

Highmark Delaware Primary Care Collaborative

November 28, 2018

Our Commitment To Delaware

- Highmark Delaware is the only carrier participating on the Delaware Marketplace and has invested approximately \$50 million in the form of subsidized losses since inception (January 2014).
- Serve over 450,000 members across all of these populations
- Highmark Delaware developed and implemented a robust Medicaid Managed Care product (DHOP) in 2015 to serve Delawareans and fill a critical void.
- Highmark offers the 2nd largest Primary Care focused Risk Based Contract in the country, True Performance, which involves 1.8M attributed members.
- Highmark Delaware and its employees have participated actively in the State's SIM & DIN program since their inception.
- Highmark Delaware has contributed over \$18,000,000 since 2012 to support over 200 health-related initiatives, programs and organizations within Delaware.
- Part of the broader \$18.2B Highmark Health enterprise, which serves 5.2M health plan members and over 24M members through our integrated delivery network, diversified companies and technology solutions business.

Six trends shaping the market¹ and Highmark's strong position for the future

Trends

Evolving consumer expectations

Big data proliferation

Growing government business

Cross-industry, vertical integration accelerates

The rise of pharmaceutical management

The evolution towards value-based care

Highmark's position

Personalized engagement through data-driven consumerism capabilities and innovative vendor partnerships

Market-leading data and analytic capabilities

Large and influential player in the Medicare, Medicaid and ACA markets

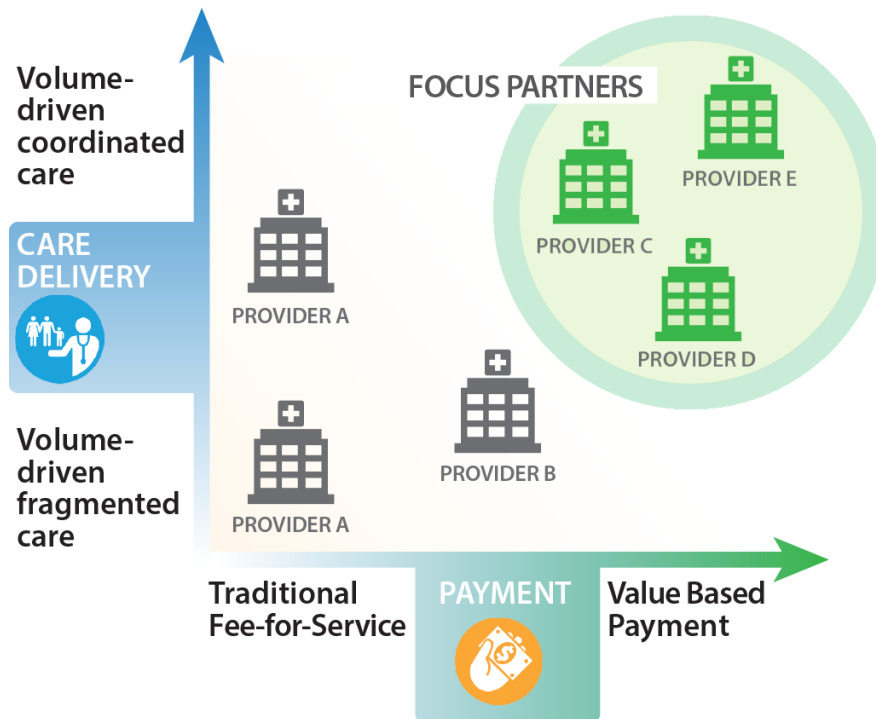
Only Blue integrated delivery and financing system; many large, complex provider partnerships

Proven pharmacy management programs (including specialty drugs) yielding lower trends than leading PBMs

Large, successful VBR programs and enabling capabilities

Provider partnerships are the cornerstone of Highmark's strategy

Aligning care delivery and incentive payments



Highmark's provider partnership strategy

Highmark will jointly develop **value-based programs and products** based on provider readiness and market needs

