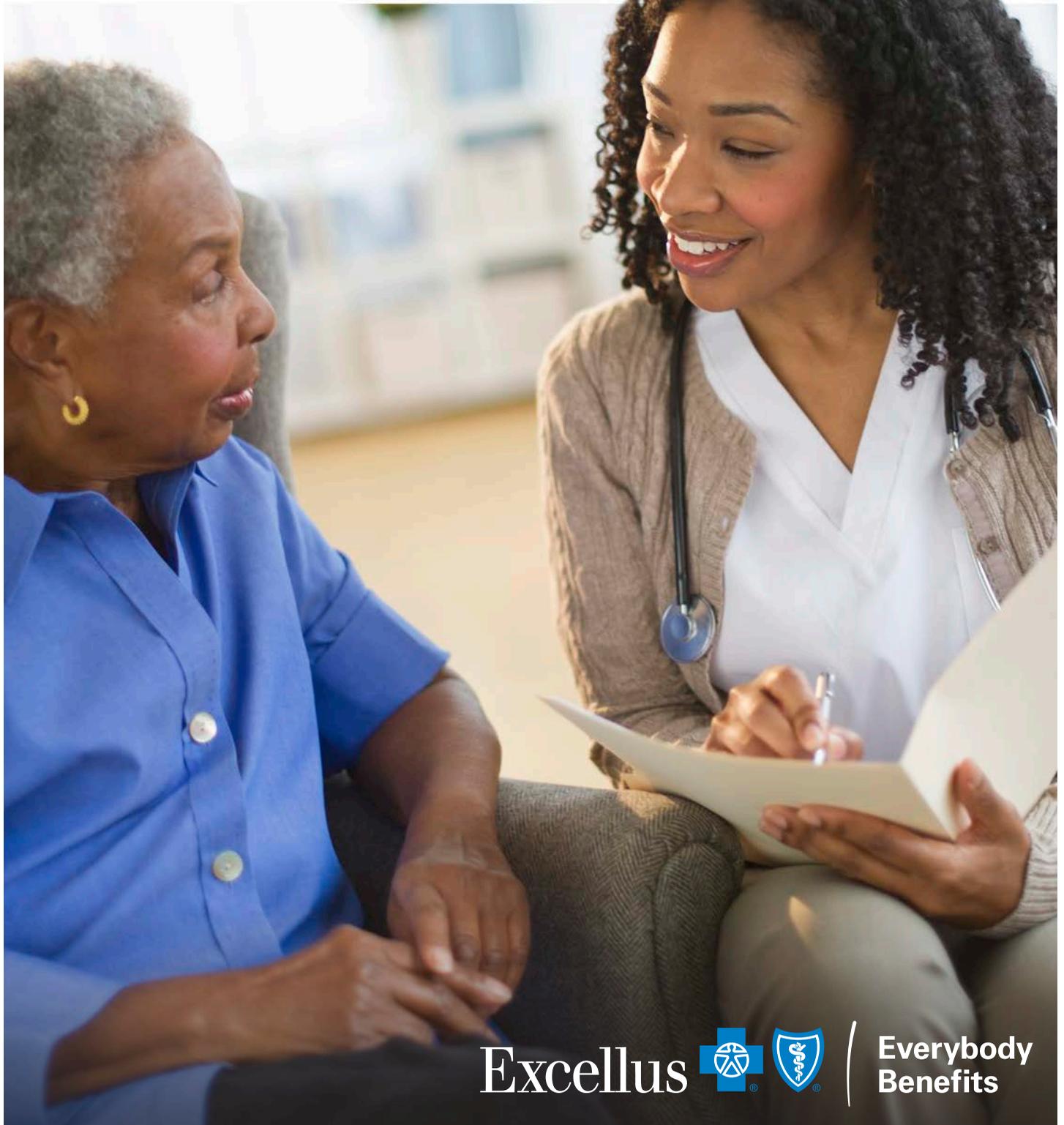


Better Care for Less Through Coordinated Care

Accountable Cost & Quality Agreements
(ACQAs)



Rising health care costs impact everyone. That's why we've developed an innovative partner payment model designed to reduce these costs, while simultaneously improving quality and enhancing your employees' experiences as patients and members. We call these programs ACQAs.

Studies show that management of chronic health conditions accounts for 90 percent of all health care spending in the United States¹.

Poor management of conditions such as diabetes, high blood pressure and heart disease can lead to wasteful spending due to service redundancies, low acuity emergency department visits, hospital admissions and more.

Traditional fee-for-service payment methods are a major cause of waste in the health care system, as providers are reimbursed per service provided rather than quality of care. That's why health plans have been moving toward value-based models which compensate providers based on the quality of care delivered, not the quantity of services performed.

This approach fosters partnership between providers and health plans and allows providers to deliver higher quality, patient-centric care for each member.

\$935 billion

estimated annual waste in the U.S. health care system²

\$10,000+ per year

average cost of health care per person³

30 million

Americans have five or more chronic conditions¹

¹ The RAND Corporation, "Chronic Conditions in America: Price and Prevalence"

² Journal of the American Medical Association; "Waste in the US Health Care System Estimated Costs and Potential for Savings"

³ The New York Times, "The Huge Waste in the U.S. Health System"





Accountable Cost & Quality Agreement

An Accountable Cost & Quality Agreement (ACQA) is our localized approach to value-based payment agreements. Excellus BlueCross BlueShield and a network of local doctors and hospitals collaborate to provide coordinated health care for members with the goal of improving care quality and reducing cost.

Through increased partnership between Excellus BCBS and providers, the ACQA promotes a better, more holistic patient experience for members while working to reduce unnecessary medical costs for all and improve health outcomes.

