



NEWS RELEASE

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Blue Cross NC and Five Major Health Systems Announce Unprecedented Move to Value-Based Care

Blue Premier is one of the most advanced programs in the nation and includes shared risk 'quality guarantee' contract between insurer and providers

DURHAM, N.C. – Blue Cross and Blue Shield of North Carolina (Blue Cross NC), together with five major health systems serving hundreds of thousands of customers, has announced a groundbreaking program to transform health care across the state. Blue Premier is a new value-based model of care in which Blue Cross NC and the health systems will be jointly responsible for better health outcomes, exceptional patient experience and lower costs. With agreements from five of the state's major health systems and their Accountable Care Organizations (ACOs), Blue Premier is one of the most rapid and comprehensive shifts to value-based payments in the nation.

While health care costs in the U.S. continue to rise, that has not translated into an increase in the quality of care provided to patients. Blue Premier rewards quality of care and bends the cost curve by holding providers financially accountable for higher costs and inefficiencies in the health care system. In the Blue Premier model, inefficiencies turn into an expense rather than revenue for a health system.

"As a practicing physician, I have experienced first-hand the challenges plaguing our health care system," said Dr. Patrick Conway, Blue Cross NC President and CEO. "Historically, our health care system pays for services that may or may not improve a patient's health, and our customers simply cannot afford this approach. Moving forward, insurers, doctors and hospitals must work together, and hold each other accountable for improving care and reducing costs. We applaud the leadership and commitment of these five leaders in health care to help transform health care delivery in North Carolina."

Five major health systems have demonstrated their commitment to transforming health care in North Carolina by agreeing to participate in Blue Premier. Beginning in January 2019, the five health systems joining Blue Cross NC in the Blue Premier effort include:

- **Cone Health**
- **Duke University Health System**
- **UNC Health Care**
- **Wake Forest Baptist Health**
- **WakeMed Health & Hospitals**

Blue Premier ties payments to doctors and hospitals over time to the value of services that improve patient health. This means that total payments to the health systems under Blue Premier will be based on the health systems' ability to manage the total cost of care and their overall performance, measured by industry quality standards. Through a "shared risk" financial

model, the health systems will share in cost savings if they meet industry-standard goals to improve the health of patients – and share in the losses if they fall short. The unprecedented commitment from these five large health systems makes Blue Premier one of the most advanced and comprehensive value-based care programs in North Carolina and the nation.

What Blue Premier Means For Customers

The Blue Premier collaboration between Blue Cross NC and the health systems will help doctors more actively manage a patient's health care conditions, leading to fewer hospital visits and better health overall. Additionally, patients may have more time and more frequent communication with their doctors.

Within five years, Blue Cross NC has committed to having all customers covered under Blue Premier's value-based care contracts. By early 2020, fifty percent or more of all Blue Cross NC members will have a provider who is jointly responsible for the quality and total cost of their care.

Blue Premier is just one example of what Blue Cross NC is doing to transform the health care system in North Carolina. Improving primary care access across the state, better integration of behavioral health care and engaging with consumers to give them more tools and resources are additional ways Blue Cross NC is tackling some of the toughest health challenges facing North Carolina. For more information visit the [Blue Cross NC blog](#).

"This unprecedented step by Blue Cross NC and many of the state's leading health care organizations will make a big difference in advancing high-quality, innovative care in North Carolina," said Mark McClellan, MD, PhD, Director of the Duke-Margolis Center for Health Policy. "At Duke-Margolis, we remain committed to supporting state government and private-sector initiatives to reform payment and improve care – providing needed examples for the nation."

Participating Health Care Systems

Cone Health: "As an organization strongly committed to the transformation of health care from volume to value since the inception of our physician-led ACO seven years ago, Cone Health is pleased to see a major payer organization like Blue Cross NC share in that commitment and move towards structures that incentivize and support the right care, at the right time, in the right place for those we are privileged to serve," said Terry Akin, CEO, Cone Health.

Duke University Health System: "Today we take another significant step forward in providing the highest-quality care to our patients and their loved ones through Blue Premier. And we are pleased to be partnering with other health leaders in North Carolina to achieve greater health care value, promote population health, and improve even more lives in the communities we serve," said A. Eugene Washington, MD, Chancellor for Health Affairs and President and CEO, Duke University Health System.

UNC Health Care: "UNC Health Care is committed to moving toward more value-based arrangements – focusing on the delivery of high-quality care and coordination across all health care settings. We believe this will improve outcomes and lower the cost of care for our patients. Part of this transition from volume-based to value-based care means we will need to implement population management strategies to ensure we're providing the right care, to the right people, in the right setting – at an affordable cost," said Dr. Wesley Burks, CEO, UNC Health Care.

Wake Forest Baptist Health: “We are working hard to bring the benefits of our learning health system to all North Carolinians. This partnership aligns the goals of patients, employers, the insurer (Blue Cross NC) and our health systems to provide real value – higher quality at lower cost while meeting and exceeding the expectations of our patients,” said Kevin High, MD, President of Wake Forest Baptist Health.

WakeMed Health & Hospitals: “This collaboration represents an important step forward in our efforts to provide patients in our area and across the state with high quality, coordinated services for the best value. Our health systems are bringing together valuable resources in a more integrated way that will ultimately lead to better health and more affordable health care,” said Donald Gintzig, President and CEO, WakeMed Health & Hospitals.

About Blue Cross and Blue Shield of North Carolina

Blue Cross and Blue Shield of North Carolina improves the health and well-being of our customers and communities through innovative health care products, insurance, services and information to more than 3.89 million members, including approximately 1 million served on behalf of other Blue Cross and/or Blue Shield plans. Since 1933, we have worked to make North Carolina a better place to live through our support of community organizations, programs and events that promote good health. Blue Cross NC is an independent licensee of the Blue Cross and Blue Shield Association. Visit Blue Cross NC online at bcbsnc.com. All other marks are the property of their respective owners.

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