



The Alternative Quality Contract (AQC): Improving Quality While Slowing Spending Growth

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The Alternative Quality Contract:

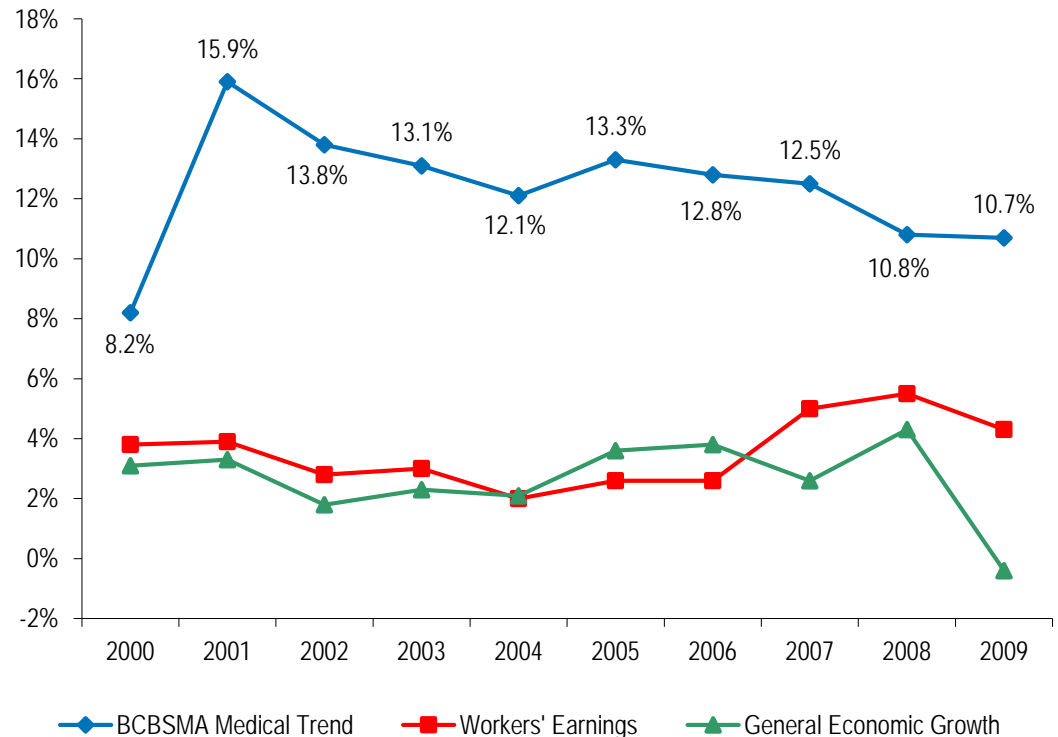
Twin goals of improving quality and slowing spending growth



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In 2007, leaders at BCBSMA challenged the company to develop a new contract model that would improve quality and outcomes while significantly slowing the rate of growth in health care spending.

The Massachusetts health reform law (2006) caused a bright light to shine on the issue of unrelenting double-digit increases in health care spending growth (Health Care Reform II).



Sources: BCBSMA, Bureau of Labor Statistics.

The Alternative Quality Contract



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Global Budget

- Population-based budget covers full care continuum
- Health status adjusted
- Based on historical claims
- Shared risk (2-sided)
- Trend targets set at baseline for multi-year

Quality Incentives

- Ambulatory and hospital
- Significant earning potential
- Nationally accepted measures
- Continuum of performance targets for each measure (good to great)

Long-Term Contract

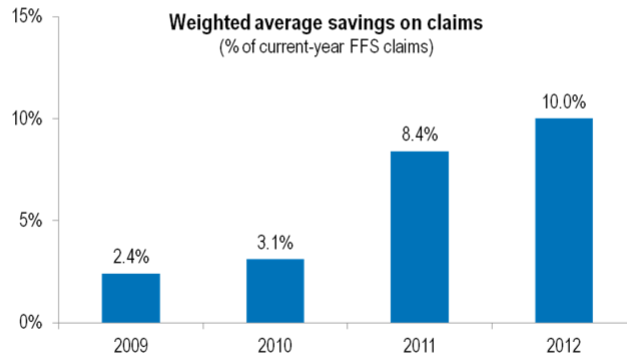
- 5-year agreement
- Sustained partnership
- Supports ongoing investment and commitment to improvement

