

**BluePrint**
FOR LIFE.

BluePrint for LifeSM is a comprehensive health promotion and illness prevention program. From newborn babies to seniors, BluePrint for Life offers strategies, information, and programs to help members make better choices and lead healthier lives.

Quality Initiatives, Health Programs, and Results

Annual Quality Report - 2004



Your Plan for Life.™

www.BCBSRI.com

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Your Plan for Life.™



Overview of Quality Programs and Initiatives

At Blue Cross & Blue Shield of Rhode Island (BCBSRI), our commitment to quality is reflected in every aspect of our health plans and programs. Our integrated approach to promoting quality care and service helps to improve the health and well-being of our members and reduce long-term healthcare costs.

Along with comprehensive benefits, BCBSRI plans include health management programs and interventions, preventive health and wellness programs, member education, medical management, and much more.

A Commitment to Quality

Our 2004 Annual Quality Report presents some of the many ways we work to improve the health of our members. The report highlights the results of our 2003 initiatives which include helping members to lower their cholesterol, control their diabetes, and receive potentially life-saving immunizations and screenings. Our corporate vision is *to improve the quality of life of our customers and of the people of Rhode Island by improving their health*, and the results in this year's quality report show that we are making progress toward that goal.

In addition to our interventions, we help members achieve their health goals through BluePrint for LifeSM. This health promotion and illness prevention initiative encourages members to make healthful lifestyle choices at every stage of life. Our Web site, BCBSRI.com, offers a variety of health information, tools, and programs for members and the general community.



NCQA Accreditation Rating

Your best assurance of quality

The National Committee for Quality Assurance (NCQA)¹ again awarded its highest accreditation status of “Excellent” to BlueCHiP, Coordinated Health Partners (BlueCHiP) in October 2003. Achieving this status requires a daily commitment to quality, with our members as the ultimate beneficiaries. All three BlueCHiP products earned a rating of “Excellent,” demonstrating superior performance and quality in all major categories.



BlueCHiP Commercial	EXCELLENT
BlueCHiP for RItE Care	EXCELLENT
BlueCHiP for Medicare	EXCELLENT

An “Excellent” accreditation status signifies that BlueCHiP has met the rigorous standards set by NCQA. The full accreditation status was awarded following on-site review and analysis of health plan records, interviews with health plan staff, results of Consumer Assessment of Health Plans (CAHPS)² member satisfaction surveys, and results of standardized performance measures known as the Health Plan Employer Data and Information Set (HEDIS®)³. The consistently high quality of care that our network of providers delivers to our members was a significant factor in BlueCHiP maintaining its “Excellent” status. Since November 2000, all BlueCHiP products have maintained an “Excellent” accreditation status.

NCQA is committed to providing information on the quality of health plans. By visiting www.ncqa.org, consumers can access the NCQA accreditation status of all accredited health plans, and find information on a variety of healthcare quality measures. To see how healthcare quality can affect the productivity and absenteeism of your employees, try NCQA’s Quality Dividend Calculator™ at www.ncqacalculator.com. Use this online tool to estimate the “quality dividend” your organization receives for providing high-quality care to employees.

¹ The National Committee for Quality Assurance (NCQA) is an independent, not-for-profit organization that evaluates managed care organizations.

² CAHPS is a registered trademark of the Agency for Healthcare Research and Quality.

³ HEDIS stands for Health Plan Employer Data and Information Set. Created by NCQA, HEDIS is a standardized set of measures for evaluating the performance and value of health plans. HEDIS is a registered trademark of the National Committee for Quality Assurance. HEDIS methodology looks at services rendered by providers in the previous year (e.g., the 2004 report reflects 2003 services).

Key Clinical and Preventive Health Initiatives

Our quality improvement program, combined with our BluePrint for Life health promotion and illness prevention initiative, offers effective methods for improving our members’ health as well as enhancing the quality, continuity, coordination, and accessibility of healthcare. Charts in this report compare the 2003 results of some key quality initiatives with those of 2002.

