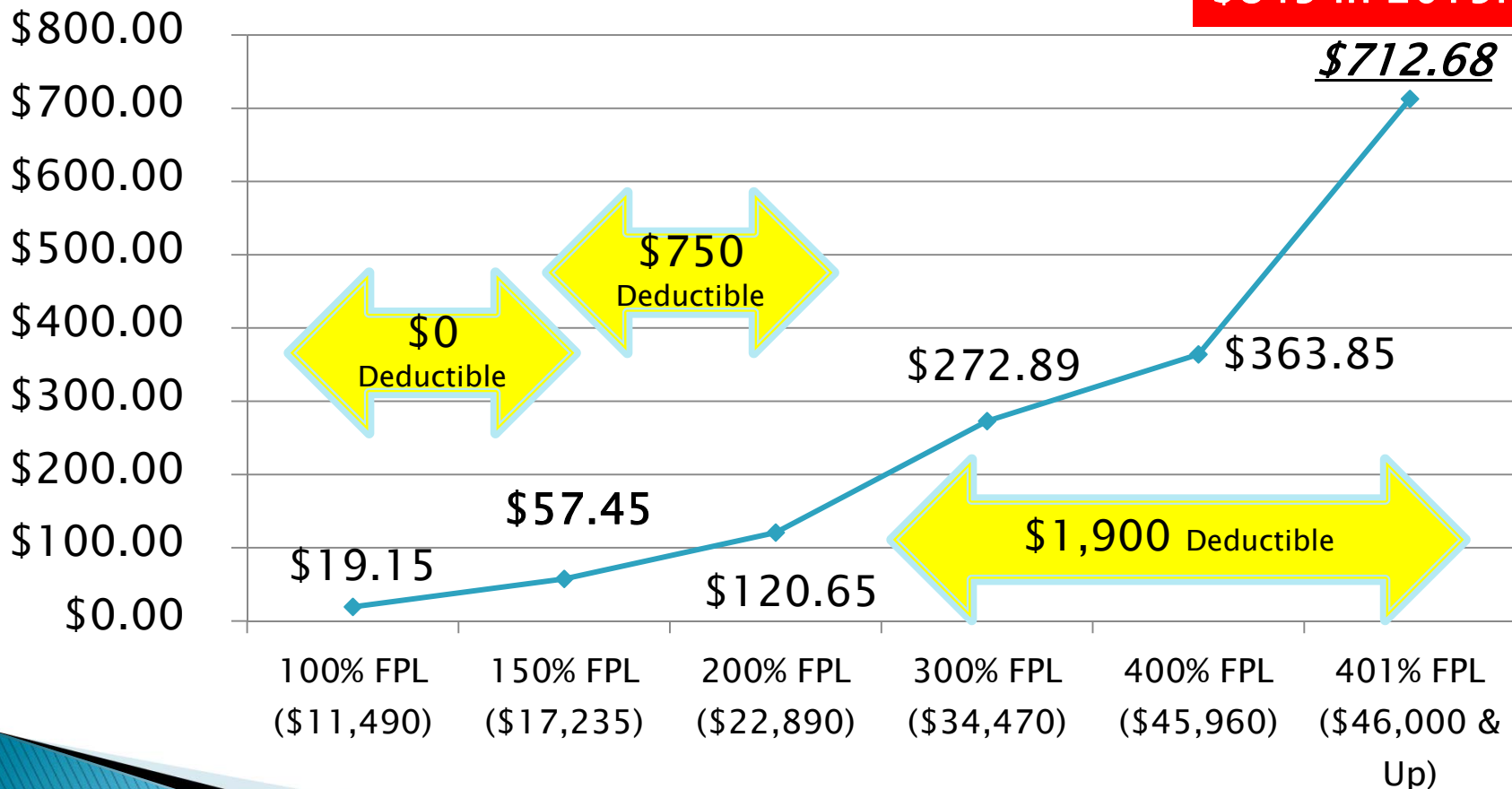


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PPACA is Increasing Healthcare Utilization and Costs Across the Board. Starting with Premiums....

