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Anthem ACOs Targeting Chronically-Ill PPO Population Improve Patient Health, Save \$7.9 Million in 1 Year

UC Davis, Sharp Rees-Stealy, Sharp Community, HealthCare Partners, Santé & SeaView Participate in Program

Anthem Blue Cross (Anthem) announced today its Accountable Care Organizations (ACOs) under its Enhanced Personal Health Care Program, which targets PPO members with two or more chronic conditions to improve their overall health through enhanced care coordination, saved \$7.9 million¹ by improving total population health.

Medical group results are measured on an annual basis. Six of the 19 medical groups participating in Anthem's ACO program produced these collective results during the same time period. The six medical groups are UC Davis, Sharp Rees-Stealy Medical Group, Sharp Community Medical Group, HealthCare Partners, Sante Community Physicians IPA and SeaView IPA.

"Gone are the days when PPO members with multiple chronic conditions rarely receive team-based coordinated care," said Brian Ternan, president of Anthem Blue Cross. "These results are further evidence that providing such care in the framework of an Anthem ACO does lower costs."

Across a variety of metrics including inpatient care, outpatient care, professional costs and pharmacy expenditures, there were indications of improved patient care. Below are some aggregated results among all six groups:

Inpatient ²		Outpatient		Professional	
Admit Per 1000	Days Per 1000	Claim Per 1000	Visit Per 1000	Claim Per 1000	Visit Per 1000
-7.3%	-3.2%	-2.3%	-2.2%	-2.5%	-2.6%

Additionally, the pharmacy costs for Anthem's ACOs increased, which is counterintuitively a positive outcome. Medical experts believe this change is due to higher drug adherence for those with chronic illness, leading to lower costs in other parts of the health system.

Pharmacy ³	
Prescriptions Per 1000	Generic Drug Rate
+0.6%	+4.2%

Fragmentation of the care delivery system is widely recognized as a cause of missed opportunities to treat both acute and chronic conditions. Coordination of care among physicians and other practitioners is seen as an essential part of improved quality. Anthem is partnering with well-established medical groups in California to direct their extensive clinical resources into helping the PPO members who seek care with these groups.

Each medical group is provided member-level data by Anthem so they can intervene with the sickest PPO members to provide more coordinated care. In addition to the information, Anthem pays each participating group a care coordination fee, which helps fund the additional clinical coordination and care. Because each medical group's patient population is unique, each group is empowered to determine what steps are appropriate for their patients. Here are some of examples of steps taken by medical groups to assist Anthem members:

UC Davis

"We've done a lot of work to provide better care for these patients," said Thomas Balsbaugh, medical director for the Patient-Centered Medical Home program at UC Davis Health System. "We've observed a decrease in cost per chronic episode."

Patients included by UC Davis in the program are those with kidney disease, asthma, heart disease, behavioral health issues, etc. and are treated by a team of nurses, social workers, pharmacists, dietitians and other care team members.

"We've standardized processes – including care in between episodes," added Balsbaugh. "Our case management team has reduced emergency department use, and our care managers have helped patients improve their adherence to medications. But most importantly, we've maintained our quality scores while reducing costs, and we have a high rate of satisfaction for both patients and providers."

Sharp Rees-Stealy

"Thanks to the support from Anthem, we continue to improve the health of our patients through a variety of Population Health programs," said Steven Green, MD, Sharp Rees-Stealy medical director. "We effectively employ telehealth visits, home visits and remote monitoring to provide high quality, convenient and cost-effective care for patients with chronic illnesses."

Sharp Rees-Stealy has also had success engaging with Anthem patients during visits to their primary care physicians through the use of embedded care managers. The care managers help engage the patients and teach them how to better manage their care. Patients are supported by a multi-disciplinary care team that uses sophisticated tools to deliver advanced medicine in a caring and compassionate manner.

Santé

"We use Anthem's data and analytics to determine which PPO members would most benefit from this program and assist them," said Dr. Daniel Bluestone, chief medical officer of Santé. "After we identify these members, we aggressively pitch the program to the members, their doctors and other staff members. Once members see the benefits of ACO care coordination for themselves, they convince their doctors to become advocates of the program."

Santé also used Anthem's care coordination dollars to fund two social workers, who helped to reduce barriers to care such as family, psychological or transportation issues.

“We’ve seen fewer trips to the ER and fewer hospitalizations,” said Dr. Bluestone. “We’ve surveyed the patients in this program, and the nurses and social workers get rave reviews. There’s a beautiful synergy to this program.”

