New State Report Demonstrates Progress in Efforts to Lower Health Care Costs

Report finds total spending at Blue Cross grew less than the statewide average in 2013

BOSTON — September 2, 2014 — Blue Cross Blue Shield of Massachusetts (BCBSMA) released the following statement about the Annual Report on the Performance of the Massachusetts Health Care System from the Center for Health Information and Analysis (CHIA):

Our Reaction to the Report's Overall Findings

The new CHIA report is encouraging news in the ongoing efforts to make quality health care affordable for the people and employers of Massachusetts. Among the good news contained in the report:

- Total health care spending in Massachusetts in 2013 was 2.3%, well below the cost growth benchmark established by the health reform law known as Chapter 224 of 3.6%
- Premiums and member cost-sharing on a statewide basis were essentially unchanged between 2012 and 2013
- And, total administrative spending across all private health plans declined 4.1% last year

These results are the outcome of a determined, urgent and focused effort by physicians, hospitals, health plans, employers, consumers and government — all working together in a spirit of shared responsibility.

However, we also recognize that we have more work to do to make health care more affordable. At Blue Cross, here are some of the steps we are taking:

- Negotiating contracts with physicians and hospitals that reflect the community's urgency on affordability
- Implementing new payment models like our Alternative Quality Contract (AQC) that focus on improving patient care while lowering costs
- Developing health plans that encourage our members to seek their care physicians and hospitals that deliver high-quality care at an affordable cost
- Designing and introducing programs that help the sickest of our members, many with chronic illness, live healthier lives

The Report's Findings about Blue Cross

While we continue the urgent work to moderate the growth in health care costs, we are pleased that the CHIA Report finds that Blue Cross' actual total medical spending grew only 2.1% in 2013. This figure is lower than the statewide average, below the state's cost benchmark of 3.6% and among the lowest spending increases of any health plan in Massachusetts.

About Blue Cross Blue Shield of Massachusetts

Blue Cross Blue Shield of Massachusetts (www.bluecrossma.com) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are the trusted health plan for more than 30,000 Massachusetts employers and are committed to working with others in a spirit of shared responsibility to make quality health care affordable. Consistent with our corporate promise to always put our 2.8 million members first, we are rated among the nation's best health plans for member satisfaction and quality. Connect with us on Facebook, Twitter, YouTube and LinkedIn.