As health plans, hospitals, doctors, and others work together to transform U.S. health care into a system that delivers greater value to all Americans, we are increasingly partnering to design and implement new models of care that yield consistently higher quality while stemming costs. As we do, it is vital to identify and share what we have learned about what works so we can inform future innovations and accelerate nationwide adoption.

Today, Blue Cross and Blue Shield companies (Blue Plans) have more than 350 value-based programs in place in 49 states, Puerto Rico, and the District of Columbia. Through our provider partners, these programs deliver care to more than 24 million Americans and impact almost 20 percent of Blue Plans’ health care spending.1

These programs—which continue to increase in number each year—have yielded important lessons. One lesson is that success depends on making sure each program is tailored to the unique needs of the local community it serves. Health care is delivered locally, and every population has its own health needs, educational and economic profiles, and cultural attributes.

That said, regardless of the form or focus they take, the most successful programs share important characteristics. These include

1. **Moving away from volume-based, fee-for-service reimbursement to arrangements based on value** and introducing incentives and recalibrating payment methods to reward providers who deliver safe, efficient, and high-quality care.

2. **Instilling accountability across the care continuum** and increasing coordination among all parties involved in providing care (including patient hand-offs), in whatever settings care is delivered.

3. **Putting the patient first** by encouraging physicians to seek continuous improvement in quality and safety through programs and incentives built on evidence-based guidelines and agreed-on targets that address individual patient needs as well as the needs of the broader patient population.

4. **Empowering providers** by giving them access to the data, tools, funding, and analytical expertise they need to effectively and efficiently manage the patient population and deliver the most appropriate care in the most appropriate setting.

5. **Engaging consumers** by providing them with the right amount and level of information so they can make informed decisions and become more active

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1. Contributor to the Learning Health System Commentary Series of the IOM Roundtable on Value & Science-Driven Health Care.
partners in their health and the management of their care.

Taken together, these common characteristics lead to better care, crucial parts of which are preventive, primary care and the management of chronic disease, which impacts almost half of all American adults and accounts for three-quarters of the more than $2.7 trillion the United States spends on health care each year.\textsuperscript{23}

Blue Plan partnerships demonstrating these five features are seeing significant improvements in patient outcomes, utilization, and the cost of care. For example, one of the Blue Cross and Blue Shield System’s largest and longest-running patient-centered programs, which rewards provider practices that employ patient registries, performance reporting, extended access, and other care capabilities, yielded a 24 percent reduction in inpatient discharge rates for ambulatory-sensitive conditions, 9 percent fewer emergency room (ER) visits, higher generic dispensing rates, and a 3-year cost savings of $155 million.\textsuperscript{4}

Another Blue Plan program bundles accountability for quality and cost into contractual arrangements with primary care physicians, specialists, and hospitals. This program has had significant success at achieving high levels of control for patients with diabetes, cardiovascular disease, and hypertension and is on track to reduce annual health care cost growth trends by half within 5 years.\textsuperscript{5}

Results from a sample of Blue Plans recently surveyed about their programs show

- double-digit median decreases in ER visits (13 percent) and ER hospital admissions (14 percent);
- increases in the incidence of preventive breast cancer and colon cancer screenings by up to 70 percent; and
- up to a 75 percent increase in immunization guideline compliance.

At the same time, these programs yielded aggregate savings of $764 million during the past 2 years.\textsuperscript{6}

Looking to the future, we will continue to measure and make improvements in these care models, and, importantly, we will continue to share the lessons we have learned along the way. Dramatically improving our nation’s health care system requires a commitment to ongoing collaboration—and not just between payers and providers in traditional hospital and physician settings, but also in local communities and among individuals, employers, and others involved in supporting care across the broader continuum. Every one of us plays a key role in ensuring that our families, friends, and all Americans receive the safe, effective, and affordable care they deserve from our health care system.

Scott Serota is President and Chief Executive Officer of the Blue Cross and Blue Shield Association, an association of independent, locally operated Blue Cross and Blue Shield Plans.

References

Note: Authored commentaries in this IOM Series draw on the experience and expertise of field leaders to highlight health and health care innovations they feel have the potential, if engaged at scale, to foster transformative progress toward the continuously learning health system envisioned by the IOM. Statements are personal, and are not those of the IOM or the National Academies.

In this commentary, Scott Serota, president and CEO of the Blue Cross and Blue Shield Association, describes key characteristics and results of successful Blue Cross and Blue Shield companies’ value-focused programs and discusses the potential for future widespread care improvement through commitment to collaboration and shared learning. The commentary touches on many concepts central to a continuously learning health system that innovates and improves, including the potential gains from:

- Moving away from volume-based, fee-for-service reimbursement to arrangements based on value that reward providers who deliver safe, efficient, and high-quality care;
- Putting the patient first by encouraging physicians to seek continuous improvement in quality and safety through programs and incentives built on evidence-based guidelines;
- Empowering providers by arranging easy access to the data, tools, funding and analytical expertise they need to effectively and efficiently manage the patient population; and
- Encouraging partnerships with local communities and individuals, employers, and others involved in supporting care across the broader continuum.

Information on the IOM’s Learning Health System work may be found at www.iom.edu/learninghealthsystem