Focus on keeping providers independent and keeping care local and affordable

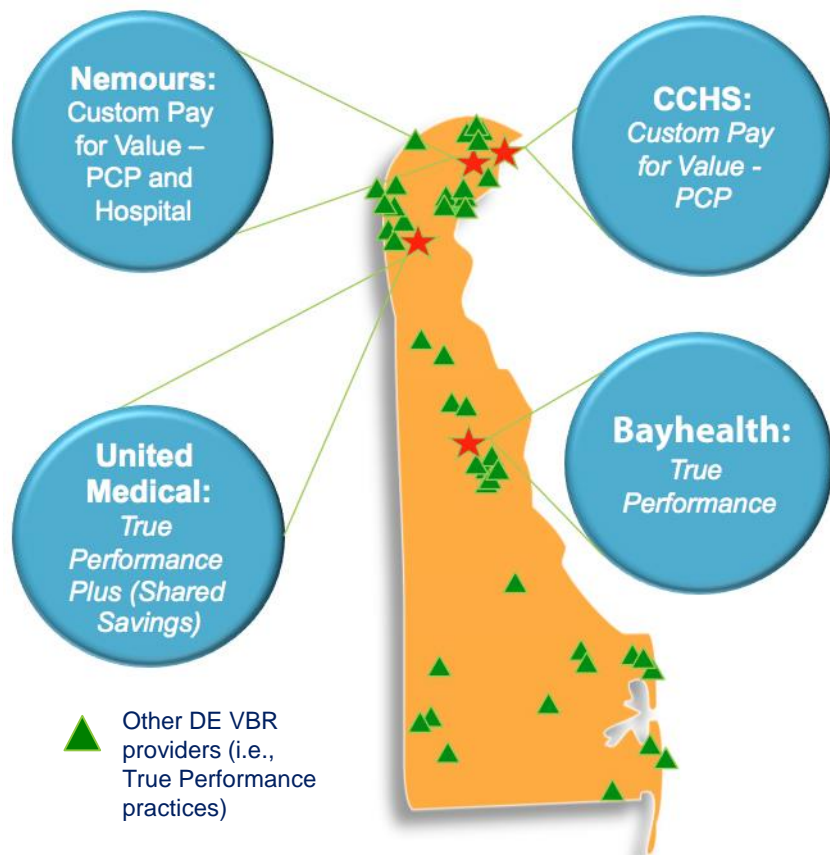
Programs will evolve as providers take on increasing risk for effectively managing care

Ultimately, there **will be winners and losers** as some providers adapt and succeed, while others resist the movement towards value

Moving forward, **we will focus on transforming care delivery** with willing and able partners, rather than with every provider

Highmark, in partnership with other Delaware healthcare providers, has ignited an aggressive agenda forging a new path in care delivery and reimbursement .

Partnership Examples



Delaware VBR Future State

1. Continued focus on aligning incentives at every level of the health care continuum (PCP, Specialists, Hospitals, Post-Acute)
2. Collaboration with State and Local stakeholders on creating & managing a **Spending Benchmark while** rewarding the highest quality outcomes
3. Continued focus on **advancing VBR** in Medicaid, Commercial, and ACA lines of business
4. Introduce quality metrics that **focus on societal and environmental factors of health** to ensure a holistic approach to care delivery
5. Create **member-level incentives** to promote appropriate site of care, intervention, and preventive engagement
6. Intensify focus on **telehealth initiatives** to alleviate access issues and increase efficiency across the continuum
7. Increase **member-level knowledge** of VBR to ensure growth of VBR is supported by all stakeholders
8. Collaborate more with the provider community to develop programs that **center around the patient** and support all parties equitably

True Performance is Making an Impact

TOTAL: 645 contracted entities
1,543 practices
Approximately 1.8 million attributed members

Central Pennsylvania

- 137 entities
- 449 practices
- More than 535,000 members

NEPA

- 110 entities
- 164 practices
- More than 215,000 members

Western Pennsylvania

- 228 entities
- 558 practices
- More than 690,000 members

West Virginia

- 88 entities
- 264 practices
- More than 200,000 members

Delaware

- 76 entities
- 131 practices
- 149,557 Commercial members
- 36,537 Medicaid members (Health Options)