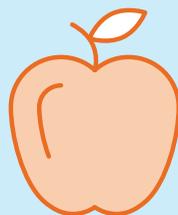
How ACQAs Work

ACQAs promote a more collaborative, higher quality, local health care system where care is better coordinated, helping eliminate unnecessary expenditures.



1

The health plan and providers work together to set goals around cost containment and quality of care metrics.



2

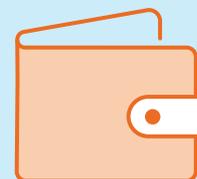
The health plan analyzes and exchanges data with providers to identify opportunities to reduce unnecessary medical cost, reduce administrative burden, and close gaps in care.



3

This collaboration helps eliminate duplication of services and reduce inappropriate utilization of services that result in higher costs – while delivering an improved experience for members.

If the providers meet or exceed quality targets within their annual budget, they get to keep a share of the savings. If the goals are not met, the provider receives a penalty in the form of reduced reimbursement.



Everybody Benefits from a Well-Executed ACQA

✓ **Members/Patients**

Receive better, more proactive care and are better informed about costs. This results in improved member health, fewer unnecessary services, and better patient and provider satisfaction scores.



✓ **Employer Groups**

Benefit from a healthier workforce and a more manageable cost trend. They can experience savings through reduced claims cost over time.

✓ **Providers**

Through better collaboration with the health plan, providers benefit from having access to data and tools that can help them deliver better care. They also receive a share of any cost savings.



Sample Outcomes

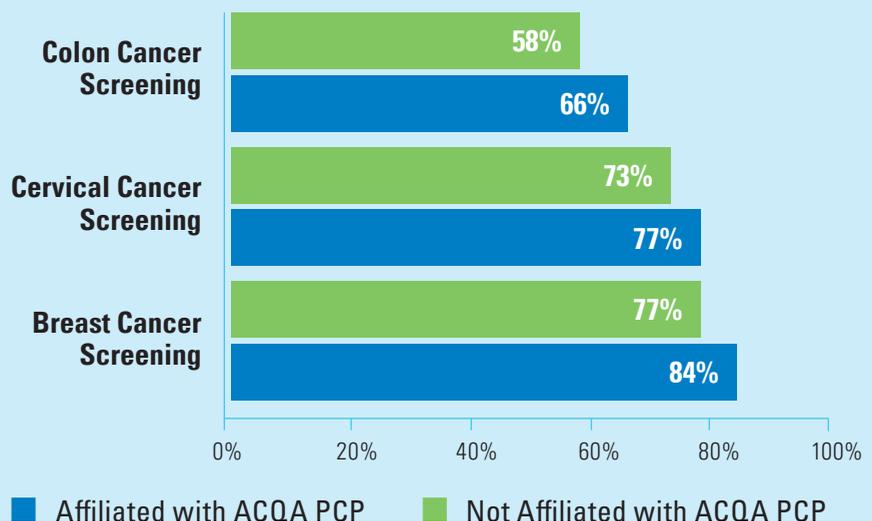
The examples below were based on employer group 12-month sample reporting. They illustrate how our ACQA partnerships effectively provide more coordinated care management and better health outcomes for members, as well as the potential for savings across the health care system.



Members affiliated with an ACQA provider had nearly 12% fewer emergency department visits, resulting in an annual savings of \$2.7 million last year.

Preventive Screenings

Members affiliated with an ACQA PCP have higher compliance rates for preventive screenings than those who are not. This provides savings over the long term as conditions are caught and treated earlier.



Chronic Condition Prevalence

Members with an ACQA provider have a higher prevalence of chronic condition diagnosis compared to those not affiliated with an ACQA provider. This is because we place an emphasis on chronic condition management with our ACQA partners, so more members are diagnosed and treated for these conditions. This provides better health outcomes for members and greater health care savings for members, providers, and employers.

	ACQA	Non-ACQA
Hypertension	27%	15%
Cholesterol Disorders	32%	16%
Depression & Anxiety	28%	15%
Diabetes	9%	6%

* Excellus BCBS Health Plan Management Report, Sample Corporation. Incurred between January 1, 2022 and December 31, 2022, paid through February 28, 2023.



Demonstrated Cost Savings

Through our clinical and pharmacy initiatives with ACQA partners we realized a total savings of **\$152.6 million from 2019 - 2022** for our members, providers and employers.

The Per Member Per Month (PMPM) cost for members affiliated with an ACQA provider is **more than \$2 lower** than members who are not affiliated with an ACQA provider.¹

\$116.8 million in savings through clinical initiatives.

Our clinical initiatives such as care management, colorectal cancer screening, COPD management, and an emphasis on the appropriate use of radiology generated savings through improved transitions of care, lower readmission rates and fewer low acuity emergency department visits.

\$35.8 million in savings through pharmacy initiatives.

Pharmacy strategies such as our Ambulatory Intensive Pharmacotherapeutics program, medication reconciliation, and our duplicative diabetes pharmacy initiative helped reduce cost by more than \$35 million over a four-year period.

The average cost per prescription is **\$6.68 less** for members affiliated with an ACQA provider due to cost-effective and appropriate prescription prescribing.

* Based on internal data reporting from 2019-2022.

¹ Adjusted for the health status and health spending of the population.

Our Synchronized Health Approach to Care is at the Heart of Our ACQAs

Synchronized Health is our comprehensive approach to wellbeing – one that brings people, programs, and tools together to protect the physical, emotional, and financial health of our members.

With Synchronized Health, members get support led by our team of health professionals – with access to specialized health management programs, innovative self-care tools, and robust voluntary benefits. We also use our data to create a full picture of employee health and identify the best ways we can help.



GETTING BETTER CARE AT A LOWER COST

Our Synchronized Health approach is best exemplified through our ACQAs, where we work together with providers to provide highly coordinated care for members and lower costs for everyone.