AQC Results: Formal Evaluation Findings

Changes in Medical Spending Associated with the Alternative Quality Contract



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AQC Physician Participation ¹	2009	2010	2011	2012
	19.8%	19.7%	35.0%	76.7%

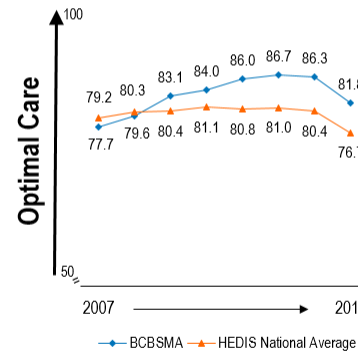
Notes: (1) Calculated based on combined PCP and SCP participation as of December of each year.

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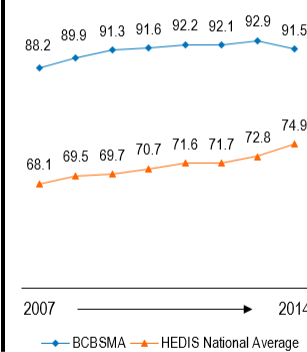
Results Under The AQC: Improvement of the 2009 Cohort of AQC Groups from 2007-2014



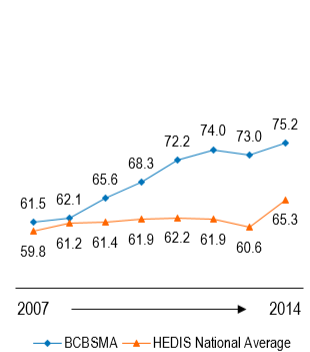
Adult Chronic Care



Pediatric Care



Adult Health Outcomes



These graphs show that the AQC has accelerated progress toward optimal care since it began in 2009. The first two scores are based on the delivery of evidence-based care to adults with chronic illness and to children, including appropriate tests, services, and preventive care. The third score reflects the extent to which providers helped adults with serious chronic illness achieve optimal clinical outcomes. Linking provider payment to outcome measures has been one of the AQC's pioneering achievements. In 2014, the LDL-C measure was dropped from the HEDIS National Average calculation.

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Source: Song Z, et al. Changes in Health Care Spending and Quality 4 Years into Global Payment. *The New England Journal of Medicine*. 2014.

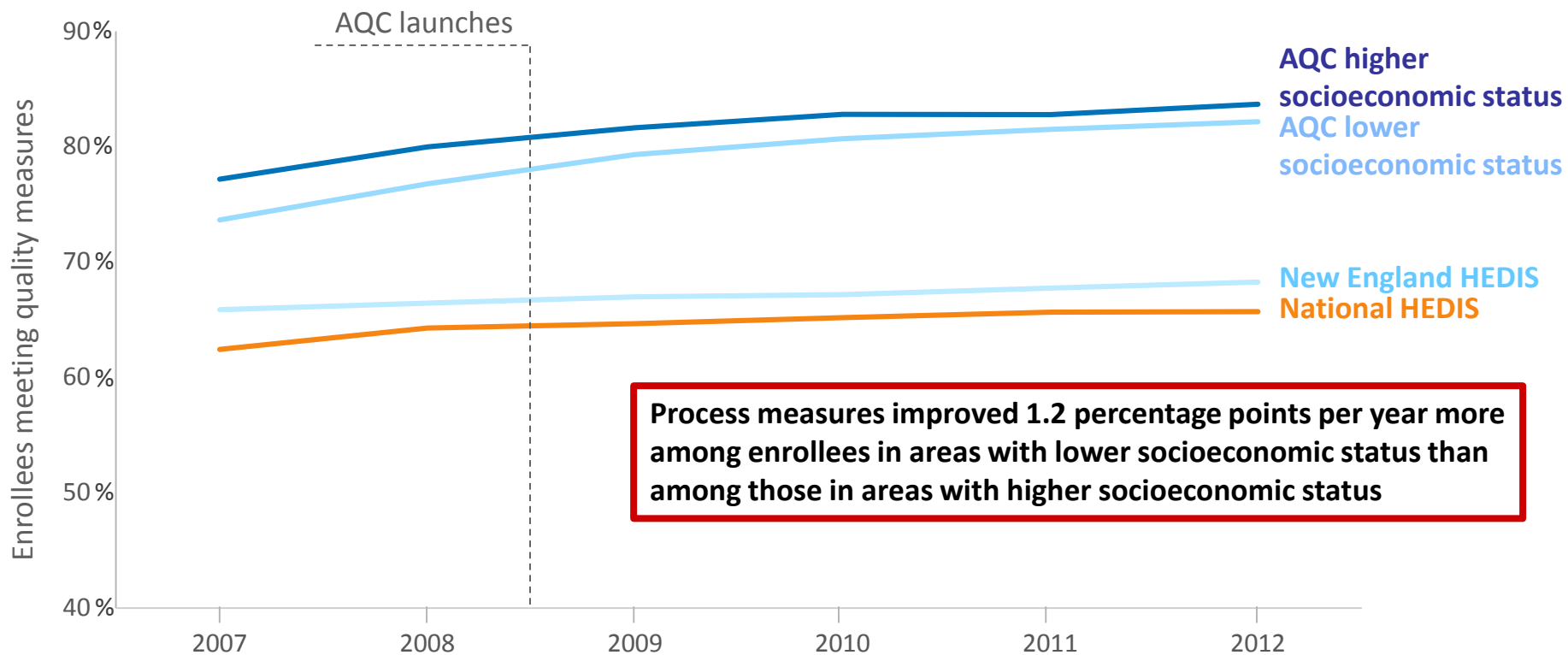
QI Focus Area: Addressing Health Care Disparities

