



Blue Cross Blue Shield of Michigan's Value-based Reimbursement approach encourages hospitals to work with physicians to provide cost-efficient care at both hospital and population levels. The program features two tiers that encourage hospitals to align with their partner physician groups and transition to a more efficient reimbursement model.

The two tiers of our Value-based Reimbursement approach are:

1. Infrastructure

- **Encourages** hospitals to partner with physician groups and other providers — they work together to establish the tools and capabilities needed to provide high quality, cost-efficient services for a shared patient population across care settings.
- **Complements** the capabilities and funding provided to organized systems of care as part of the Physician Group Incentive Program

2. Population-based performance

- **Rewards** hospitals for improved coordination of care with their physician partners to reduce their shared patient population's unnecessary use of medical services
- **Provides** hospitals with the opportunity to share in savings when their weighted, population-based performance outperforms a Blue Cross actuarial trend goal — greater performance results in more savings shared with hospitals.

