

Kansas City Region Selected for Centers for Medicare and Medicaid Services Comprehensive Primary Care Plus Initiative

FOR IMMEDIATE RELEASE

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Kansas City, MO, August 2, 2016—The Centers for Medicare and Medicaid Services (CMS) has selected the Kansas City Region as one of 14 markets for its most recent innovation effort, Comprehensive Primary Care Plus (CPC+). Kansas City's selection was made based on a proposal submitted by Blue Cross and Blue Shield of Kansas City (Blue KC).

The CPC+ initiative supports enhanced, comprehensive primary care by offering an innovative payment structure that rewards high-quality, cost-efficient care delivery and begins to move primary care payments away from sole reliance on fee-for-service reimbursements. The CPC+ model is built on the foundation of the Comprehensive Primary Care (CPC) initiative, which began in October 2012 and runs through December 31, 2016.

One of the key learnings gained from the CPC initiative is that participation from multiple payers helps providers make more rapid and meaningful changes toward delivering proactive comprehensive primary care. Kansas City was selected by CMS, even though Blue KC was the only payer from the Kansas City region to submit a CPC+ application. In its acceptance letter to Blue KC, CMS stated that it is "confident in your proposal's alignment with CPC+" and that Blue KC's market presence "is sufficiently robust to proceed without other payers."

"At Blue KC, we believe that stronger primary care is essential to supporting healthy populations and reducing the cost of healthcare in the U.S. This is one of the major motivations for launching the Blue KC Medical Home program in 2010 which works with primary care practices across the region to bring more patient-focused, comprehensive and coordinated care to our members. We have seen very favorable outcomes from this effort which is why we're so motivated to bring the CPC+ opportunity to the Kansas City Region," said Dr. Gregg Laiben, Vice President of Health Innovations at Blue KC.

"With the launch of the Medical Home program, Blue KC has been a wonderful partner to primary care physicians interested in delivering high-quality care in a more patient-centered, cost-efficient manner," said Dayna Hodgden, Chief Executive Officer of Encompass Medical Group. "The partnership with Blue KC and CMS is a natural extension of the work that is ongoing and really speaks to where we want to go in the future as a healthcare community both locally and nationally."

In its first year, CPC achieved gross savings and was nearly cost neutral, with positive quality results. These findings came earlier than expected in a model involving significant changes in the delivery of primary care. CPC+ looks to build

on these results by offering two tracks with different payment options to better accommodate the diverse needs of primary care practices.

Primary care practices within the 14 regions selected for CPC+, including Kansas City, now have the opportunity to apply for participation in one of two tracks. Both tracks are designed to strengthen primary care to achieve the aims of “better care, smarter spending, and healthier people” and include enhanced provider payments that recognize and reward high-quality, cost-efficient care. Track 1 is the starting point for practices that are less advanced in their movement to the kind of comprehensive and coordinated primary care anticipated under CPC+. Track 2 provides a great opportunity for more advanced primary care practices to evolve to the next level with the financial support needed to accelerate that movement. The deadline for submitting provider applications for either track is September 15, 2016 with CPC+ scheduled to launch on January 1, 2017.

“The changes brought about by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) represent the single most significant change in provider payments to occur in decades. As a medical community, we are under increasing pressure to actively seek ways to participate in alternative payment models that are recognized under MACRA rules.” Angela Bedell, Executive Director/CEO of The Kansas City Medical Society said. “CPC+ is one of a small number of nationwide initiatives recognized as an eligible alternative payment model under the proposed MACRA rules. We are grateful to Blue KC for taking the initiative to apply for CPC+ and bringing this opportunity to the medical community in Kansas City.”

About Blue Cross and Blue Shield of Kansas City

Blue Cross and Blue Shield of Kansas City, the largest not-for-profit health insurer in Missouri and the only not-for-profit commercial health insurer in Kansas City, has been part of the Kansas City community since 1938. Blue Cross and Blue Shield of Kansas City provides health coverage services to more than one million residents in the greater Kansas City area, including Johnson and Wyandotte counties in Kansas and 30 counties in Northwest Missouri. **Our mission: to use our role as the area's leading health insurer to provide affordable access to health care and to improve the health and wellness of our members.** Blue Cross and Blue Shield of Kansas City is an independent licensee of the Blue Cross and Blue Shield Association. For more information on the company, visit its website at BlueKC.com