AQC Results: Formal Evaluation Findings



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Performance on process quality measures among Alternative Quality Contract (AQC) enrollees and comparison groups, by socioeconomic status according to enrollee area of residence, 2007-12



“These results suggest that in its early years, the AQC likely contributed to a narrowing of disparities in some dimensions of quality.”

HealthAffairs

Source: Song Z, et al. Lower- Versus Higher-Income Populations In The Alternative Quality Contract: Improved Quality And Similar Spending. *Health Affairs*. 2017

Delivery System Innovation: Four Themes



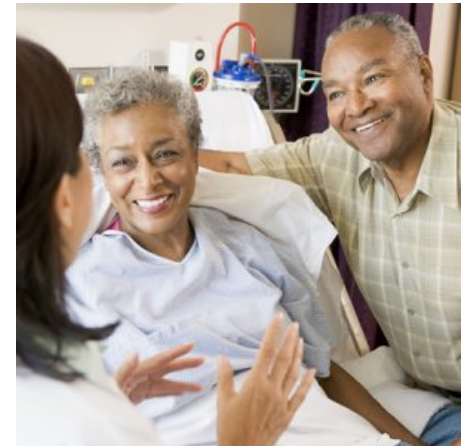
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There are four domains in which we see AOC Groups innovating to improve quality and outcomes while reducing overall spending.



