Blue Cross Blue Shield of Massachusetts and ValueOptions® Withdraws From Massachusetts CMS Dual Eligible Demonstration Project After Careful Consideration

Comprehensive review process identifies sustainability challenges; companies commit to supporting the Medicare and Medicaid population through other initiatives

BOSTON, MA & NORFOLK, VA — June 21, 2013 —Blue Cross Blue Shield of Massachusetts (BCBSMA), ValueOptions®, and its subsidiary Massachusetts Behavioral Health Partnership (MBHP), announced today that they will withdraw from the Centers for Medicare and Medicaid Services' (CMS) Capitated Financial Alignment Demonstration Model for Medicare-Medicaid Enrollees. Their proposed program, known as Blue Care Partnership, intended to serve people dually eligible for Medicare and Medicaid throughout the Commonwealth of Massachusetts.

"Our goal has always been to create a high quality program to serve the health care needs of some of the Commonwealth's most vulnerable residents," said Bruce Bullen, Chief Operating Officer of BCBSMA. "However, at this time, despite nearly a year of intense work, we don't believe we can do so given the current programmatic and funding requirements of the demonstration. We will continue to look for future opportunities to offer this population the right mix of behavioral and medical health care with the long-term support services they deserve."

The three-year federal demonstration project begins later in 2013 and will test a new service delivery and payment model by enrolling individuals eligible for both Medicare and Medicaid in a managed care plan with integrated benefits and coordination of care between both programs.

"We were hopeful that we could build on MBHP's long experience serving persons with complex needs and work together with consumers, advocates and providers to improve health outcomes and provide cost-effective care," said Nancy Lane, CEO of MBHP. "However, we haven't reached the needed level of confidence that we can achieve all of these goals through the demonstration. We remain committed to meeting the health care needs of MassHealth members through our contract with the Commonwealth and will continue to seek new opportunities to serve those who can benefit from our programs."

BCBSMA currently serves 2.8 million members, delivering a wide variety of products and services to clients and members while managing a network of over 21,000 primary care physicians, specialists and acute care hospitals. MBHP, a ValueOptions company, provides comprehensive behavioral health services to more than 380,000 people enrolled in the MassHealth Primary Care Clinician (PCC) Plan as well as support services to the primary care clinicians treating these members.

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 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 members first, we are rated among the nation's best health plans for member satisfaction and quality.

About ValueOptions

ValueOptions® is a health improvement company that serves more than 32 million individuals. On behalf of employers, health plans and government agencies, we manage innovative programs and solutions that directly address the challenges our health care system faces today. A national leader in the fields of mental and emotional wellbeing, recovery and resilience, employee assistance, and wellness, ValueOptions helps people make the difficult life changes needed to be healthier and more productive. With offices nationwide and a network of more than 127,000 provider locations, ValueOptions helps people take important steps in the right direction. We help them live their lives to the fullest potential. Visit www.valueoptions.com for more information.

For further information: CONTACT: Sharon Torgerson (617) 246-2357 Sharon.Torgerson@bcbsma.com

---

Additional assets available online: Documents (1)