Statement of Andrew Dreyfus, President and CEO of Blue Cross Blue Shield of Massachusetts, on Harvard Medical School analysis of the Alternative Quality Contract (AQC)

July 12, 2012

Andrew Dreyfus' Statement
"We're pleased that after two years of rigorous analysis, the new findings by the Harvard Medical School demonstrate the AQC model is achieving its original twin goals of improving the quality of patient care while simultaneously slowing the growth in health care spending.

The impressive results from year two of the AQC reflect the commitment of the participating physicians and hospitals to redesign the way they deliver care to emphasize quality and efficiency. Our partnership provides strong evidence for state and federal policymakers that global budget models like the AQC can lead to significant quality improvements and cost savings."

Background information
In 2009, Blue Cross Blue Shield of Massachusetts (BCBSMA) introduced a voluntary global budget model called the *Alternative Quality Contract* (AQC). When BCBSMA announced the AQC, we said it would:

- Reduce the rate of increase in health care costs by one half over five years
- Improve the quality of patient care
- Reward doctors and hospitals for the quality and outcome of the care they provide not just the quantity of services

Participation in the AQC has grown significantly. As of July 2012, 75% of the primary care physicians in our HMO network and 80% of specialty care physicians are now caring for 77% of our HMO members as part of the AQC. The AQC is the predominant contract model between BCBSMA and our network physicians and hospitals. The AQC is currently one of the largest commercial payment reform initiatives in the United States. Read a recent Health Affairs article and find more information about the AQC.

AQC Participation — Physician Groups & Hospitals
Lahey Clinic, Boston Medical Center and its seven affiliated health centers: Boston Children's Hospital including its Physician Organization and the Pediatric Physician Organization at Children's ("PPOC"), Cooley Dickinson Hospital and Cooley Dickinson Physician Hospital Organization, Partners HealthCare, Beth Israel Deaconess Physician Organization, Northeast Health Systems Physician Hospital Organization and Beverly and Addison Gilbert Hospitals, Accountable Care Associates, LLC (formerly Hampden County), Atrius Health, Lowell General Physician Hospital Organization and Lowell General Hospital, Mount Auburn Cambridge Independent Practice Association (MACIPA) and Mount Auburn Hospital, New England Quality Care Alliance (NEQCA) and Tufts Medical Center, Signature Healthcare Corporation and Brockton Hospital, South Shore Physician Hospital Organization and South Shore Hospital, Steward Health Care (formerly Caritas Christi) and St. Elizabeth's, St. Anne's, Holy Family, Norwood, Carney, and Good Samaritan Hospitals.

About Blue Cross Blue Shield of Massachusetts
Blue Cross Blue Shield of Massachusetts is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. Celebrating our 75th anniversary in 2012, we 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.

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