Staffing Models

Approaches to Patient Engagement



Data Systems & Health Information Technology

Referral Relationships & Integration Across Settings



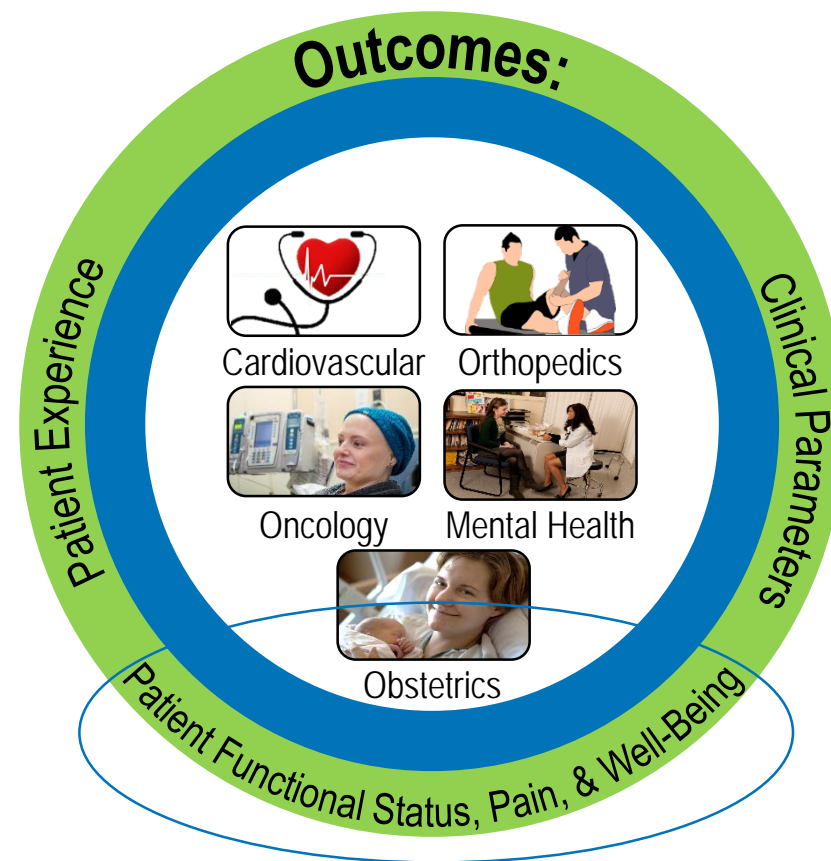
Expanded Quality Measure Set



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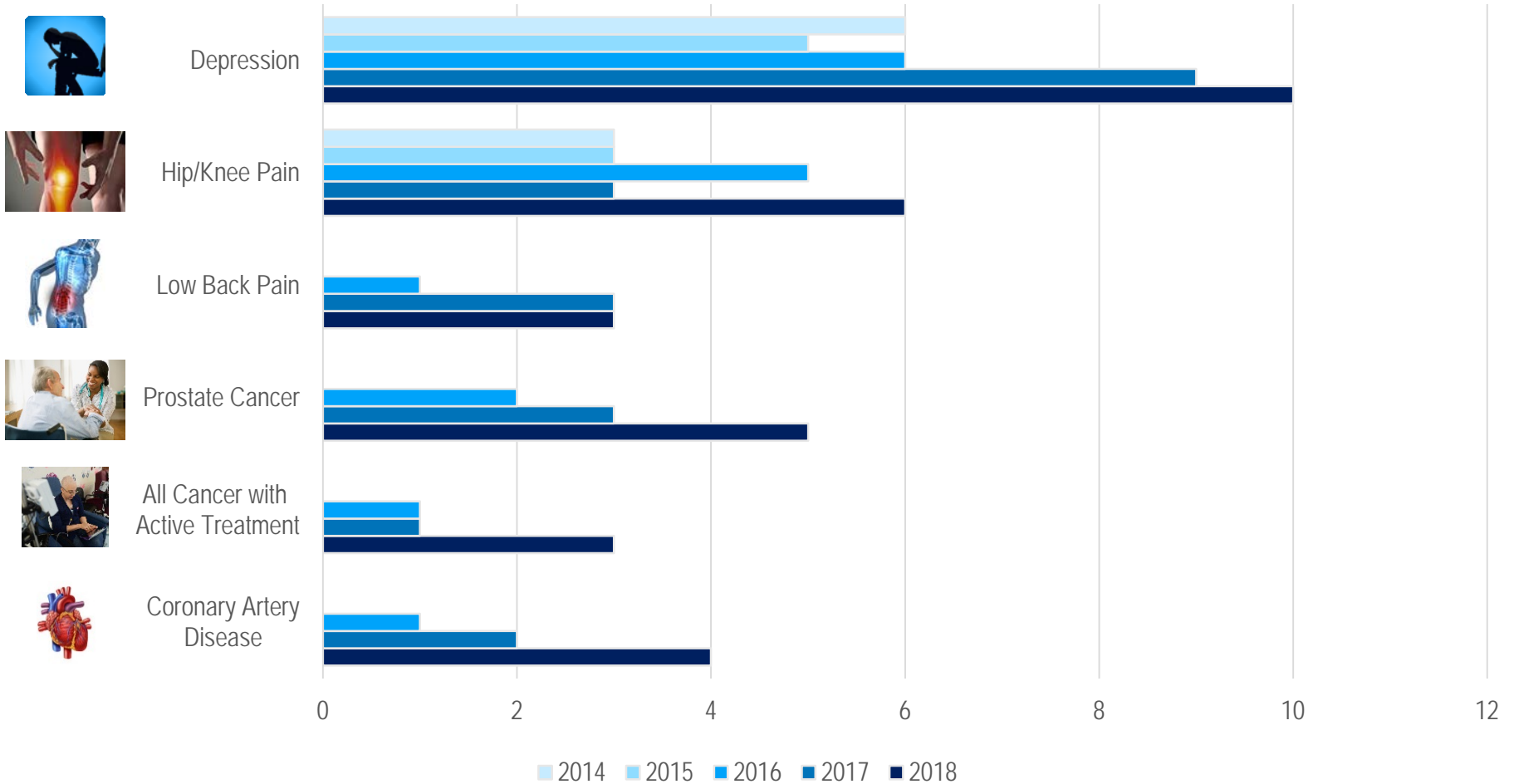
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Ambulatory Measures	
Ambulatory Measure Set	
Clinical Process Measures	
Depression	
Acute Phase Rx	
Continuation Phase Rx	
Diabetes	
HbA1c Testing (2x)	
Eye Exams	
Nephropathy Screening	
Cancer Screening	
Breast Cancer Screenin	
Cervical Cancer Screen	
Colorectal Cancer Scre	
Preventive Screening/Tre	
Chlamydia Screening	
Ages 16 - 20	
Ages 21 - 24	
Adult Respiratory Testin	
Acute Bronchitis	
Pediatric Respiratory Tes	
Upper Respiratory Inf	
Pharyngitis	
Pediatric Well Visits	
< 15 months	
3 - 6 years	
Adolescent Well Care	
Clinical Outcomes Measu	
Diabetes	
HbA1c in Poor Control	
Blood Pressure Contro	
Hypertension	
Controlling High Blood	
Patient Experience – Adu	
Communication Qualit	
Knowledge of Patients	
Integration of Care	
Access to Care	
Patient Experience – Ped	
Communication Qualit	
Knowledge of Patients	
Integration of Care	
Access to Care	

