Payment model improves care for patients from lower socioeconomic backgrounds

New results in for Blue Cross Blue Shield of Massachusetts Alternative Quality Contract

BOSTON, Jan. 9, 2017 /PRNewswire-USNewswire/ -- A new study led by researchers from Harvard Medical School shows that during its first four years Blue Cross Blue Shield of Massachusetts' innovative payment model, the Alternative Quality Contract (AQC), improved the quality of care for all members, with the greatest gains for members from lower socioeconomic backgrounds.

The study, published in the January edition of *Health Affairs*, compared changes in clinical quality, health outcomes, and total spending between members with lower and higher socioeconomic status (SES) before and after their physicians entered the AQC. It concluded that while spending for lower and higher SES patients in the AQC was similar, quality improvements were greater for lower SES patients in the AQC compared to higher SES patients.



"Quality improved across the board for members in the AQC, but we noticed a larger improvement for members from lower socioeconomic backgrounds," said coauthor Zirui Song. "This is encouraging because it suggests that payment models like the AQC, which offers significant rewards for performance on quality, outcomes, and cost, could motivate providers to focus on improving care for disadvantaged populations."

Michael Chernew, another study coauthor, added, "There is a legitimate concern that disadvantaged populations could suffer under new payment models. These results allay, but do not eliminate, those concerns. The details of each payment program will matter, so continued evaluation is important."

The AQC, which was launched in 2009, rewards doctors for the quality—rather than the quantity—of care provided. A 2014 *New England Journal of Medicine* study showed that the AQC achieved the important goal of improving the quality of patient care *and* lowering costs.

Medicare and several states, including Massachusetts, have been working to encourage insurers to pay health care providers in ways similar to the AQC. Chernew added, "Because of interest in new payment models, evaluations such as these are needed to provide the evidence base necessary to support policy decisions in the future."

"This latest study is an exciting follow-up because it shows that the AQC has not only improved quality of care, but that it has helped to close longstanding health disparities between patients who are socioeconomically vulnerable versus their more advantaged counterparts," said coauthor and Blue Cross Chief Performance Measurement & Improvement Officer Dana Gelb Safran.

"The results are timely in the face of national debate regarding the fairness of holding providers who serve more socioeconomically vulnerable populations to the same standard of care as those serving more advantaged patients," Safran said. The findings suggest that, with the right incentives, providers serving more vulnerable populations can be as successful as providers serving more advantaged populations – or even more so.

Blue Cross Blue Shield of Massachusetts continues to expand the AQC. The payment model now includes about 90 percent of the physicians and hospitals in the Blue Cross Health Maintenance Organization (HMO) network. Last January, five Massachusetts physician and hospital organizations began providing care to Preferred Provider Organization (PPO) members under a similar Blue Cross global-budget payment model. These are: Lowell General Physician Hospital Organization, Lahey Health, the Mount Auburn Cambridge Independent Practice Association and Mount Auburn Hospital, Partners HealthCare, and Steward Health.

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.

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About the AQC

Launched in 2009, the AQC now includes about 90 percent of the physicians and hospitals in the Blue Cross HMO network. It is an innovative way to pay for care that focuses on promoting quality and rewards positive health outcomes. It is a crucial component of Blue Cross' agenda to make quality health care affordable for its members and employer customers and is the predominant contract model between Blue Cross and its network physicians and hospitals. The alternative payment model fosters shared responsibility for both improving care and moderating the unsustainable rate of increase in health care costs. The AQC is currently one of the largest private payment reform initiatives in the United States. Read more about the AQC.

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