

Beyond Original Medicare: Rapid Adoption of Aledade-Blue Cross NC Model Creates \$17M in New Practice Revenue



357%

Increase in Participating Practices

\$374K

Per Practice Avg 2-Year Revenue

~224K

Patients

215

Practices

5%+

Cost of Care Savings

0%

Downside Risk

Accountable Care Helps Struggling Practices and Patients.

Many independent primary care practices are struggling to survive. Their outdated fee-for-service models and decreases in billable office visits (such as the two-thirds¹ decrease during the peak of the COVID-19 pandemic) has left patients with diminished levels of support from short-staffed clinics² unable to keep up with the ever-changing flow of information needed to coordinate their patients' care. Compounding their financial crisis, private practices with limited volume are challenged to move to value-based care as commercial payers embrace value.³ Many practices find themselves in debt and with less than 30 days of cash in reserve.¹

Primary care challenges do not just impact practices, but patients too. According to recent surveys, 66 percent of Americans are concerned they will not be able to afford medical expenses,⁴

and nearly one in four skip medical care because of cost.⁵ Yet making medical care affordable is largely a function of access to coverage. More than one-third of Americans are either uninsured or underinsured⁶ with many suffering the consequences from their employers continuing to shift more costs to employees through increases in premiums, deductibles or reduced benefits.⁷



Aledade looks forward to continuing to work with our ACO member physician and to expanding our ACO to deliver more people the best possible care, while improving health outcomes and controlling unnecessary costs.

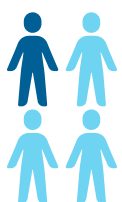
– Annette DuBard, MD, MPH
North Carolina Market President, Aledade

Today's model of coverage, care and reimbursement finds everyone in a cyclical, no-win pattern: As employers and Medicare Advantage (MA) plans struggle to provide affordable premiums and rich benefits, more under- and uninsured patients are unable to afford or access care. That means they do not see their doctors or adhere to care plans, creating financial struggles for private practices and contributing to a decline in health, further taxing an already burdened healthcare system.

Visionary insurers like Blue Cross and Blue Shield® of North Carolina (Blue Cross NC) recognized the shortcomings of the current model, as well as the impressive results produced when primary care physicians adopt the value-based approach enabled by Aledade. ACOs are rooted in the Medicare Shared Savings Program (MSSP) that started nearly a decade ago, but in January 2019, Blue Cross NC and Aledade formed a collaboration offering independent primary care practices the ability to:

- Join an Aledade ACO and leverage the Aledade Practice Transformation System and technologies.
- Receive enhanced reimbursement rates and a portion of the cost savings generated by improving quality and reducing costs.

With improved quality and reduced costs, Blue Cross NC is able to share their savings with not just practices, but also with employer groups and MA members in the form of reduced premiums and cost share and improved benefits.



1 in 4
Americans skip medical care because of cost.

Not All ACOs Are Equal. There Are Best Practices When Adopting Multi-Payer, Value-Based Care.

Across the United States, about one in three ACOs failed to achieve MSSP shared savings in 2020.⁸ As a best-in-class ACO⁹, in 2020 alone, Aledade and its ACO member physicians created over \$461 million in healthcare cost savings. Whether a practice is joining the Aledade ACO with only its Blue Cross NC patients, or with its MSSP patients as well, making the shift to value-based care means making some adjustments.

Practices new to the Blue Cross NC-Aledade collaboration are provided a dedicated implementation team to help them succeed. The practices' Transformation Specialist provides ongoing performance and practice management support, while Local Medical Directors (who are also practicing physicians) provide clinical support.



The majority of practices depend on the Aledade App every day.

Central to our Practice Transformation System is the Aledade App. A user-friendly tool, the App integrates with your practice's current EHR system to provide more efficient workflows and equip staff with the information needed to prioritize populations, and optimize clinical care for individual patients, acuity and practice compensation.

Behind the Aledade App is our technology platform, which aggregates vast amounts of data from disparate sources—including Blue Cross NC claims data—to provide a broader view of your patients' experience across the healthcare ecosystem. Beyond population and patient-level care plans, the Aledade App provides actionable

alerts when patients: have not had a primary care visit within the current year; have had a recent emergency room visit; or will be aging into Medicare. Over 80 percent of physicians in Aledade ACOs use the App on a day-to-day basis to manage their practice and patient care.