2017 DE Results*:

- **10.1% lower ED rates**
 - 22.02 fewer visits/1000 members
 - avg savings of \$1735 per visit
 - ✓ **\$6.4 mil** in savings
- **7.3% lower admission rates**
 - 4.66 fewer admits/1000 members
 - avg savings of \$18,157 per admission
 - ✓ **\$14.3 mil** in savings

DE True Performance and Value Based Activity

- All Delaware hospital providers are currently enrolled in the commercial True Performance program, or a custom VBR arrangement.
- Custom Value Based Reimbursement programs were negotiated with Nemours for both Commercial and Medicaid business.
- There are 37 practices on the target list to add to True Performance for CY2019
- DE hospital providers struggle with TCOC metric but are working aggressively on utilization and pharmacy to impact total cost of care.
- Saint Francis completed the 2017 Quality Blue Program with a perfect score – 1 of only 19 hospitals within Highmark's entire footprint..
- Meetings continue with all DE hospital systems to finalize 2019 Medicaid Value Based Reimbursement arrangements
- GI Associates (Dover GI practice) has been signed onto a retrospective bundled arrangement

Provider Engagement Team Structure

Provider Account Liaison, Clinical Transformation Consultants and Advanced Analytics Data Analyst

Subject matter experts in True Performance

Meets directly with Providers

Responsible for providers with attribution >500

Responsible for Commercial Adult, Pediatrics and Commercial Senior Populations

Oversees all components of True Performance

True Performance Monthly Reporting:

True Performance Quarterly Reporting:

Collaborates with Practice Administrator, Provider Account Liaison (PAL), and Data Analyst

Strategic Integration for Provider Engagement Team Structure

Population Health Performance Specialist

Subject matter expert in True Performance Plus/Advanced

Engages with strategic partners

Responsible for entities enrolled in advanced VBR programs

Responsible for Commercial Adult, Pediatrics, Commercial Senior Populations, and Medicare Advantage

Collaboratively develops provider specific strategy to support multi-year cost reduction through the integration of shared savings and shared risk programs

Leverages Highmark resources to support providers in their transition to independently manage the whole patient

Collaborates closely with Provider Account Liaison (PAL) and CTC teams.

PCP Care Alignment Reporting Package – Actionable data on utilization/referral patterns

Physician Loyalty Analytics – Insights into specialist loyalty and practice patterns

