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Private Pay, Public Goals

How Anthem is Pushing Primary Care Reform

While public and nonprofit insurers and providers slowly broaden their experiments transforming primary care in Colorado, the for-profit giant Anthem Blue Cross Blue Shield has quietly taken payment reform from model to standard practice.

Anthem, one of the two health insurers dominating the for-profit market in Colorado, keeps setting new targets for expanding progressive payment reform and then knocking those targets down. By the beginning of 2015, Anthem had signed 54 percent of its widespread primary care physician network to so-called "value-based" contracts, in which the providers receive upfront payments to better manage patient care and bonuses if they cut spending while meeting quality goals.

For Anthem, with nearly a million members in Colorado, hitting that goal set in early 2014 means 1,600 primary care physicians have value-based contracts for more than 200,000 patients in the Anthem network, according to Kelly Henry, network director of payment innovation programs at Anthem.

"This is how we do it now. We know it's working," Henry said.

The three main features of the Anthem contracts with primary care offices have remained consistent throughout the program, which began as part of a statewide, multipayer pilot program in 2009:

- Providers receive per-member-per-month fees meant to pay for care coordination employees and tools that will better manage overall care. Common use of the money includes upgraded electronic health record and other information technology systems, in coordination with Anthem's software tools, and hiring of case managers and navigators.
- Providers can earn shared savings payments from Anthem when actual costs for the covered patients turn out to be lower than projected based on medical history. The payments back to doctor offices can be as high as 35 percent of the identified savings.
- Savings are shared if the practices meet quality metrics established by national groups, such as the American Diabetes Association and the National Committee for Quality Assurance.

Previous pilots turned up enough measurable savings and quality improvements for Anthem to "make it our contracting norm across all 14 states" in which it insures patients, Henry said.

The earlier pilot programs found the newly coordinated care produced an 18 percent reduction in hospital admissions and a 15 percent reduction in emergency room visits for those members. Such changes in two of the most expensive categories of health care can reduce spending by tens of thousands of dollars for each admission avoided.

"I would say the change in the partnership between the provider and the payer is unprecedented," Henry said. "It hasn't been that way in the past — aligning the incentives so both parties are marching in the same direction — and that ultimately becomes a win for the consumer as well."



Some providers who work with Anthem in the primary care partnerships are highly complimentary of the system, even as they continue to work out needs in data analysis and making the changes pay at the practice level.

“I’ve given Anthem a lot of credit. They are doing a lot of things correctly,” said Bruce Minear, CEO of Mountain View Medical Group in the Colorado Springs area. The practice, with 65 providers in 15 locations spread from Monument to Woodland Park, put an agreement with Anthem in place in mid-2013.

“They approached this whole project assuming we knew nothing and they were going to help us, and that’s exactly what we needed,” Minear said.

When Mountain View needs a meeting, Minear said, Anthem sends seven or eight team members to make sure all the questions are covered. The upfront payments for each member provided “infrastructure dollars” to hire RNs as case navigators and software tools to analyze information buried in the practice’s existing EHR.

“It will tell us that we’ve got X number of patients who have missed their annual physical, and Y number of diabetic patients we haven’t seen for nine months,” he said. “Anthem has stepped up to the plate with some dollars to help. There are

other folks out there who aren't doing that. They just throw the demands out there."

For patients, Minear said, it may mean getting a phone call to make an appointment for that physical, or a phone call when they leave the hospital asking what medications were prescribed, whether patients filled them, and if patients need help filling them and delivering them.

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> Bruce Minear, CEO, MountainView Medical Group

There are at least two more levels to reach, though, in truly reforming primary care, according to Minear and other physicians. One level is better synthesis and analysis of data. For example, Mountain View can lose track of detail if one of its patients is admitted to a hospital without a coordinated EHR or to a specialist prescribing high-cost labs and imaging, Minear said. "We have no idea from a cost perspective what happens after we send that patient out, and we need to know that," he said. "And we need to know those quality specialists that are doing good work but also controlling costs."

Truly integrating behavioral health care is the other next-level step many practices have yet to take, Minear added. Directly embedding a behavioral health specialist within the practice is tricky among 15 Mountain View locations, though the group is intent on exploring those arrangements.

Other providers said extra payments from Anthem and other payers are not quite enough to pay for the changes needed to improve coordination. Meeting the federal standards of an accredited primary care patient home is a very high bar that constantly changes, said Mike Archer, MD, of Complete Family Medicine in Westminster. His practice, part of the Physician Health Partners management umbrella, has the equivalent of 3.5 providers, requiring a support group of 12 employees.

“The per-member-per-month is not enough money to add a case manager” in that size of practice, Archer said. “It’s still survival for a lot of us.”

Minear echoed those smaller practice worries. While Mountain View has the size to cope with major changes, he said, “My concern is for the one-, two-, three-doctor practices. That’s the hard part. How will they survive?”

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