



2007 Annual Quality Improvement Evaluation Executive Summary

The Health Services division of Empire BlueCross BlueShield (Empire) conducted the 2007 annual evaluation of the Quality Improvement Program during the first quarter of 2008. In the third quarter of 2008, another quality evaluation was completed to include the 2008 HEDIS data collection results, which align Empire with the Parent Company's quality evaluation completion timeline and processes. Representatives from major departments, including Quality Improvement, Medical Management, Provider Network Maintenance, MediBlue, and Customer Service analyzed plan performance to assess the effectiveness of the programs and services provided to Empire's Commercial and MediBlue members and to develop the Quality Improvement work plan for 2008.

The 2007 analysis included:

- Review of program goals and objectives against actual performance
- Identification of barriers to goal achievement and opportunities for improvement
- Proposed interventions to address barriers
- Recommend action plans related to identified opportunities

As a result of the structured review of clinical and service quality performance outcomes, consensus was reached on the QI Workplan, goals, and objectives for 2008. The results of the review of 2007 Objectives and 2007 Workplan tasks are included in the QI Workplan.

Accreditation

In 2007, Empire BlueCross BlueShield and Empire BlueCross BlueShield HMO (Empire) continued its commitment to providing world-class service to members. In recognition of Empire's efforts, the National Committee for Quality Assurance (NCQA) awarded Empire continued accreditation at the Excellent level for our Commercial HMO/POS and MediBlue HMO products*. The accreditation results represent the outcome of the on-site survey conducted on July 10, 2006 as well as the review of audited 2008 HEDIS data on key clinical and service measures. In September 2008, Empire maintained its Excellent accreditation for the Commercial products. Medicare CAHPS results are pending release from CMS and it is anticipated MediBlue HMO will also maintain its Excellent accreditation and fully deemed status for MediBlue.

Accreditation Status Summary- Effective Date: September 2008

	2006 Survey Points	Commercial HMO/POS	MediBlue HMO
Standards Score	67	67.00	67.00
HEDIS Score	20	17.913	17.261
CAHPS Score	13	8.042	Pending from CMS
Total Score	100	92.9540	TBD

Standards scores are based on the outcome of the July 10, 2006 on-site survey. HEDIS scores are based on HEDIS/CAHPS 2008 data collection. The next NCQA survey is scheduled in May 2009.

Clinical Initiatives

Empire’s clinical initiatives addressed the needs of members along the health continuum: healthy members, members with acute care needs, members with chronic disease, and members with complex conditions. Through the 360° Health, Empire has developed an integrated health services program to address each of these areas by providing:

- Health Resources – Access to health and wellness information
- Health Extras – Tools and Healthy Discounts
- Health Guidance – Help when members are in need of care
- Health Management – Ongoing management and coordination

Health Resources and Health Extras

- During 2007 there were 27,960 visits to the WebMD section of the member portal, which missed our goal by 3,240 visits.
- Empire continued targeted health education mailings to address population needs, including adolescent and childhood well visits, immunizations, lead screening, mammography, cervical cancer, and Chlamydia screening. A total of 79,919 targeted mailings went to the Empire membership in 2007, including HMO, CHP, and MediBlue.
- Provided preventive health and clinical practice guidelines to members and practitioners via newsletters and the member and provider portals.
- Maintained the ability for members to register their personal health information on MyHealth; Personal Health Record.
- Maintained the ability for providers (facilities and practitioners), with consent of the member, to view Personal Health Records in order to increase continuity and coordination of care.
- Enhanced MyHealth to include the ability for members to send their physicians questions through a secure message feature, and physicians will be able to respond to the members in real time, through the secure message feature and enables physicians the ability to add notations to a member’s MyHealth Record tied to specific medical entries.