Practices who participate in the Blue Cross NC-Aledade collaboration retain half of all shared savings created and, unlike other ACO models, have no financial downside risk, even if a practice does not attain specific cost and performance benchmarks. In addition to creating savings, our approach makes it easier for practices to better manage the health of their patients, which improves clinical outcomes and quality of care.



Aledade is showing what we've been saying forever: independent practices bring a lot of value that has been unrecognized for too long.

– Obinna Oriaku, MD
Crown Clinic

Sustained Success Fuels Rapid Growth.

The collaboration between Blue Cross NC, Aledade and primary care practices yielded rapid, incredible results. In 2020 - the most recent performance year - participation grew by 357 percent. The volume of patients also more than tripled, with over 223,801 lives under management. With more patients and medical spend under management, the healthcare system saw lower costs and higher quality of care.

Cost of Care*

- **Nearly \$17 million** in incentive payments
- **1.8%** gross savings for commercial and MA patients
- **\$143** per commercial patient earned by practice

- **\$76** per MA patient earned by practice
- **\$16.9 million** earned collectively in incentive payments
- **\$141,284** per practice average total revenue earned

Clinical Care

Positive outcomes relative to cost of care are highly correlated to improving clinical and other “quality” of care outcomes. Where Medicare uses their Star Rating System to measure how well MA plans are performing, commercial plans are often scored on similar measures as a part of the HEDIS (Healthcare Effectiveness Data and Information Set) framework.

Practices who joined the Aledade ACOs in 2019 improved MA Star ratings for Blue Cross NC MA members from 3 to 4.5 Stars on average, and those practices sustained an average 4.5 Star rating in 2020 in the following seven categories:

- Medication adherence for hypertensive patients
- Medication reconciliation post-discharge
- A1C Control \leq 9.0 for patients with diabetes
- Adult obesity assessment
- Attention to nephropathy for diabetic patients
- Colorectal cancer screening
- Recommended therapy for patients with Rheumatoid arthritis

Additionally, practices who joined the Aledade ACOs in 2020 improved MA Star ratings for Blue Cross NC MA members from 3 to 4 Stars on average, in the same seven categories.



Practices who joined the Aledade ACO in 2019, sustained an average MA Star rating of 4.5 in 2020.

Join the Mission!

Discover how your practice can find financial success, improve outcomes for your patients and achieve continued independence by joining Aledade in a physician-led ACO. Enrollment is easy. If you want more information:

- On current value-based care opportunities:
outreach@aledade.com
- On the added revenue you could derive from your Original Medicare patients:



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The Blue Cross NC and Aledade performance defines true value-based care, setting the stage for quality, efficient, and accessible care for patients in our communities.

– Karen Smith, MD, PA
Primary Care Physician
Raeford, N.C.

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*Past performance may not be indicative of future results.

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¹<https://www.forbes.com/sites/theapothecary/2020/05/30/how-independent-primary-care-practices-can-survive-the-coronavirus-downturn/?sh=3bb5eb1c10e4>

²<https://www.statnews.com/2021/07/02/the-health-care-workforce-is-understaffed-for-life-after-covid-19/>

³https://www.gklaw.com/Resources/Documents/12761320_11.pdf

⁴<https://www.accessionemedcard.com/2020/12/16/medical-expenses-patient-finance-report/>

⁵[https://www.cnbc.com/2020/03/11/nearly-1-in-4-americans-are-skipping-](https://www.cnbc.com/2020/03/11/nearly-1-in-4-americans-are-skipping-medical-care-because-of-the-cost.html)

[medical-care-because-of-the-cost.html](https://www.cnbc.com/2020/03/11/nearly-1-in-4-americans-are-skipping-medical-care-because-of-the-cost.html)

⁶<https://www.commonwealthfund.org/publications/issue-briefs/2020/aug/looming-crisis-health-coverage-2020-biennial>

⁷<https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managinghealthcarecosts.aspx>

⁸<https://www.fiercehealthcare.com/payer/acos-generated-4-1b-gross-savings-2020-nearly-double-2019-amount>

⁹<https://resources.aledade.com/reports/klas-aco-enablement-services-2021>