## More Members To Benefit From Payment Model That Emphasizes Quality Of Care Innovative payment program will include Blue Cross PPO members in 2016

**BOSTON — October 5, 2015** — Blue Cross Blue Shield of Massachusetts (Blue Cross) has reached an agreement with four Massachusetts physician and hospital organizations to provide care to thousands of its Preferred Provider Organization (PPO) members under a payment model that's been shown to improve the quality of patient care and lower health care costs.

Blue Cross President and CEO Andrew Dreyfus announced the agreements while testifying in front of the state's Health Policy Commission, which is hosting two-days of public hearings on how to control health care costs.

In prepared remarks, Dreyfus noted that, "the single most promising approach to improve patient care and lower costs is to change the way we pay for care â€“ to realign financial incentives to reward the quality, outcome and efficiency of the care patients, our members, receive." Dreyfus added that the new PPO program builds on the company's successful *Alternative Quality Contract* (AQC) which has been offered to physicians and hospitals for Health Maintenance Organization (HMO) members since 2009. 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.

Dreyfus announced that the four organizations that have agreed to adopt the new PPO model for January 1, 2016 include: *Lahey Health*, the *Mount Auburn Cambridge Independent Practice Association* and *Mount Auburn Hospital, Partners HealthCare* and *Steward Health*. Taken together, these groups care for approximately 275,000 Blue Cross PPO members or almost one third of Blue Cross' in-state PPO membership. In total, more than 900,000 Blue Cross members in Massachusetts will now be cared for under programs that reward physicians for high-quality and affordable health care. The company has offered the new PPO program to all of the physicians and hospitals in its network starting in 2016.

**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 (www.bluecrossma.com) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are the trusted health plan for more than 30,000 Massachusetts 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 are rated among the nation's best health plans for member satisfaction and quality.Connect with us on Facebook, Twitter, YouTube and LinkedIn.

For further information: CONTACT: Kathleen Makela 617-246- 7725 Kathleen.Makela@bcbsma.com