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Hospital Measures	
Hospital Measure Set	
Hospital Clinical Process Measures	
Immunization	
Influenza Immunization	
Stroke	
Venous Thromboembolism (VTE) Prophylaxis	
VTE	
Venous Thromboembolism Prophylaxis	
Intensive Care Unit Venous Thromboembolism Prophylaxis	
Venous Thromboembolism Patients with Anticoagulation Overlap Therapy	
Hospital Outpatient Surgery and Cardiac Care	
Median Time to Transfer to Another Facility for Acute Coronary Intervention (mins)	
Aspirin at Arrival	
Median Time to ECG (mins)	
Hospital Outcome Measures	
Iatrogenic Pneumothorax - Adult	
Post-operative Respiratory Failure	
Peri-operative PE/DVT	
Accidental Puncture or Laceration	
Birth Trauma Injury to Neonate	
OB Trauma - Vag with Instrument	
OB Trauma - Vag without Instrument	
Heart Failure Mortality Rate	
Acute Stroke Mortality Rate	
Hospital Wide Readmission (HWE) 30 Day All Cause Unplanned Readmission	
Hospital Patient Experience (H-CAHPS) Measures	
Communication with Nurses	
Communication with Doctors	
Responsiveness of Staff	
Pain Management	
Communication about Medicines	
Discharge Information	