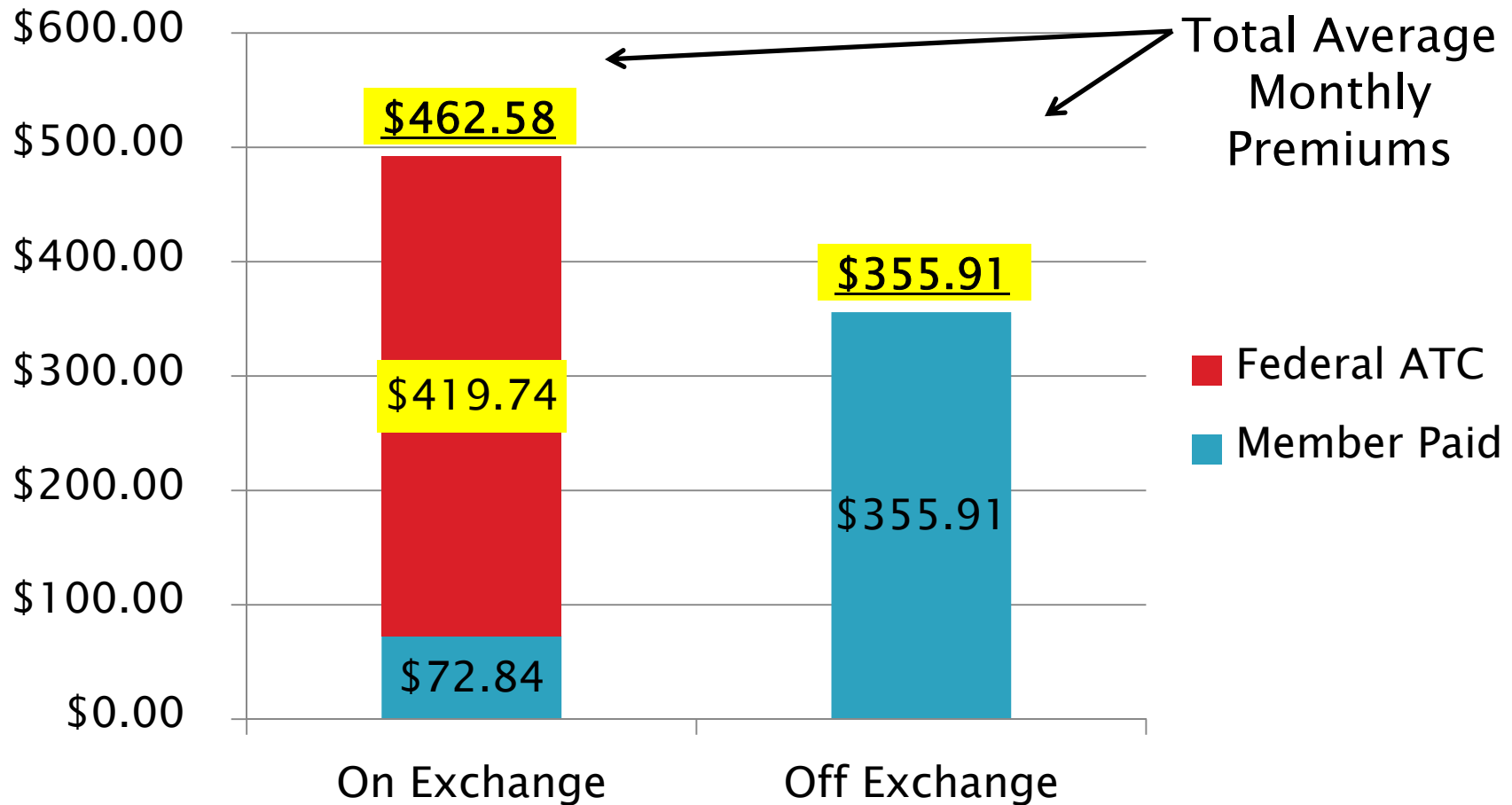
Premiums/Month for a 60 Year Old

\$845 in 2015!