MANAGEMENT OF CARDIOVASCULAR DISEASE

Cardiovascular disease is the number one cause of death of men and women in the United States. The good news is that most cardiovascular disease can be prevented through proper nutrition, exercise, stress management, and medication. From the previous year, we improved our HEDIS scores in two important areas: cholesterol management after acute cardiovascular event and controlling high blood pressure.

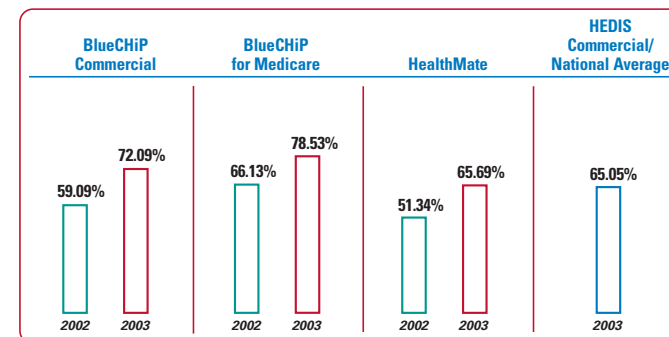
Cholesterol Management after Acute Cardiovascular Event: LDL-C Control

Objective: To measure the percentage of members who were hospitalized for a cardiac event (acute myocardial infarction, coronary artery bypass graft, or percutaneous transluminal coronary angioplasty) and who had a level of LDL-C (low density lipoprotein-cholesterol) less than 130mg/dl.

Rationale: Elevated cholesterol levels, which include a high level of LDL, “bad cholesterol,” can reduce arterial blood flow and lead to a second heart attack. By reaching out to our members who meet this criteria and educating them about the importance of cholesterol management, a proper diet, and regular exercise, we sought to prevent future cardiac events.

Initiatives: Through newsletter and magazine articles, we encouraged both men and women to get their cholesterol checked as well as suggested that they eat a diet low in saturated fats and that they exercise regularly. We also explained the difference between “good,” “bad,” and “total” cholesterol. Quarterly, we sent a letter and educational brochure on heart health to members who have had a cardiac event. The letter offered members the opportunity to participate in a free 12-month telephonic counseling program provided through Harris HealthTrends, Inc.

Results:



Cholesterol Management after Acute Cardiovascular Event: LDL-C Control



Controlling High Blood Pressure

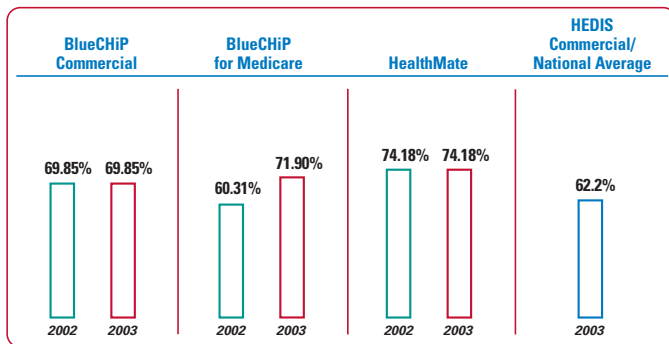
Objective: To properly control high blood pressure as evaluated by assessing members aged 46 to 85 years with a diagnosis of hypertension.

Rationale: Controlling high blood pressure has been proven to help reduce incidents of heart attack, strokes, and kidney failure.

Initiatives: Through newsletter and magazine articles, we reinforced the importance of knowing blood pressure numbers and keeping blood pressure low through a proper diet and regular exercise as well as medication, if needed. Quarterly, we also sent a letter and educational brochure on heart health to members who have had a cardiac event. The letter offered members the opportunity to participate in a free 12-month telephonic counseling program provided through Harris HealthTrends, Inc.