Health Guidance

- Maintained the 24/7 Nurseline for members to speak with a registered nurse, which includes access to Healthline Recorded Topics library. The service was available to members 24 hours/day, 7 days/week.
- Maintained Impact Pro, an enhanced predictive modeling tool, to assess the health risks of covered members, with a focus on proactively identifying complex cases.
- Continued the Maternity Care Program to provide specialized support to mothers during pregnancy. There were 2,091 members in the program in 2007 and of those, 391 were in the high risk maternity program.
- Continued to expand available Leapfrog data that enables members to identify and select and compare hospitals and certain procedures in order to make smarter health care decisions using Hospital IQ

Health Management

- Behavioral Health Services continued to be provided by Magellan Behavioral Health. Throughout 2007, Empire maintained a close working relationship with Magellan, collaborating on projects and serving on common committees to improve coordination of care between medical and behavioral health.
- Continued with new 2006 medical record review process for practitioners that included a rating or sliding scale for scoring, five additional measures, and three levels of follow-up for the practitioners.
- Continued proactive disease management of members for Asthma, Diabetes, Coronary Artery Disease (CAD), Heart Failure (HF), and Chronic Obstructive Pulmonary Disease (COPD) through the partnership with American Healthways, and NCQA certified disease management vendor. There were 160,103 members enrolled in all Disease Management programs at the year's end.
- Maintained contracts with Accordant and RMS, NCQA certified disease management vendors, to manage care for members with rare chronic diseases and end-stage renal disease. There were 2,838 members enrolled with Accordant at year's end and 139 with RMS (VillageHealth).
- The Comprehensive Care Unit (CCU) Intensive Care Management Program addresses the needs of members with the most complicated co-morbidities. Empire utilizes a predictive modeling tool which collates data, such as claims, pharmacy, and lab data into meaningful information to enroll appropriate members in the program. In 2007, 93% of CCU members met their primary goal at discharge from the program. There were 2,814 members enrolled and participating in the program in 2007.

Across Empire, teams of associates have been working diligently to develop and implement comprehensive plans to positively impact measures focused around diabetes, asthma, pulmonary, childhood wellness, women's health, adult wellness, behavioral health, and patient safety.

Clinical Outcomes

Outcomes were measured by review of HEDIS/QARR rates for reporting year 2007 by product category, and were compared to reporting year 2006 rates and benchmarks rates for each measure.

A summary of results shows 53 HEDIS/QARR clinical measures/submeasures that were trendable from reporting year 2005 to reporting year 2007 for the Commercial HMO/POS products. Of these, 34 measures improved and 18 decreased in performance from reporting year 2006 to 2007. Twelve measures improved by 3 or more percentage points.

For five measures, NY Commercial HMO/POS exceeded the benchmark provided by the National HEDIS 2008 Quality Compass 90th percentile of Commercial HMO/POS plans:

- Initiation of Alcohol and Other Disorders (AOD) Treatment – Total (Combined ages)
- Engagement of AOD Treatment – Total (Combined ages)
- Spirometry before COPD
- Antidepressant Medications Management: Optimal Practitioner Contracts
- Annual Monitoring for Patients on Persistent Medications
- Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis

Four measures decreased in performance by 3 or more percentage points:

- Follow-up Care for Children Prescribed with ADHD Medication: Initiation Phase
- Follow-up Care for Children Prescribed with ADHD Medication: Continuation Phase
- Advising Smokers to Quit
- Anti-Rheumatic Drug Therapy in Rheumatoid Arthritis

Empire staff completed barrier analysis and implemented actions to improve HEDIS rates, including:

- Continue focus on non-adherent members and providers of those members
- Continue to educate physicians about the importance of outreach and follow-up with members
- Ongoing education of physicians about importance of charting and documentation
- Explore additional outreach efforts with both physicians and members
- Effective 1/1/08, behavioral health services will be transitioned from Magellan to Empire Behavioral Health

Disease Management Program

Fourteen out of 19, or 74%, of the metrics related to monitoring the progress of members with chronic disease met or exceeded the 2007 goals. The metrics which were not met were

related to: percent of all CHF members with a claim for ACE inhibitors or, in ACE-intolerant CHF members, for ARBs or hydralazine/isosorbide; percent of diabetic members who had an A1c test with a score ≤ 7 ; percent of asthma members with persistent asthma with a least 2 claims for inhaled corticosteroids, cromolyn sodium, leukotriene modifiers, or methylxanthines. Empire completed a barrier analysis and continues to partner with our Disease Management delegates to improve quality of care.