HealthCare Partners

“For 25 years, HealthCare Partners has been proudly coordinating the care of our patients and we know our methodology works,” said Dinesh Kumar, chief medical officer, HealthCare Partners California. “We extended this proven approach to treat our highest risk Anthem ACO members who typically do not receive coordinated care. By doing so, we have been able to reduce hospital admissions and decrease readmissions, plus have increased generic prescription rates, all of which translates to lower costs with better health outcomes.”

HealthCare Partners operates an ACO Unit with a dedicated staff of care managers and care coordinators who conduct health risk assessments, identify hospitalized ACO patients, coordinate transitions of care, and ensure patient care and health care resources are accessible. In addition, HealthCare Partners extends medical management programs to Anthem ACO patients, such as disease management, specialized high risk programs, home care and palliative care programs.

SeaView

SeaView’s use of Anthem ACO pharmacy analytics has allowed providers to receive member-specific utilization trends that have a possible generic alternative.

“In supporting our Anthem ACO members, we have been able to establish a successful process that allows our dedicated Nurse Case Manager to accompany a member to their physician office visit to allow for a more collaborative approach in addressing the member’s health care needs,” said Lisa Barnes, health services director at SeaView. “It has been SeaView’s experience that when trust is established with an ACO member on the smaller issues, they welcome your involvement on the bigger concerns.”

Sharp Community

“We currently live in a fee-for-service system where care is historically fragmented, based on reimbursement where the more services we provide the more we get paid, and generally where there is little accountability for the wellness and value we provide for our patients,” said John Jenrette, MD, CEO, Sharp Community Medical Group. “The Anthem ACO provides the first real opportunity to improve patient care and outcomes while reducing costs and adding real value to the care we provide PPO patients.”

Anthem led the way in patient-centered care with one of the first ACOs in the state in 2011. Anthem continues to expand its ACO network across California, giving more members with multiple chronic health conditions support to improve their health with a personalized health team.

Anthem has 19 providers offering ACOs to members across California:

- Brown & Toland Physicians (Based in San Francisco, CA)
- Cedars-Sinai Medical Care Foundation (Based in Beverly Hills, CA)
- Community Hospital of Monterey Peninsula (Based in Monterey, CA)
- HealthCare Partners Medical Group (Based in Torrance, CA)

- Heritage Provider Network (Based in Northridge, CA)
- Hill Physicians Medical Group (Serving East Bay, San Francisco, Sacramento and San Joaquin. Based in San Ramon, CA)
- Humboldt-Del Norte IPA (Based in Eureka, CA)
- MemorialCare Medical Foundation - MemorialCare Medical Group/Greater Newport Physicians (Based in Tustin and Newport Beach, CA)
- Sansum Clinic (Based in Santa Barbara, CA)
- Santa Clara County IPA (Based in Santa Clara, CA)
- Santé Community Physicians IPA Medical Group (Based in Fresno, CA)
- SeaView IPA (Based in Oxnard, CA)
- Sharp Community Medical Group (Based in San Diego, CA)
- Sharp Rees-Stealy Medical Group (Based in San Diego, CA)
- Sutter Health (including Palo Alto Medical Foundation, Mills Peninsula Medical Group, Sutter East Bay Medical Foundation & Sutter Pacific Medical Foundation, Sutter Medical Foundation and Sutter Gould Medical Foundation. Based in Sacramento, CA)
- Torrance Memorial Medical Center/Torrance Memorial Integrated Physicians (Based in Torrance, CA)
- UC Davis Medical Group (Based in Sacramento, CA)
- UCLA Medical Group (Based in Los Angeles, CA)
- UCSF Medical Group (Based in San Francisco, CA)

Anthem will continue to seek additional providers to join its ACO network.

Through this model, members have access to a personalized health team which includes a physician, a care coordinator and other health care practitioners as needed. It is available to PPO members who meet program criteria.

Research has shown that a coordinated care approach to address chronic conditions has resulted in healthier, more satisfied and more productive employees. Results for the strategy, according to an Intensive Outpatient Care Program (IOCP) pilot study, 2009-2011, have been impressive, including significant reductions in hospital admissions, health care costs and missed workdays. The study also found participants had improved mental functioning, and many in the program reported that care was "received as soon as needed."

About Anthem Blue Cross:

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Footnotes:

¹Savings determined by calculating difference between predicted CA market medical trend and ECC observed trend for 7/13-6/14 experience period for members attributed to the six medical groups.

²Inpatient metrics include all acute, maternity, and sub-acute admits during experience period.

³Pharmacy exposure based on carved-in experience only.