

FACT SHEET

Value Partnerships 10 Years of Progress

Background

Over the last 10 years, Blue Cross Blue Shield of Michigan has led an effort with 19,000 physicians, 75 hospitals, and other care providers, to reinvent Michigan healthcare, resulting in a more efficient, less costly healthcare system that has directly saved more than \$1.4 billion dollars in benefit costs statewide. The effort is a collection of quality and value-based programs called “Value Partnerships.”

What is Value Partnerships?

Value Partnerships is an umbrella term for a roster of seven robust, statewide programs where physicians, hospitals and other healthcare providers collaborate to improve the quality, safety and processes of health care.

Value Partnerships began with two programs: 1) Collaborative Quality Initiatives that focused on improving clinical quality in specific procedures such as angioplasty, and 2) the Physician Group Incentive Program (PGIP), which started with conversations between BCBSM, the Michigan State Medical Society, and various physician organizations (POs). The objective was to design a program that would address the root causes of our high cost health care system:

- Poorly aligned incentives
- Lack of population focus
- Fragmented health care delivery
- Lack of focus on process excellence
- Weak primary care foundation

What has been achieved?

A mass movement among the majority of hospitals and physicians in the state to transform Michigan’s health care into a high quality, high performing, more coordinated system.

- Twenty-two collaborative quality initiatives to improve medical and surgical processes, five of which have saved \$792 million in prevented complications and improved outcomes.
- The nation’s largest patient-centered medical home designation program has saved an estimated \$512 million over six years due to prevented ER visits and hospital stays.
- Value-based payment contracts with 70 hospitals statewide have saved \$100 million due to more favorable care outcomes for patients – in just one year.
- Statewide collaboration among health care providers and health care systems that often compete in the marketplace, resulting in clinical quality improvements such as reduced mortality, reduced post-procedure complications.
- One of only 8 states approved for CMS demonstration project on care management – recently extended due to positive results.
- More than 100 articles on findings from Value Partnerships initiatives published in peer-reviewed medical journals over the last 5 years.

For more information, go to valuepartnerships.com

- Improved reporting and connectivity, enabling hospitals and physician groups statewide to share vital patient data and pave the way for population health management.
- Funding from federal agencies and private foundations to research Value Partnerships programs, determine results and help replicate them in other states.

What are the Value Partnerships programs?

- **Physician Group Incentive Program** – Care process and quality improvement initiatives for physician organizations.
- **Patient-Centered Medical Home** – Designation program that strengthens the primary care foundation.
- **Patient-Centered Medical Home Neighbor** – Reward program for specialists who actively collaborate with primary care physicians.
- **Provider Delivered Care Management** – Care management services offered through the primary care practice.
- **Organized Systems of Care** – A community of providers that coordinate care across all settings for a shared population of patients.
- **Collaborative Quality Initiatives** – Initiatives, each aimed at improving specific medical or surgical procedures and processes.
- **Hospital Value-Based Payments** – Improves individual patient and population-based quality of care and payments based on outcomes.
- **National Solutions** – Coordinating Michigan’s quality and value-based programs with similar Blue Cross programs nationwide.

By the Numbers

Cost Savings for PCMH program – Total of \$512M

- July 2008 to June 2009: \$15M
- July 2009 to June 2010: \$47M
- July 2010 to June 2011: \$93M
- July 2011 to June 2012: \$114M
- July 2012 to June 2013: \$116 M - estimated
- July 2013 to June 2014: 127M – estimated

Benefit Cost Savings for CQI program

	Bariatric Surgery	General Surgery	Cardiothoracic Surgery	Angioplasty & Vascular Intervention	Total
BCBSM, BCN, BC-MA	\$15.7M	\$189M	\$11.5M	\$67.4M	\$284M
Total Statewide	\$34.9M	\$286.9M	\$108M	\$362.9M	\$792M

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Physician Group Incentive Program

- 19,000 participating primary care and specialist physicians
- 46 physician organizations
- Statewide reach

Patient-Centered Medical Home Program

- More than 2 out of 3 PGIP primary care physicians have earned BCBSM PCMH-designation
- 1,551 designated practices, consisting of 4,349 physicians
- Located in 78 of Michigan's 83 counties

Collaborative Quality Initiatives

- 22 statewide initiatives
- 75 hospitals across the state participate
- Initiatives collect data and analyze the care provided to roughly 200,000 patients statewide annually

Sample Clinical Improvements

Patient-Centered Medical Home

These results compare the 2015 pool of 1,551 PCMH designated practices to their non-designated peers. (For adult patients aged 18-64 only. Uses 2014 claims data.)

- Emergency department visits were **10.9%** lower.
- ED visits for those with chronic conditions were **12.6%** lower.
- Inpatient discharges for those with chronic conditions were **26%** lower.
- High-tech radiology services were **8.7%** lower.

Collaborative Quality Initiatives

Angioplasty:

- 52 percent reduction in complications (2008-2013).
- 33 percent reduction in blood transfusions after angioplasty (2008-2013).

Bariatric Surgery:

- Rates of surgical site infection decreased by 67 percent (2012-2015).
- Reduced readmissions by 22 percent (2009-2015).
- Serious complication rates decreased by 17 percent (2009-2015).

General Surgery:

- 30 percent reduction in surgical site infections (2008-2015).
- 8 percent reduction in morbidity (2008-2014).

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