Providers received a summary of the national Hypertension Clinical Practice Guidelines, which presented the latest medical information on the treatment of high blood pressure.

Results:



Controlling High Blood Pressure

COMPREHENSIVE DIABETES CARE

More than 18 million Americans have some type of diabetes. Important screenings include diabetic eye exams, screenings for nephropathy (kidney damage) and regular testing for HbA1c (blood sugar) and LDL-C (“bad” cholesterol) levels. Appropriate medical care and self care can help control symptoms and significantly reduce our members’ chances of developing serious complications.

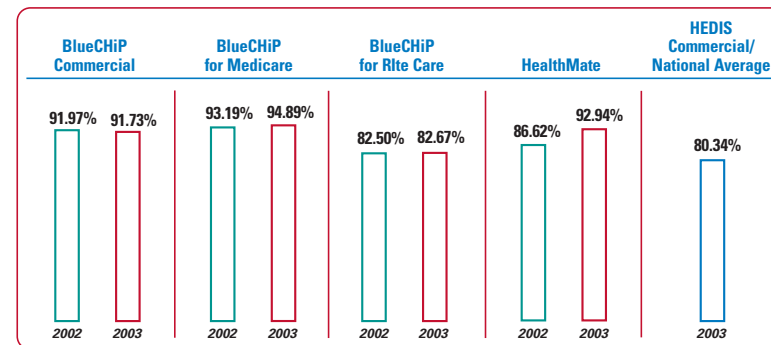
LDL-C Screening

Objective: To increase the rate of LDL-C screenings among members with diabetes.

Rationale: LDL-C screening is necessary to determine the levels of “bad cholesterol,” and establish whether it is under control.

Initiatives: Through targeted mailings, newsletter articles, telephonic counseling, and diabetes education classes, we raised awareness among members about the importance of LDL-C testing. Providers received a list of patients who had not received important annual tests and exams.

Results:



LDL-C Screening



LDL-C Control

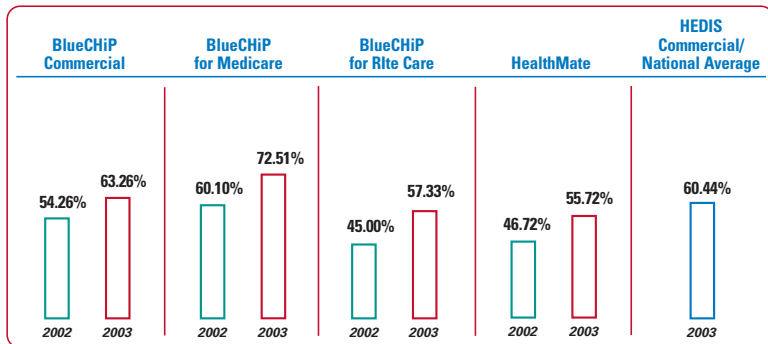
Objective: To increase the number of members with diabetes who have LDL-C controlled below 130mg/dl.

Rationale: Diabetes can compromise the circulatory system by narrowing and/or weakening blood vessels. When lipid (fat) deposits, which are characteristic of elevated LDL-C levels, accumulate in such compromised vessels, serious and sometimes fatal types of heart disease or stroke can develop. This measure of “bad” cholesterol helps assess a member’s risk of developing heart disease and measures the effectiveness of cholesterol-lowering therapies. Education about this simple blood test can help people with diabetes avoid these complications.

Initiatives: In addition to the health promotion and diabetes education discussed in the previous measure, members with diabetes who had not received important tests, such as the LDL-C, or who had poor scores for this test, received reminder letters and telephonic counseling.

Educational articles in member and provider newsletters reinforced the importance of managing glucose and lipid levels for improved cardiovascular and overall health.

Results:



LDL-C Control

ADDRESSING WOMEN’S HEALTH

Routine preventive screenings such as Pap tests, mammograms, and chlamydia screenings can help detect problems early and reduce the risk of health problems for our female members.