Assumes purchase of Benchmark Silver Plan (2nd Cheapest Silver Plan for that customer)

Feds are subsidizing an AVERAGE of 70% of on-Exchange Premiums.....



90% of On-Exchange Plans included financial assistance. Not all

Costs Driven by New Taxes and Fees as well....

Total \$283.1B!!

Item	Impacts	10 Year Cost
Health Insurer Tax	All Fully Insured Customers, Group and Individual	\$101.2B
Medical Device Tax	All Medical Devices, upon Sale or Delivery	\$30.2B
Group Reinsurance Fee	All group insurance	\$25.8B (3 Years)
Exchange Assessment	All insurance in market served by an Exchange (3.5%)	\$32.2B
PCORI Fee	All insured	\$11.4B
“Cadillac” Tax	All health plans above a state value threshold	\$82.3B (5 Years)



PPACA drives UP the SYSTEMIC COSTS of Healthcare, (even if some folks get a “personal” break.)

- ▶ As a carrier, how are we to help our clients and members control healthcare costs in this New Free-Spending Environment?
- ▶ A variety of strategies have emerged like higher deductibles, narrower networks, and tighter formularies, but
- ▶ None of these solutions make patients healthier!



Can I improve their health AND save money?

We MUST Track and Improve Chronic Cases. Cost of Failure?

- ▶ Average pre-diabetic moves to diabetic?
- ▶ +\$6,667 per year in claims. Average.
- ▶ Average Hypertensive has a stroke?
- ▶ +\$15,000 in first 90 days after stroke.
- ▶ Average High Cholesterol Patient has a heart event?
- ▶ +\$21,500 in first 5 DAYS!
- ▶ Chronic Kidney Disease?
- ▶ \$23,500 yearly average, Stage 4-5 can hit \$100,000/year on Dialysis.

ADA Diabetes Care: Change in Medical Spending Attributable to Diabetes: National Data From 1987 to 2011

<http://www.uhnj.org/stroke/stats.htm>

<http://www.hcup-us.ahrq.gov/reports/projections/2012-02.pdf>

http://www.usrds.org/2012/pdf/v1_ch7_12.pdf

The New Way: *Quality Blue PC*

- ▶ The “PC” = Primary Care. Started 1/1/14.
- ▶ Team-Based Healthcare, i.e. tight, high touch partnerships between the patient, PCP’s, BCBSLA, and Employer Groups.
- ▶ PCP’s are paid extra to watch over members with chronic conditions, with BCBSLA assistance, to make sure members don’t become ACUTE CASES!
- ▶ Payments increase as patient improves!
- ▶ BCBSLA Invests up front in participating PCP’s
 - Software, technical/clinical support provided
 - Care Management Fees (CMF’s) add to PCP revenue
 - Employers can see how many members are enrolled and progress over time.



Physicians can also receive Continuing Education Credits while Participating in QBPC!

After 1 Year.....



**AND WAIVED CO-PAYS!!!
FOR PCP VISITS STARTING
JANUARY 2015!**

- ▶ 12% improvement in diabetes quality measures
- ▶ 28% in Hypertension, 32% in Cardio-vascular Disease, AND.....
- ▶ 69% improvement in CKD measures!!!

- ▶ 31 clinics with 440 PCP's enrolled in Program
- ▶ Managing 141,000 BCBSLA members...
- ▶ 52,000 of which have one or more chronic conditions!
- ▶ BCBSLA invested \$4.0m in care management fees for this population in 2014.



**“You should listen to our Dad
because he is a GENIUS!”
(he made us say that cause he’s
paying for college!!)**

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