1. Why did BCBSTX create the Physician Cost Assessment (PCA) and BlueOptions Product?

Continued escalation of health care costs has driven premiums and medical expenses to higher and higher levels each year. This, in turn, has motivated employers and consumers to search for information about the value (quality and cost) they receive for their health care dollars. These stakeholders have asked Blue Cross and Blue Shield of Texas (BCBSTX) to support their purchasing decisions by identifying the providers who offer the best value for their health care. These stakeholders also want consumer friendly tools and benefit products to support their health care purchasing decisions. BCBSTX must pay attention to the needs of its employers and members.

Thus the objective of adding the PCA to the BlueCompare Physician Designation Program is twofold. The first objective is to provide PPO members with quality related and cost efficiency performance designations in our online Provider Finder® for use in their health care purchasing decisions.

The second objective is to support a benefit plan product called BlueOptions. BlueOptions includes enhanced benefits for members who obtain care, when possible, from BlueCompare physicians recognized for both quality and cost efficiency. BlueOptions is not a network, rather it is a product. The BlueOptions product uses all BlueChoice® network providers. Competitors have similar benefit products in the marketplace.

2. What does the PCA methodology include?

The PCA utilizes national published guidelines (NCQA PHQ, Patient Charter) and requirements regarding provider evaluation methodologies and programs in accordance with Texas law (Texas Insurance Code Chapter 1460). We have taken care to incorporate these guidelines and requirements into the BlueCompare Physician Designation Program as we strive to meet the demand for information on provider performance. BCBSTX involved practicing physicians in the development of the PCA and has developed meaningful reporting to explain the major cost component driver of the PCA to physicians.

The methodology includes:
- Per NCQA PHQ, the cost efficiency is measured only for specialties that can also be measured for quality related performance.
- Per NCQA PHQ, a confidence interval is used when determining the eligibility/qualification.
- Episode sets used to create new cost index are restricted to episodes where one clinician drives at least 80% of the care as measured by RVUs.
• Episodes containing ER revenue codes, or ER place of service codes, or ER Evaluation and Management codes are excluded.
• Preventive care episodes are excluded.
• A “specialty of care basket” approach is incorporated into the trim points.

PCA also:
• Evaluates results at the Practice Evaluation ID/working specialty level.
• Assures that episodes are risk and severity adjusted, specific to the working specialty.
• Creates indices that are relative to the working specialty and rating area of the physician.
• Calculates results based on two incurred years of complete episode data. Incomplete episodes are trimmed.
• Trims data for outliers.

3. What are the state and national guidelines and requirements that BCBSTX is following?

• The quality related assessment utilizes Evidence Based Measures (EBMs) from nationally recognized entities such as the National Quality Forum (NQF), the Ambulatory Care Quality Alliance (AQA), and the National Committee for Quality Assurance (NCQA).

• The BlueCompare program adheres to nationally recognized transparency methodology and program standards and guidelines (NCQA Standards and Guidelines for the Certification of Physician and Hospital Quality) and complies with Texas Insurance Code Chapter 1460.

• Please visit these sites for more information:
  ▪ Ambulatory Care Quality Alliance http://www.aqaalliance.org/performancewg.htm

4. Did BCBSTX have any experts review the EBM and PCA methodologies?
BCBSTX worked closely with a Physician Advisory Committee on Measures of Performance. This Committee helped BCBSTX select appropriate Evidence Based Measures. An external statistician, with extensive experience in biostatistics, reviewed and validated the EBM scoring methodology for appropriateness.

BCBSTX developed the PCA in accordance with national guidelines discussed in Question 3. We engaged physicians currently in clinical practice to assist us in building this methodology.

### 5. Is BCBSTX going to measure all specialties or only certain ones?

The BlueCompare program measures physicians for both quality related performance (based on EBM) and cost efficiency in the following eighteen working specialties:

<table>
<thead>
<tr>
<th>Allergy-Immunology</th>
<th>Nephrology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiovascular Disease-Non-Interventional</td>
<td>Obstetrics-Gynecology</td>
</tr>
<tr>
<td>Cardiovascular Disease-Interventional</td>
<td>Oncology</td>
</tr>
<tr>
<td>Colon-Rectal Surgery</td>
<td>Pediatric Allergy-Immunology</td>
</tr>
<tr>
<td>Endocrinology</td>
<td>Pediatric Pulmonary Disease</td>
</tr>
<tr>
<td>Family Practice</td>
<td>Pediatrics</td>
</tr>
<tr>
<td>Gastroenterology</td>
<td>Pulmonary Disease</td>
</tr>
<tr>
<td>Geriatric Medicine</td>
<td>Rheumatology</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>Urology</td>
</tr>
</tbody>
</table>

### 6. What is a Working Specialty?

A specialty designation derived by utilizing the physician’s primary, secondary and tertiary specialties on record, practice limitations, physician type, and in certain cases, primary place of service.

### 7. How does the PCA relate to the BlueCompare Physician Designation Program?

The BlueCompare Physician Designation Program includes a cost efficiency assessment that is called the Physician Cost Assessment (PCA). Specifically the PCA results are coupled with the Evidence Based Measures (EBM) component of the BlueCompare Physician Designation Program to recognize and designate physicians who practice in working specialties that can be measured and meet standards for both quality related performance and cost efficiency. The results of the BlueCompare Physician Designation Program’s quality related (EBM) and cost efficiency (PCA) assessments are displayed in the online Provider Finder® tool at bcbstx.com.
8. How do I formally request a review of my performance designation(s)?

Affected physicians who are dissatisfied with their BlueCompare results have the right to request a review in writing. In addition to the written fair review reconsideration process, BCBSTX also provides a fair reconsideration proceeding as described below:

- When a physician requests a review, BCBSTX will provide a fair reconsideration proceeding. This proceeding will be conducted by teleconference or in person, at the physician’s option.

- A physician requesting a review has the right to provide information, to have a representative participate, and to submit a written statement at the conclusion of the reconsideration proceeding.

- BCBSTX will communicate the outcome of the reconsideration proceeding in writing, including the specific reason(s) for the final determination.

A detailed explanation of the current EBM review process is on our Web site at http://www.bcbstx.com/provider/inquiry_review.htm

9. Where can I find out more about the PCA?

For more information, you can visit our Web site: http://www.bcbstx.com/provider/training/bluecompare2015.html

10. How can I find out more details? Who do I talk to if I have additional questions?

Your local Professional Provider Network Representative is here to help. Please visit www.bcbstx.com/provider/contact_us.htm#localnetwork and contact the appropriate local office for assistance.