Patient Reported Outcome Measures

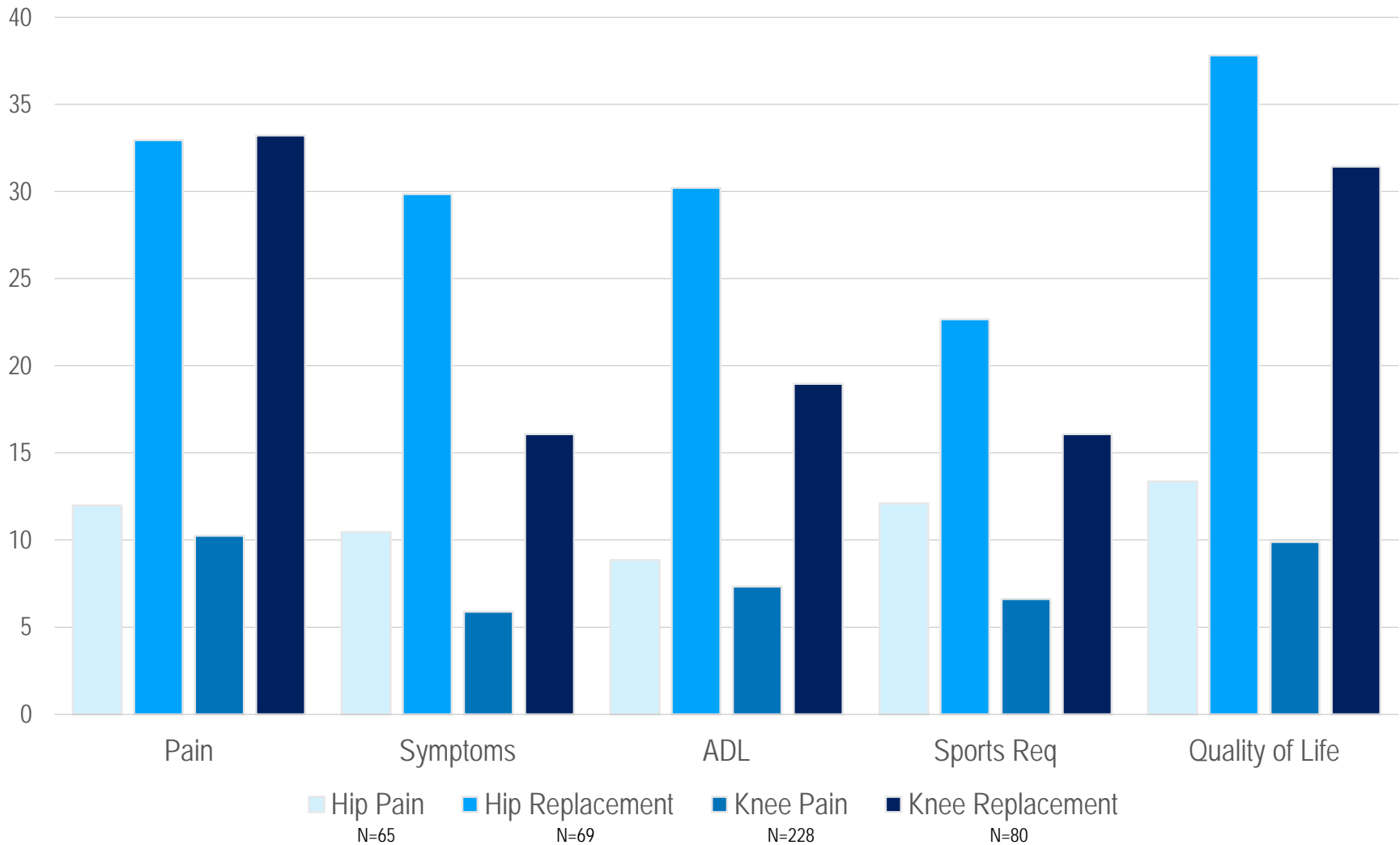
Number of Delivery Systems Participating in PROMs



