



Improving quality for better health

We never lose sight of the fact that the health of our members is one of our top priorities. As a not-for-profit health plan, we put care first. From earning accreditations to developing new programs, we want to help ensure that Blue Shield members receive care and service that meets or exceeds high standards of quality.

Awarded "Commendable" status from the NCQA

The National Committee for Quality Assurance (NCQA) has awarded Blue Shield of California its accreditation status – "Commendable" – for our commercial HMO/POS plans.

NCQA awards a Commendable accreditation to plans that meet or exceed its rigorous requirements for consumer protection and quality improvement. These plans have high HEDIS and CAHPS scores. HEDIS (Healthcare Effectiveness Data and Information Set) is the measurement tool used by the nation's health plans to evaluate their clinical quality and customer service performance. CAHPS (Consumer Assessment of Healthcare Providers and Systems) is a set of standardized surveys that measure consumer and patient satisfaction with their experiences with health care. Blue Shield's NCQA accreditation awards are valid from August 17, 2011 through August 17, 2014.

In addition to the NCQA accreditation for our commercial HMO/POS plans, NCQA awarded our Medicare Advantage (HMO) health plan a "Commendable" status. Blue Shield of California successfully met CMS (Centers for Medicare & Medicaid Services) regulatory requirements in six areas for which it grants authority to the NCQA to review. This designation reflects our commitment to quality and service.

Blue Shield of California is also URAC fully accredited for case management through 2013. URAC (Utilization Review Accreditation Commission) is an independent, nonprofit organization and well-known leader in promoting healthcare quality through its accreditation, education, and measurement programs.

Medicare "star" rating remains at 4 stars

In October 2012, Blue Shield's Medicare plans were rated "4 stars" for "above-average performance" based on quality measures chosen by CMS. CMS "stars" is one of the most prominent indicators of Medicare plan performance. CMS measures the quality of health and prescription drug plans on a 5-star scale using more than 50 metrics, such as plan responsiveness, customer service, pricing and safety, and pharmacy services.

This quality measurement both recognizes our efforts to deliver high-quality health coverage and fully aligns with our mission to provide access to quality, affordable health care for all Californians.

Making access to quality health care easier

Our members can expect us to provide health plans with services, programs, and resources that extend the value of their coverage. We seek to develop programs to improve the quality of health care while reducing the rising costs of medical care.

We have implemented many programs involving wellness innovations and preventive care services to encourage healthy members to stay well. We also help those members with chronic or acute conditions live better through meaningful, high-touch interventions and results-driven medical management.

We actively help our members find access to quality care in a variety of ways. Our website provides up-to-date patient satisfaction information as well as a provider quality resource for hospitals, HMO medical groups, and IPAs. Blue Shield was the first health plan in California to integrate and publicly distinguish high-performing physicians in our online *find-a-provider*

directory. The Blue Ribbon Program is based on nationally recognized measures, which includes quality scores, efficiency indicators, and patient satisfaction scores. Now, with more information and comparative ratings at their fingertips, members are better prepared to make informed choices when choosing a doctor.

As a Blue plan, we also participate in the Blue Distinction Centers^{®*} program, which is a national designation awarded by Blues plans to hospitals and medical facilities that have demonstrated expertise in delivering quality health care in clinical areas such as cardiac care, bariatric surgery, knee and hip replacement, and spine surgery. Studies show that Blue Distinction Centers have better overall outcomes and lower costs for certain procedures when compared with non-designated medical facilities. By providing this performance information for our members, we can continue to help them make informed healthcare decisions.

Our own members provide candid feedback about their experiences in two popular online features: Ratings & Reviews and Member Stories. Members can rate their Blue Shield health plan, provide open-ended comments, and read other members' reviews at blueshieldca.com/reviews. They can also post comments, tag stories as "inspiring" to acknowledge the success of other members, and share stories via Facebook. With this input, we can build more effective programs to help members succeed with their health goals and get the most value from their coverage.

Recognized as an industry leader

In June 2011, Blue Shield of California pledged to limit our annual net income to 2% of revenue, as part of our commitment to affordability. In any year that we earn more than 2%, we will return the difference to our customers and the community, subject to the approval of our board of directors. Our focus is on providing access to affordable, quality care – not generating a profit for shareholders.

We have a history of challenging the status quo and taking bold steps. In 2002, we became the first health plan to propose a strategy for achieving universal coverage. In 2003, legislation

was introduced in California modeled after our "universal coverage, universal responsibility" plan. Aside from establishing coverage for all, we believe successful health reform relies on improving the quality of care and controlling rising costs. As a leader in reform, we are participating in initiatives that consider the cost and quality of health care.

Recently, our trailblazing accountable care organization (ACO) efforts have received national attention for their results in providing high-quality healthcare services while lowering costs. This integrated care delivery model with Catholic Healthcare West and Hill Physicians Medical Group was cited by Health and Human Services Secretary Kathleen Sebelius as "one of the best examples of patient care in the country."[†]

Since that successful collaboration, Blue Shield has launched eight commercial accountable care organizations, working with hospitals, physician groups, and employers to deliver integrated care to more than 135,000 Californians in Sacramento, San Francisco, Walnut Creek, Santa Cruz, the Central Valley, and Orange County.

Other cooperative efforts within the industry include pay-for-performance programs to encourage best practices among physicians, and our Partnership in Operational Excellence and Transparency (POET) program which makes claims processing more efficient and improves customer service.

Recently we introduced an innovative product geared to reduce the underlying cost of healthcare trend over time and make a sustainable difference for employers. Blue Groove[®] offers a continuum of benefit options with differing levels of wellness engagement and incentives for the members, and utilizes collaborative provider relationships to deliver better quality and coordination of care.

From rewarding providers for delivering more cost-effective care, to supporting Californians on their road to wellness, we're always looking for new ways to translate "quality" into "quality of life."

* The Blue Distinction designation includes medical facilities within the BlueCross BlueShield Association network that meet rigorous and objective clinical measures based on evidence-based selection criteria established through input from expert physicians, medical organizations, and the Blue plan(s) in that state.

[†] September 2011, blueshieldca.com/bsc/newsroom/pr/sebelius091611.jhtml.