Service Quality Initiatives Summaries

NY Commercial HMO CAHPS Scores

Many of the CAPHS survey questions and response options were changed significantly by NCQA compared to 2006. This compromised the ability of plans to trend the scores from previous years. For those remaining 12 Composite, Rating, and Individual scores that were trendable, Empire saw improvements in two Rating and two Composite scores and declines in two Rating scores. Of the Individual scores, four improved, one score remained the same, and one declined.

This year we repeated our accomplishment for CAPHS in regard to “How Well Doctors Communicate”, scoring 92.1%.

Those scores falling significantly short of the National Benchmarks include: “Overall Satisfaction with Health Plan”, “Rating of All Health Care Received”, “Rating of Personal Doctor”, and “Rating of Specialist Seen Most Often”. Our survey vendor indicated that key opportunities for improvement were in the areas of:

- Access to Care
- Claims processing
- Personal Doctor & specialist
- Overall health care received

NY MediBlue HMO CAHPS Scores

The 2007 HMO NY Medicare Advantage CAHPS survey questions and response options were also changed significantly by CMS & NCQA compared to 2006. Additionally, CMS added several new questions to their survey to measure members’ level of satisfaction with the Part D prescription drug program.

There were four Rating and one Composite NY MediBlue HMO CAHPS scores that remained trendable from previous years. Two of the Rating scores improved, with one exceeding our established goal. The one trendable Composite score improved slightly.

Member and Practitioner Satisfaction

In addition to monitoring CAHPS results for Commercial and MediBlue members, Empire assessed complaint, grievance, and appeal data to determine instances of member

dissatisfaction or to confirm member issues with the delivery of clinical care or service identified via the CAHPS survey.

Commercial NY HMO Member Grievances

Member Grievance volumes relating to disputes over claim and membership decisions decreased in 2007. The improvements can be attributed to the education of our members through the member newsletter as well as customer service providing “full benefit quotes”.

2007 grievance resolution timeliness improved only slightly from 2006. This was driven by service areas failing to identify and route the grievances to the proper staff for resolution in a timely fashion. All examples of missed timeframes were shared with the non-compliant area for them to initiate steps to prevent this in the future. During the course of 2008, it is expected that the interventions developed by each of those areas will have more influence in the improvement of our timeliness outcomes.

MediBlue Administrative Appeals

MediBlue Administrative Appeal volumes increased by 18% in 2007. The MediBlue Administrative Appeal category experiencing the largest volume remains “Members Did Not Obtain Authorization/Pre-certification”, representing a 71% increase. For MediBlue, this historically represents 50% to 75% of all member claim appeals. MediBlue members also received reminders about authorization requirements in their Member Newsletters in 2007.

Overall, Empire’s Commercial and MediBlue Plans realized improvements in some of the areas that are barometers of member satisfaction. We continue to strive to identify and address those issues negatively affecting our members’ experience with our health plans and look forward to reversing any negative trends in 2008.

Patient Safety Summary

Empire continues to be dedicated to promoting and enhancing patient safety. In early 2007, the formalized Patient Safety Plan was presented and approved at the Clinical Quality Committee. Throughout 2007 Empire continued to promote safety and wellness through the following activities and initiatives:

- Empire conducted an annual policy review to ensure that applicable policies and procedures define safety standards in accordance with the NCQA, federal, and state mandates.
- Corporate Medical Policies were also reviewed on an ongoing basis to determine compliance with currently acceptable standards of care and the safety and efficacy of new technology or the application of existing technology to new treatments.
- 360° Health programs, services, and tools assist in the coordination of care for the individual patient and facilitate the reduction or prevention of errors of omission or duplication of orders when multiple providers are involved.

