



LABORMatters

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The Blue Cross Blue Shield of South Carolina (BCBS SC) Foundation today presented a \$3.8 million check to Health Sciences South Carolina (HSSC) to fund the South Carolina Surgical Quality Collaborative (SQC), a first-in-the-nation multi-organization initiative to improve surgical safety and provide the highest quality surgical care to all South Carolinians.

The project's lead organizations are HSSC, a statewide health care research collaborative that employs sophisticated health informatics to facilitate research and accelerate results, and the South Carolina Hospital Association (SCHA). The SQC also leverages the strengths of the South Carolina Chapter of the American College of Surgeons and the Medical University of South Carolina (MUSC) Department of Surgery.

Originally announced in April 2015, the SQC is using the grant award to convene a collaborative of highly engaged health systems, surgical leaders and other statewide organizations to establish measurement and reporting infrastructure as the foundation of a surgery-

focused learning health care system. By targeting high-volume and high-risk general surgical procedures, SQC hopes to achieve measurable reductions in post-operative complications and mortality, while lowering general surgical care cost and assuring project sustainability.

The check presentation ceremony in Columbia also celebrated the successful recruitment of eight health systems and their surgical leaders that are spearheading research efforts. They are: Baptist Easley Hospital, KershawHealth, McLeod Regional Medical Center, MUSC, Regional Medical Center, Self Regional Healthcare, Spartanburg Regional Healthcare System and Tidelands Health.

In addition to working to improve the outcomes of the 15 most common surgical procedures and identifying and reducing the impact of health disparities, the SQC has two unique elements: (1) the establishment of a patient engagement group to address issues outside of the surgical procedures that may influence patient outcomes; and (2) training the next generation of surgical leaders in quality improvement techniques and data evaluation by incorporating Institute for Healthcare Improvement QI training into resident curricula at South Carolina teaching institutions.

At the conclusion of the three-year project, the SQC is targeting a three percent reduction in surgical complications, 5,500 avoided hospital days, 70 avoided deaths, 33 avoided readmissions and \$25 million in savings. The implementation of this model learning healthcare system is expected to have an impact on more than 76,000 patients.

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Executive Director's Corner

A MESSAGE FROM THE NATIONAL LABOR OFFICE EXECUTIVE DIRECTOR, **BONNIE SUMMERS**

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To receive a copy of this newsletter or to update a mailing address, contact us at nlo@bcbsa.com or 202.626.4815.

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The Blizzard of 2016 which bombarded us in January, was a massive snowstorm and made history for its record-breaking amounts of snow fall. Some areas in the Washington, DC area received over three feet of snow. Hundreds of plows were on city streets day and night. It was a major cleanup but a job well done. I would like to send a big thank you to all the local, city and state crews who worked so hard to dig us out and clean up the roads for safe traveling. We couldn't have gotten through this blizzard without all your teamwork.

In further DC news, BCBSA President and CEO, Scott Serota showcased Blue leadership by announcing a new executive-level committee that will investigate

the opioid abuse epidemic's impact on individuals, local communities and the healthcare system as a whole. Andrew Dreyfus, President and CEO of Blue Cross and Blue Shield of Massachusetts, shared his Plan's efforts and results in combating opioid abuse.

There are many big stories for 2016. BCBSA has successfully launched a series of reports titled "Health of America." This series is a collaboration between the Blue Cross Blue Shield Association and Blue Health Intelligence that uses advanced analytics to report on key trends in healthcare to support improved quality and affordability for all Americans. The most recent report illustrates the significant consumer and account cost savings that can be realized from appropriate outpatient utilization for a number of common, shoppable procedures. See the complete story on page 7.

The NLO will continue to work together with the Blue Plans to provide service and information that will assist them in remaining flexible and competitive. In all cases, the NLO pledges to work with its member Blue Cross Blue Shield Plans in 2016 and beyond to passionately meet these demands and position BCBS as labor's healthcare partner of choice.

For additional information regarding Blue Plan programs, please contact your local Plan directly. If you have any questions, please contact the NLO at 202.626.4815

A handwritten signature in black ink, appearing to read 'B. Summers', written in a cursive style.

Bonnie Summers, PAHM, CMCE, CHC
Executive Director
BCBSA National Labor Office

A YEAR IN REVIEW

LOOKING BACK ON A YEAR OUT WEST, **TONY SAGUIBO**,
EXECUTIVE DIRECTOR – WEST COAST



It's hard to believe that a year has already gone by since joining the NLO Team as the West Coast Executive Director. Joining the Blue Cross Blue Shield Association National Labor Office continues to provide great opportunity to support our BCBC companies system wide in their objectives to meet the needs of our labor customers and the members we collectively serve. As part of the NLO, I am proud to be able to continue the work that I started within both the labor community and as part of the Leadership Team within HMSA (BlueCross BlueShield of Hawaii) nearly 20 years ago.

While the healthcare system currently faces unprecedented challenges, I am confident that as in the past the BCBS companies will lead the way in developing a sustainable roadmap that supports the triple aim of delivering high quality care, improving the overall health of our total population and develop and implement innovative solutions to bend the cost curve.

Throughout this past year, I have had the chance to meet directly with multiple BCBS Plans, particularly those within the western states. Those meetings allowed me to hear directly from Plans the biggest challenges they face, as well as participate in helping to identify strategies to meet those challenges through the sharing of industry best practices.