Average HOOS KOOS Change Scores



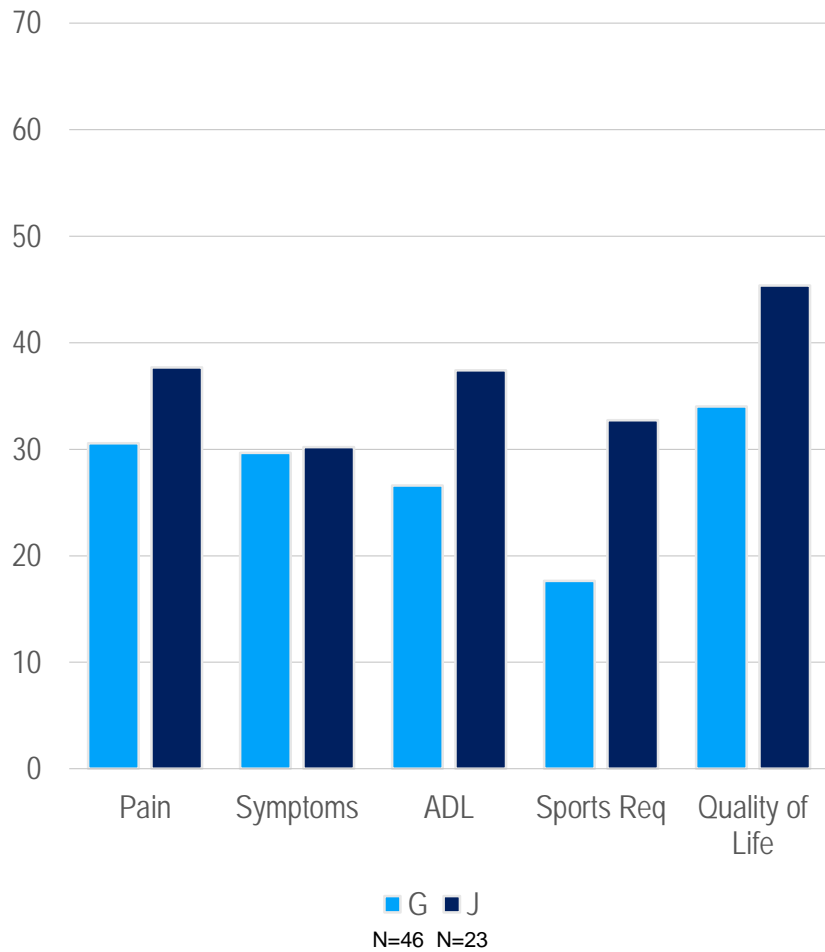
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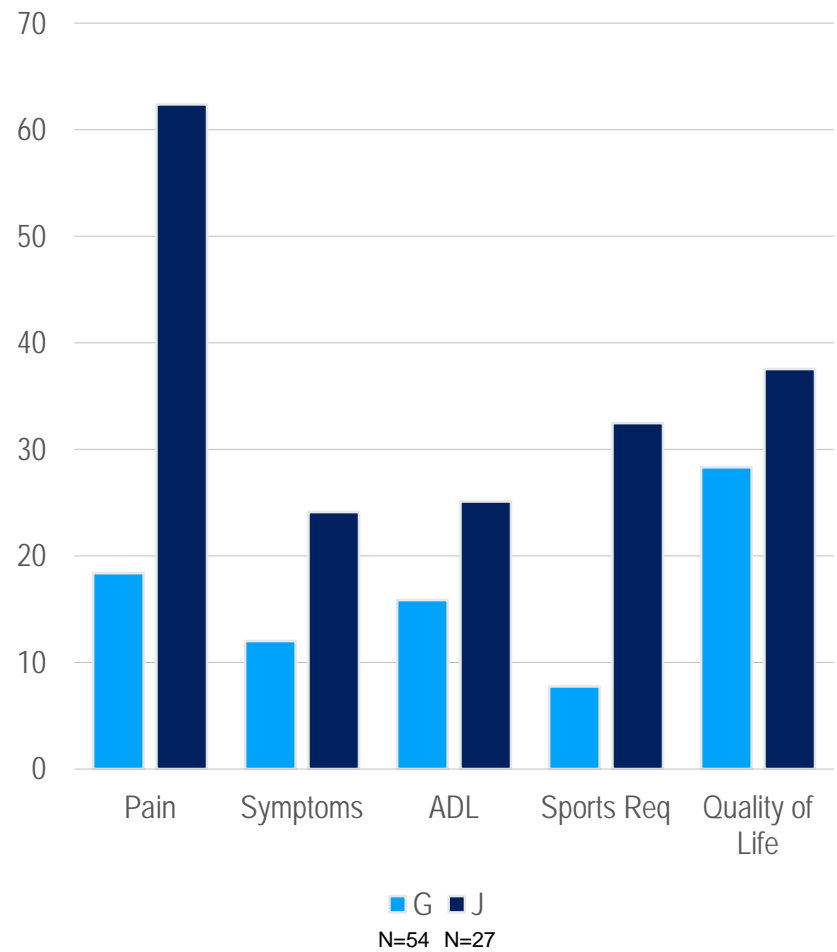
Note: Change scores are calculated as follow-up survey score minus baseline survey score. Therefore, a positive change reflects improvement.

Average HOOS KOOS Change Scores for Hip & Knee Replacements by Provider Group

Hip Replacement



Knee Replacement





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Questions?

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