- In 2007, qualified high utilizers of ER services continued to be a trigger for a referral to case management disease management programs. ER recidivism is targeted for analysis and opportunities for improvement in 2008.
- By identifying gaps, omissions or co-missions in care through SARA – Early Risk Management Health Alerts, which are communicated to members confidentially on the secure member portal of Empire’s website, www.empireblue.com. These health alerts promote member awareness of health issues and support the physician-patient relationship.
- Hospital IQ continued to be available via the website to allow members to research and evaluate hospitals nationwide on a variety of criteria, including proven patient safety standards that are linked to improved outcomes and reduced costs.
- Notifying practitioners about drug alerts and posting them on our website for members and providers, and analyzing instances of polypharmacy utilization to assess the medical necessity and safety of using multiple drug therapies.
- Monitoring over/under utilization of medications through the prior authorization and quantity limit processes.
- Conducting medical record review to assess compliance with critical elements in ensuring the quality of care provided to individual patients.
- Continuing investigation of potential quality of care concerns, adverse incident reports, and sentinel events, and using this data in the re-credentialing process.
- Continuing to assume a key role in the Leapfrog program, a national program that addresses key aspects of patient safety, and the first in the market to incorporate a patient safety movement into a health services program.

<p>Recommendations to Sustain/Achieve Improvement in Quality Improvement during 2008</p>

- Develop and implement an ongoing, comprehensive QI Plan that supports outcome improvements in clinical and service quality and integrates process and operations for Empire BlueCross Blue Shield that are consistent with the East region and in congruence with the goals and objectives of the WellPoint Quality Improvement Committee (WQIC)
- Identification and standardization of quality policies and procedures for consistency across all sites
- Identification of participants on enterprise clinical and service quality sub-teams to leverage corporate quality initiatives
- Comparison of current systems/platforms and /or gaps in technology or applications
- Continue identification of best practices for HEDIS/CAHPS/customer focused on QI activities
- Continue development of consistent program documents that address all regulatory and oversight requirements
- Implementation of consistent data collection methodologies and reporting strategies

- Continue the comprehensive strategy for assessing the impact of QI interventions on HEDIS rates, complete root cause analysis for each measure, define interventions and implement as appropriate
- Maintain NCQA accreditation at the level of Excellent for Commercial and MediBlue HMO
- Continue to incorporate the DM vendor's QI program into WellChoice HMO structure. Using the CQI process, offer solutions that demonstrate optimal health outcomes in clinical care for members and service for members and practitioners
- Offer solutions that demonstrate optimal health outcomes in clinical care for members and service for members and practitioners
- Continue to integrate all aspects of the Behavioral Health Program into the QI Program
- Improve the continuity and coordination of members' care across medical practices and sites and with behavioral health practitioners
- Incorporate more innovative quality initiatives into our programs and investigate pilot programs
- Work with community groups and coalitions to improve the impact of quality programs
- Utilize the enhancements of the Eliza program to incorporate call reporting analysis and the Postcard Plus Program where applicable
- Continue to integrate the formalized patient safety program including the introduction of a patient safety website
- Continue the outreach to members and practitioners/providers and explore additional educational efforts to increase their understanding of health management
- Integrate results of Medical Analytics study on differences in disease prevalence or treatment to support integration of the diversity initiative into QI strategic planning
- In collaboration with Customer Service, Website Administration, Network Management, MediBlue Operations, Marketing, and all other areas that touch our members, identify, assess, plan, implement, and evaluate interventions designed to improve our members' satisfaction with the care and services we provide to them
- Continue comprehensive strategy for assessing the impact of QI interventions on CAHPS rates, complete barrier analysis for each measure and identify and implement effective interventions
- Review access and availability measures against Empire standards to identify opportunities for improvement and implement appropriate interventions

Empire's Quality Improvement Program continues to address the needs of members and focus on improving, and also continues to drive improvements in clinical and service quality. This focus will continue throughout 2008.

Conclusion

Our company's organizational model is an important factor, positioning us to remain locally focused, yet allowing us to leverage our broad national presence by operating enterprise-wide whenever this enables us to provide enhanced customer service and improved operations.