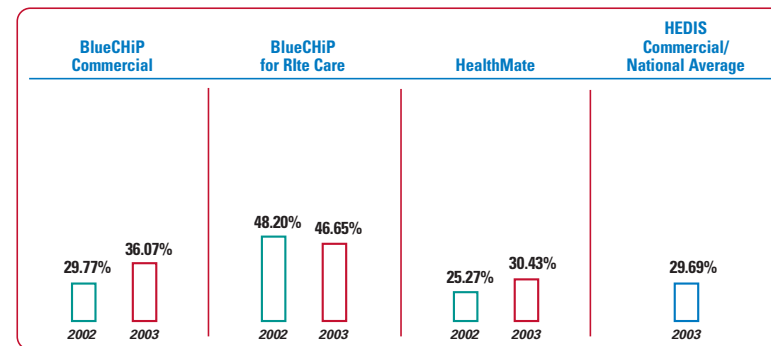
Chlamydia Screening

Objective: To increase the number of women aged 16-25 who were screened for chlamydia in the measurement year.

Rationale: Chlamydia is the fastest spreading sexually transmitted disease (STD) in the United States. An estimated one in two sexually active women will have had chlamydia by the time she is 30 years old. Chlamydia often has no symptoms, but can lead to infertility if left untreated.

Initiatives: The “Teen Girl’s Guide to Good Health” brochure was mailed to all parents of female members turning 16 years old.

Results:



Chlamydia Screening



KEEPING KIDS HEALTHY

American Academy of Pediatrics and national clinical practice guidelines recommend regular checkups and immunizations to keep children healthy. From birth to adolescence, immunizations help protect children from certain life-threatening illnesses.

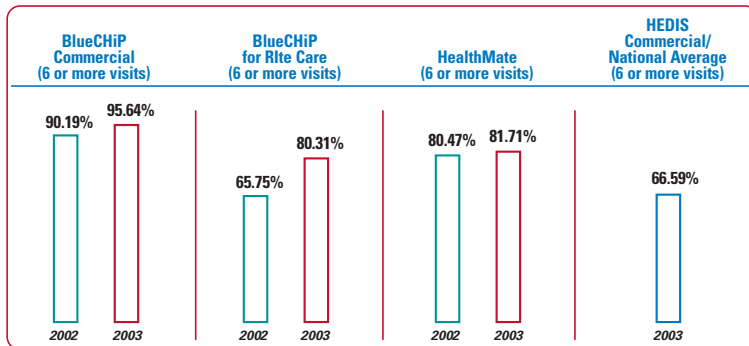
Well-Child Visits in the First 15 Months of Life

Objective: To measure the percentage of babies who received zero, one, two, three, four, five, or six or more well-child visits in the first 15 months of life. (Results below indicate percentage of babies who had six (6) or more well-child visits in the first 15 months of life.)

Rationale: The American Academy of Pediatrics recommends babies receive eight well visits within the first 15 months of life. Interventions encourage parents to bring their babies to the doctor for well-baby checkups and important immunizations to help prevent illness.

Interventions: Copayments for well-baby visits during the first 15 months of life were waived. A letter to parents encouraging well-baby visits accompanied a mailed packet of information that included: an immunization schedule, the Good Housekeeping Book of Child Care; a catalog of health and safety items, including a 20 percent discount for BCBSRI members; a brochure on nutrition and feeding; a health and safety record; and a CD-ROM of helpful tips on raising a healthy child. Additionally, parents of all newborns were mailed an immunization reminder, and parents were also sent an immunization reminder on the child's first birthday.

Results:



Well-child Visits in the First 15 months of Life

Adolescent Immunizations – Combinations I & II

Objective: To increase the number of children who, by the age of 13, have received a combination of recommended immunizations.

