



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

News Release

Blue Cross and Blue Shield
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**The Blue Cross and Blue Shield Association Unveils Action Plan to Improve
Healthcare Quality and Rein in Rising Healthcare Costs**

Comprehensive New Proposal Will Save Federal Government More Than \$300 Billion

WASHINGTON – The Blue Cross and Blue Shield Association (BCBSA) today released a comprehensive, interconnected action plan that fundamentally transforms the healthcare system, moving it away from a fee-for-service model to a patient-centered model. The action plan, *Building Tomorrow's Healthcare System: The Pathway to High-Quality, Affordable Care in America*, provides specific recommendations to improve healthcare quality and tackle rising costs and is based on the experience of BCBSA's 39 Plans in all 50 states and federal territories, in every market and every zip code. An independent economic analysis of the recommendations shows that, if adopted, this action plan will achieve more than \$300 billion in federal savings over the next 10 years.

"We believe that the healthcare system needs to fundamentally change so that people get the best, most affordable care possible. We need to put the patient back in the center of healthcare and this is going to take a significant collaborative effort between both public and private sectors," said Scott P. Serota, president and CEO of BCBSA. "It's time to stop the finger pointing and start working together to make our system the best for patients. In *Building Tomorrow's Healthcare System*, we make specific recommendations for what the government should do and show how Blue companies

nationwide have been working with doctors, hospitals, consumers and policymakers to transform the healthcare system.”

The proposal lays out specific, actionable steps the government should take in four key areas:

1. **Reward Safety:** National and local leadership along with new provider incentives are needed to eliminate preventable medical errors, infections and complications that harm hundreds of thousands of people each year and cost billions of dollars.
2. **Do What Works:** The incentives in our system must be changed to advance the best possible care and reward quality outcomes, instead of paying for more services that are ineffective or redundant and add unnecessary costs to the system.
3. **Reinforce Front-Line Care:** A higher value must be placed on primary care and on ensuring there is an adequate workforce of professionals to deliver necessary, timely and coordinated care that results in better outcomes and lower costs.
4. **Inspire Healthy Living:** With 75 percent of today’s healthcare dollar spent on the treatment of chronic illnesses — many of which are preventable — consumers must be empowered and encouraged to make better choices, live healthier lives and better manage their health.

If adopted, the recommendations would save \$319 billion over the next decade according to an economic analysis by Ken Thorpe, PhD, Robert W. Woodruff Professor and Chair Department of Health Policy & Management Rollins School of Public Health, Emory University.

“The BCBSA proposal reflects a clear understanding of the transformational approach needed to reform our prevention and healthcare delivery system,” said Thorpe. “Building evidence-based approaches to coordinate care for Medicare and Medicaid patients that will improve the quality and reduce healthcare spending is a discussion we need to have. Rather than simply shifting federal costs to seniors, the states, or elsewhere, these proposals have the potential to reduce total healthcare spending.”

The proposal contains several examples of Blue Cross and Blue Shield initiatives underway across the country that can work as models for improving care and reducing

costs. One example is the Michigan Health and Hospital Association's Keystone: ICU Program, which has dramatically reduced central line-associated bloodstream infection rates and ventilator-assisted pneumonia rates in ICU patients. More than 70 Michigan hospitals participate in this program and over a six-year period the initiative has saved 1,830 lives, eliminated an estimated 140,700 avoidable hospital days for patients, and saved more than \$300 million.

"This action plan recommends changes that will bring about real improvement for our fragmented healthcare system," said Daniel Loepp, President and CEO, Blue Cross Blue Shield of Michigan. "In Michigan, and in local communities across the country, the Blues are seeing first hand the difference that these types of programs can make for patients. That is why we're encouraging the government to work with the private sector to expand on efforts that improve the quality and affordability of care."

To read *Building Tomorrow's Healthcare System: The Pathway to High-Quality, Affordable Care in America*, please visit www.bcbs.com/pathway.

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About The Blue and Cross Blue Shield Association

The Blue Cross and Blue Shield Association is a national federation of 39 independent, community-based and locally-operated Blue Cross and Blue Shield companies that collectively provide healthcare coverage for more than 99 million members – one-in-three Americans. For more information on the Blue Cross and Blue Shield Association and its member companies, please visit www.BCBS.com. You can connect with us at www.facebook.com/BCBSAssociation and follow us on Twitter @BCBSAssociation.