NEQCA, BACO join Blue Cross alternative payment model for PPO members

Model now includes nearly half of all Massachusetts physicians

BOSTON, Nov. 1, 2017 /PRNewswire-USNewswire/ -- Blue Cross Blue Shield ofMassachusetts (Blue Cross) has reached an agreement with two more Massachusetts physician and hospital organizations to provide care to thousands of our Preferred Provider Organization (PPO) members under a payment model that rewards providers for positive health outcomes and delivering high-value care. The payment model, which is based on our successful Alternative Quality Contract (AQC), is the only program of its kind for PPO members in Massachusetts.

Boston Accountable Care Organization (BACO), which includes providers at Boston Medical Center and select affiliated community health centers, and New England Quality Care Alliance (NEQCA), whose physicians are affiliated with Tufts Medical Center, have agreed to reimbursement arrangements under the model.

BACO Executive Director Betsey Eltonhead said, "At BACO our mission is to improve the health of the patients we serve by providing high quality and accessible health care, and being part of an alternative payment allows us to focus on that mission and ensure that we are doing everything we can to address the needs of the communities we serve."

"Since its inception, NEQCA has embraced the broad shift to population health and value-based models of care and was an early adopter of the Blue Cross AQC contract in 2009," said Joseph Frolkis MD, NEQCA President and CEO. "We've seen the positive impact these models are making on the patients we care for and are excited to further expand these efforts through our participation in the PPO. It continues the shift we are making from volume to value."

BACO and NEQCA join Partners, Steward, Mount Auburn Cambridge Independent Practice Association, Lowell, and Lahey Clinic in the PPO model. Taken together, these seven groups represent nearly half of all Massachusetts physicians who care for approximately 305,000 of Blue Cross PPO members or more than one-third of Blue Cross' in-state PPO membership. In total, more than 900,000 Blue Cross members will now be cared for under programs that reward physicians for high quality and affordable health care.

"As the health care industry moves toward adopting alternative payment models, NEQCA and BACO are showing their commitment to delivering high-value care to all Massachusetts residents," said Blue Cross SVP of Network Payment Innovation and Contract Management Matt Day.

The PPO model, which we began offering to all physicians and hospitals in our network in 2016, builds on our successful *Alternative Quality Contract* (AQC). The AQC has been offered to physicians and hospitals for Health Maintenance Organization (HMO) members since 2009 and has become the blueprint for payment reform across the country.

A prominent study in the *New England Journal of Medicine* found that members who are cared for by participating AQC physicians *experienced greater improvements in quality of care and lower spending growth* compared to similar patients elsewhere. First-year results on the PPO model will be available next year.

About the PPO Payment Program

The program mirrors many of the same features in the AQC/HMO model, which establishes accountability for the total cost and quality of care for a group of patients. Financial incentives created through a global, population-based budget and a broad set of nationally-accepted quality measures along with a robust suite of data, analytic tools, and clinical support help physicians and hospitals perform at their best to improve quality, outcomes, and costs for Blue Cross members and accounts. Importantly,

beginning in 2016, the quality measures (both in HMO and PPO) are expanding to place greater emphasis on health outcomes, including the use of both patient-reported outcomes and the use of clinical data for measurement.

About Blue Cross Blue Shield of Massachusetts

Blue Cross Blue Shield of Massachusetts (bluecrossma.com) is a community-focused, tax-paying, not–for–profit health plan headquartered in Boston. We're the trusted health plan for more than 25,000Massachusetts 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're 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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