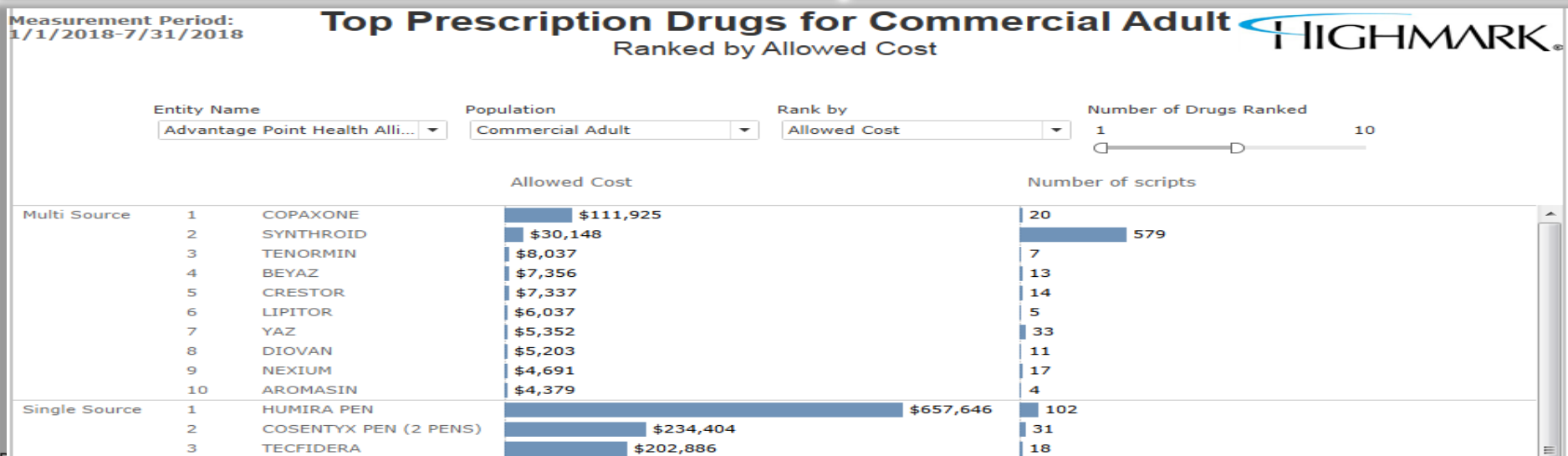
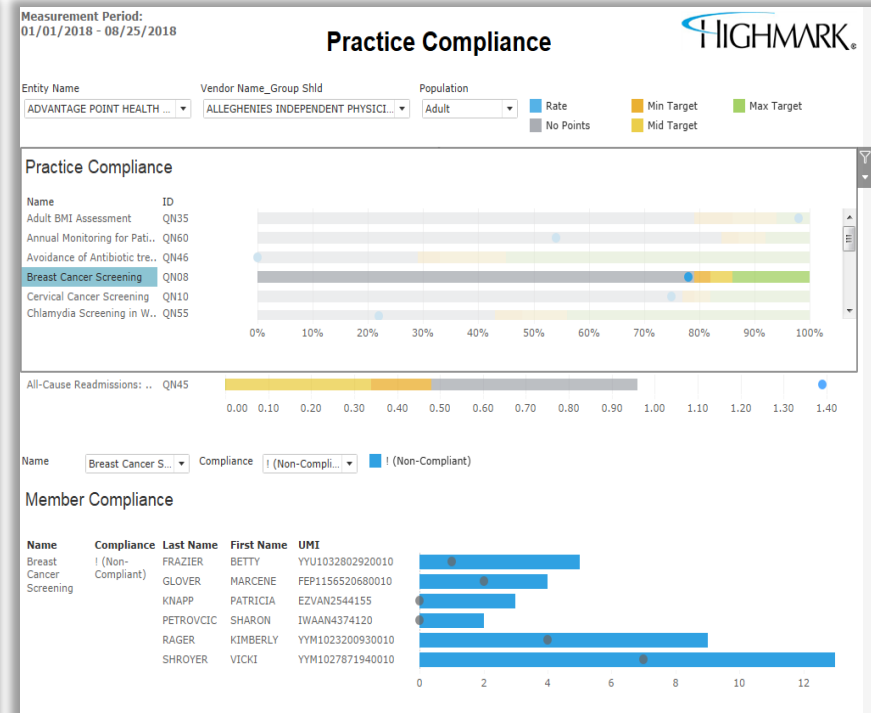
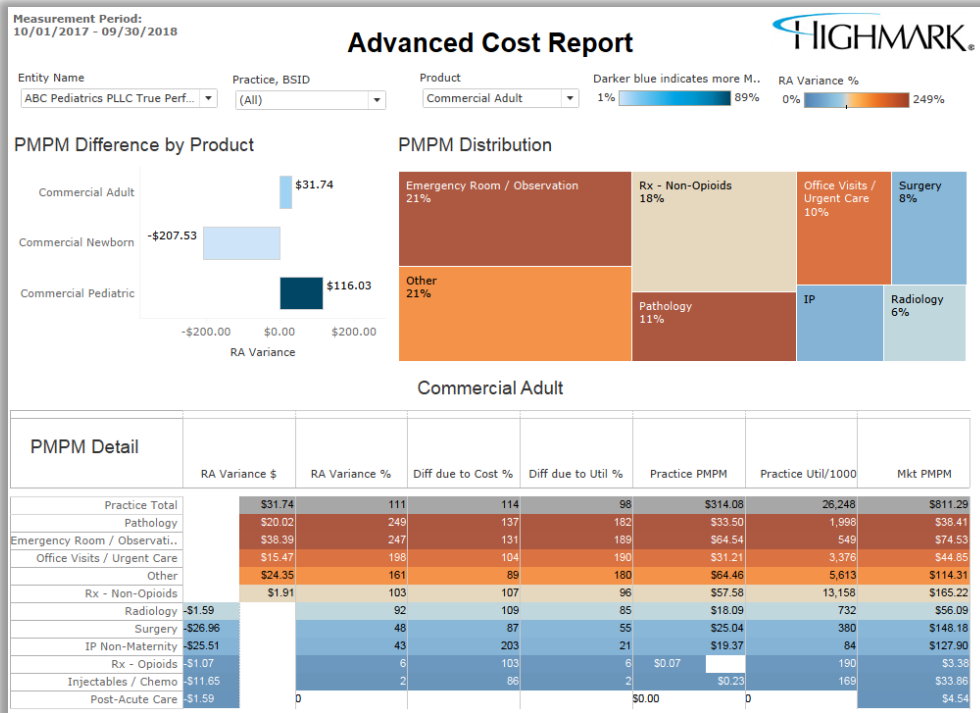
Executive Management Reporting – Customized Executive Reporting across practices