- **Combination I:** A second dose of MMR (measles, mumps, and rubella, or “German measles”), and three hepatitis B vaccines
- **Combination II:** includes all of Combination I and one VZV(chickenpox) vaccination

Rationale: Adolescent immunizations are an important preventive measure that may often be overlooked, as most parents associate immunizations with the infant/toddler years. Our initiatives were designed to remind and educate members with adolescent children about the importance of timely immunizations.

Initiatives: In 2003, we mailed a birthday card to all plan members on their eleventh birthday, reminding parents about the immunizations that are needed between the ages of 10 and 12, as well as in the teen years. This mailing included a schedule of recommended immunizations. BlueCHiP for Rite Care members received preventive health guidelines as a special insert in the BlueCHiP for Rite Care quarterly newsletter, *To Your Health*.

Results:



Adolescent Immunizations



BEHAVIORAL HEALTH (MENTAL ILLNESS AND SUBSTANCE ABUSE)

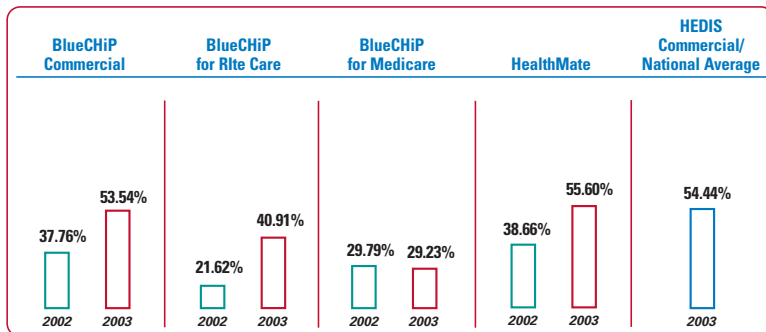
BCBSRI uses HEDIS measures to monitor member compliance with recommended treatments for behavioral health problems. These include antidepressant medication management, coordination of care between primary care physicians (PCPs) and behavioral health providers, and follow up after hospitalization for mental illness. In 2003, HEDIS results showed a significant increase in member compliance with follow-up visits after hospitalization for mental illness.

Objective: To encourage members to make and keep follow-up appointments with a PCP or behavioral health provider within one week and within one month of hospital discharge.

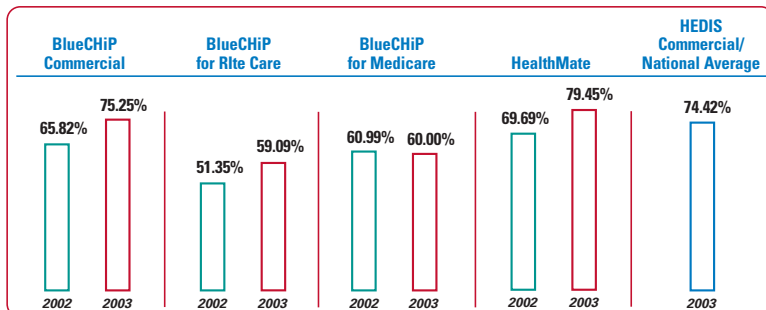
Rationale: Follow-up care is an important part of recovery. Scheduling and keeping an appointment with a PCP, therapist, social worker, or family counselor within seven days of release from the hospital is recommended, as is a visit within 30 days. Follow-up visits can help the member regain good health and an improved quality of life.

Interventions: Newsletter articles in member publications emphasized the importance of follow-up care after hospitalization, and encouraged members to make and keep their appointments with providers for follow-up care. Members also received phone calls to remind them of their appointments. Provider newsletter articles encouraged physicians/providers to remind their patients to make and keep appointments for follow-up care. Phone calls to providers verified whether members kept their appointments.

Follow-up After Hospitalization for Mental Illness: 7 days



Follow-up After Hospitalization for Mental Illness: 30 days



Enhancements to Service

Our members' satisfaction is a top priority at BCBSRI. For reporting year 2004, we improved our scores in service-related measures, including:

- **PCP Collaboration with the Case Management Plan:** Constant monitoring, consistent messages to case management staff, and the development of a fax form helped increase collaboration from 91percent in the fourth quarter of 2002 to 92.6 percent in the fourth quarter of 2003.
- **Member Satisfaction:** CAHPS survey results show that member satisfaction for BlueCHIP Commercial increased from the previous year in eight of the nine categories measured.

Medical Management

Enhancing care while reducing cost.

Our medical management model combines the best elements of a traditional approach to utilization management with the innovative components of our BluePrint for Life illness prevention and health promotion programs. Our overall goal is to reduce medical costs through effective utilization while enhancing quality of care for members and ease of implementation for providers. We work with providers to achieve our goals and monitor our own performance in utilization management to identify areas for improvement.

PREAUTHORIZATION

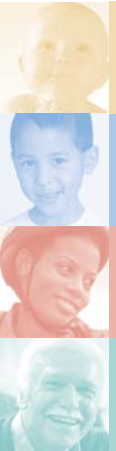
To ensure medical necessity and use of the most cost-effective options, we review inpatient admissions and certain services such as skilled nursing facilities, home care, rehabilitative care, hospice, and home infusion. This process has been greatly enhanced through an electronic link to area hospitals, as well as additional toll-free numbers and medical staffing for service 24 hours a day, seven days a week.

CONCURRENT REVIEW AND DISCHARGE PLANNING

We respect the relationship between members and their physicians. Our concurrent review practices facilitate an appropriate level of care by coordinating information flow and ensuring that cost-effective healthcare choices are fully understood by members and physicians. Early interventions help facilitate access to specialists, tests, and procedures, and identify cost-effective alternatives such as subacute care, day treatment, outpatient care, and home care. We assess members' discharge needs to ensure that they receive the necessary follow-up care.

CASE MANAGEMENT

For members with chronic, catastrophic, or acute illnesses, case management provides cost-effective alternatives to hospitalization, and helps prevent exacerbation of the condition. When a member is referred for case management, Certified Case Managers (CCM) and other professionals perform a needs assessment, consult with multidisciplinary healthcare teams, evaluate funding sources, coordinate services, and monitor the effectiveness of alternative care arrangements. Whenever analyses of these areas indicate a need for an improvement in services, case managers implement appropriate interventions.



Provider Relations

Building and maintaining strong relationships with our physician and provider community is an ongoing goal in our quality improvement process. We communicate with providers about benefit changes, new and ongoing health and wellness programs, and changes to our medical practice guidelines through two provider publications: *Policy Update* and *The Source*. By logging on to BCBSRI.com, providers can check patient eligibility, view claims status, view prescription claims histories, read newsletters, download forms, and learn about orientation and seminar opportunities.

Awards

We are committed to the health and wellness of all of our members, including our own employees. The benefits of wellness extend beyond the personal and physical. Well employees are more productive, take fewer sick days, and exhibit greater morale than those who are not actively taking steps to maintain or improve their health.

At BCBSRI, healthy employees deliver better customer service to our members, providers, and employer groups. We are extremely proud of the culture of wellness we've created in our company. Because of our efforts, we received the Wellness Councils of America (WELCOA)'s Gold "Well Workplace" Award for 2004-2005.

The Gold Award recognizes those companies that have "successfully built comprehensive worksite wellness initiatives and are demonstrating and capturing concrete outcomes related to behavior change, cost effectiveness, and return on investment." BCBSRI is the only health plan in Rhode Island to receive the prestigious Gold award.

Conclusion

We will continue to design and implement initiatives that support our corporate vision: *to improve the quality of life of our customers and of the people of Rhode Island by improving their health*. We look forward to reporting on all the significant improvements of this year in our next Annual Quality Report.

If you have questions regarding the report, or would like more information on our quality program, please contact Lori Quaranta, AVP, Quality Management Operations, at (401) 459-5520.