Prospective Cost/Quality Analytics – Enabling more “real-time” management of performance

MA Members	STARS Current Month	STARS Prior Month	STARS Measure																			
			Dynamic								Static											
			C17	C18	D13	D14	D15	D11	C23	C01	C02	C09	C04	C10	C14	C15	C16	C20	D12	DMC16	DMC17	Well
616	▲3.44	▲3.31	3	5	5	3	4	3	2	3	3	5	5	4	4	5	5	3	1	5	5	4
155	▲3.72	▲3.31	5	5	5	3	4	1	5	2	4	5	5	5	1	4	5	1	1	5	5	5
455	▲3.44	▲3.33	3	3	3	3	4	2	3	3	4	3	5	5	5	5	4	4	5	2	5	5
307	▲2.82	▲3.97	3	4	5	5	3	2	5	5	5	5	5	2	5	5	5	5	1			
140	◆3.83	◆3.03	2	1	3	3	4	1	4	2	2	5	5	4	1	5	5	1	2	3	5	4
202	▲3.50	▲3.75	2	5	5	4	5	3	2	3	3	4	5	4	1	5	5	5	1	3	5	5
120	▲3.61	▲3.42	2	2	5	5	5	4	5	3	5	5	5	4	1	5	5	1	1	5	1	5
1,164	▲3.70	▲3.70	3	3	5	3	4	4	4	3	3	3	5	5	2	5	5	5	3	5	4	4
59	●4.03	●4.00	1	1	5	5	5	4	5	5	5	5	5	5	1	5	4	5				5
270	▲3.82	▲3.52	1	3	5	5	5	4	3	5	5	4	5	4	1	5	5	5	3			5
390	▲3.75	▲3.25	3	5	5	5	5	3	2	4	5	2	5	5	2	5	5	5	2	2	1	4
258	▲3.50	▲3.50	3	4	5	5	5	4	2	4	5	5	5	1	1	5	5	5	1	1	5	5
113	▲4.60	▲4.32	5	5	5	5	5	4	4	5	5	4	5	4	5	5	5	5	5			2
130	●4.26	●4.09	5	5	5	5	5	3	5	5	5	5	5	5	2	5	5		3	1	2	2
57	▲3.13	▲2.91	2	5	1	5	5	2	1	5	5	2	2	5	5	5	5	1				5
292	▲3.97	▲3.74	4	3	5	5	5	3	4	5	5	4	5	5	2	5	5	5	1			4
235	●4.39	●4.36	3	5	5	5	5	4	5	5	5	5	5	5	1	5	5	3	5	1	5	

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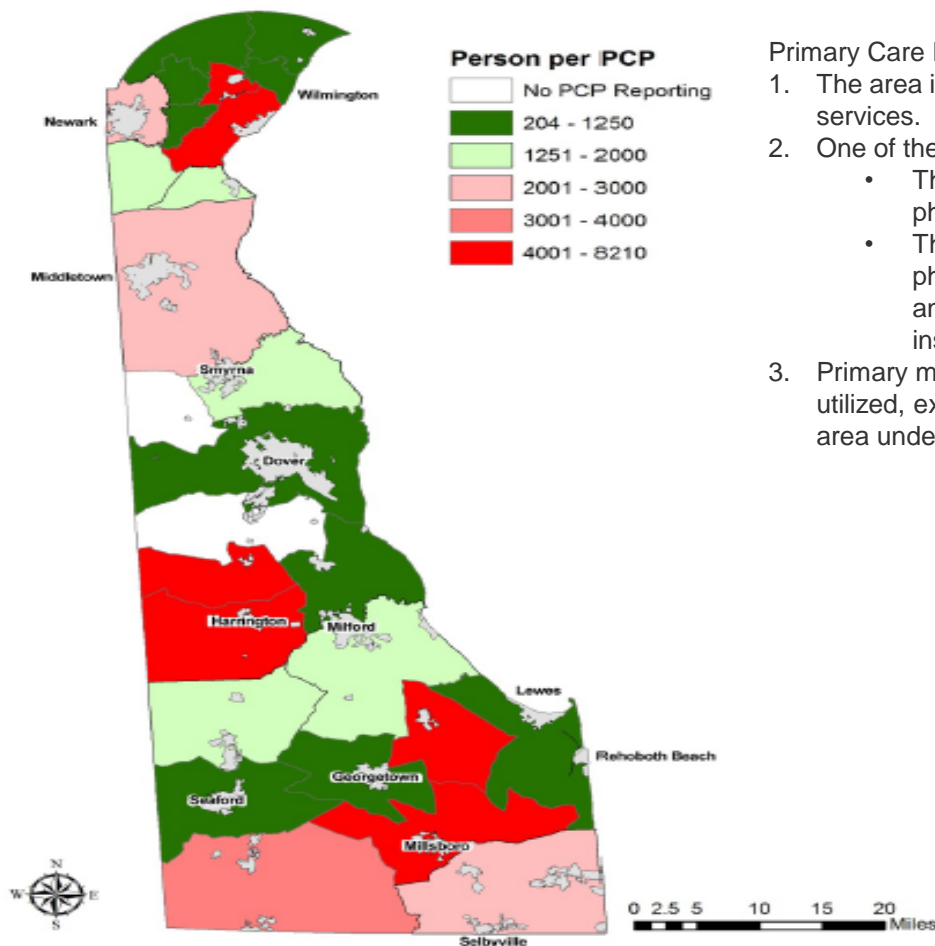
Enhanced, Tableau-based visuals



Primary Care Needs in Delaware

Delaware Primary Care Health Needs Assessment 2015

Figure 19. Number of Persons per Primary Care Physicians, in Delaware, by census county division, 2013



Primary Care Designated Shortages if these criteria are met:

1. The area is a rational area for the delivery of primary medical care services.
2. One of the following conditions prevails within the area:
 - The area has a population to full-time-equivalent primary care physician ratio of at least 3,500:1.
 - The area has a population to full-time-equivalent primary care physician ratio of less than 3,500:1 but greater than 3,000:1 and has unusually high needs for primary care services or insufficient capacity of existing primary care providers.
3. Primary medical care professionals in contiguous areas are over utilized, excessively distant, or inaccessible to the population of the area under consideration.

Next Steps:

- **Continue discussions** with Delaware health systems and large medical groups to accelerate the migration to value-based reimbursement for both Medicaid and Commercial business.
- **Continue partnering** with Delaware health systems and medical groups to become Blue Cross Blue Shield Centers of Excellence.
- **Will remain focused** on our customers through the provision of access to high-quality, cost-effective health care and the tools and programs to help improve overall health