While much of my time has been supporting our BCBS companies, I also had many opportunities to work directly with labor customers, meet industry leaders in conference settings, including the chance to speak on several occasions to share insights on how we are making meaningful progress on improving the healthcare system overall. But truly, there is still a lot of work to be done and I look forward to being part of the team that leads the way on making that change.

I hope it goes without saying that the NLO Team has provided me tremendous guidance and support during my first year on the job. I could not be more appreciative of the patience they demonstrated as I was getting started, as well as their unwavering commitment to excellence as we now kick off our second year together!

As I look ahead at the coming year, I am excited about building on what I have learned since joining the Association and the NLO Team, and even more so knowing that the value we place on the members and customers we have the privilege and honor to serve is a responsibility that all BCBS companies take very seriously, and one that is our highest priority.

BCBSSC FOUNDATION (CONT.)

About the BlueCross BlueShield of South Carolina Foundation

Headquartered in Columbia, the foundation (www.bcbsscfoundation.org) is an independent licensee of the Blue Cross and Blue Shield Association. Its mission is to promote and support healthier South Carolinians, particularly the economically vulnerable, by supporting solutions to address gaps in health care and serving as an agent of change to support innovation and value-added public-private partnerships.

About Health Sciences South Carolina (HSSC)

HSSC is among the nation's first statewide health research collaborations and was established in 2004 with the vision of improving South Carolina's health and economic well-being through research. HSSC includes the state's largest health systems — AnMed Health, Greenville Health System, McLeod Health, MUSC, Palmetto Health, Self Regional Healthcare and Spartanburg Regional Healthcare System — and the state's largest research-intensive universities — Clemson University, MUSC and the University of South Carolina and its Schools of Medicine at Columbia and Greenville.

Crossing the RDS Finish Line

Final Reconciliation

Nearly two thirds of plan sponsors who participated in the Retiree Drug Subsidy (RDS) program in 2014 administer their RDS application on a calendar year basis. This means that roughly 1,800 plan sponsors will be required to reconcile their RDS applications in March or risk paying back the subsidy collected throughout the year. So what is Final Reconciliation and what makes it so important to the RDS program?

Once a plan year is over, plan sponsors have fifteen months to review and finalize their membership, analyze final claims data from their vendors and collect rebate information from their PBM(s). Final Reconciliation is the process by which a plan sponsor replaces those interim subsidy requests and covered retiree lists with actual, non-estimated, final cost reports and covered retiree lists.

In order to complete final reconciliation, plan sponsors must finish twelve steps, many of which take considerable time and effort. This significant time requirement of final reconciliation means that plan sponsors cannot wait until the last minute if they are going to meet the Centers for Medicare and Medicaid Services (CMS) deadlines. It is important to note that unlike other deadlines related to the RDS program, the CMS does not consider or grant any extensions for final reconciliation, so it is critical that plan sponsors are prepared and submit them on time.

Even if a plan sponsor meets their reconciliation deadline, their responsibilities as participants in the RDS program do not end with the completion of step twelve. Plan sponsors must warehouse all the data and documentation supporting their



final reconciliation for six years in case of a CMS audit. Any plan sponsor that receives RDS subsidy payments has agreed to actively participate in such an audit at any time during those six years after final reconciliation is completed. These audits are for the purpose of recovering overpayments (plus interest) and, in the case of serious misfeasance or malfeasance, treble damages under the Federal False Claims Act.

In order to collect and protect their deserved subsidy dollars, plan sponsors need to begin preparation for final reconciliation early and coordinate responsibilities and tasks with their TPA, broker and PBM. Working with an experienced outside vendor like Part D Advisors, can help keep you on track to meet all RDS requirements, maximize your subsidy, reduce your administrative burden and prepare your group health plan for a potential CMS audit.



Notes from our Strategic Alliances

The National Labor Office Welcomes New Strategic Alliances



Evoke Health

Evoke Health is a healthcare communications company that uses healthcare analytics and consumer segmentation to create highly personalized, “just-in-time” communications. Evoke’s products include evidence-based preventive care and chronic care reminders, decision support tools for provider and site selection and targeted wellness program communications. There are data-driven pieces that engage diverse consumers in making informed decisions throughout their experiences investigating, navigating, and paying for healthcare services.



New Directions Behavioral Health

New Directions Behavioral Health serves approximately 13 million people nationwide. New Directions offers integrated medical and behavioral health care solutions designed to improve members’ health and reduce costs. The company’s innovative, award-winning programs and services help people achieve healthier, balanced lives through behavioral health care, employee assistance programs, organizational consulting, and health coaching. For more information visit ndbh.com.

Anthem Blue Cross Sponsors Warfighter Sports Lake Tahoe Ski Event to Help Wounded Veterans Lead Active Lives

For the seventh year in a row, Anthem Blue Cross is supporting the Disabled Sports USA’s Warfighter Sports program to help severely injured service men and women rebuild their lives through sports.

Achieve Tahoe, formerly known as Disabled Sports USA’s Far West chapter, says approximately 34 wounded warfighters and their families participated in adaptive alpine skiing, snowboarding and sled hockey in clinics held at Squaw Valley and other ski resorts in the north Lake Tahoe region of California on Friday, February 26.

Warfighter Sports offers sports rehabilitation for severely wounded warfighters in major military hospitals and communities across the U.S. through a nationwide network of more than 120 community-based chapters. Since 1967, Disabled Sports USA has proudly served wounded warfighters, including those injured in the Iraq and Afghanistan wars, offering more than 40 winter and summer sports at more than 100 events each year.

“These individuals have gone above and beyond for our country and Anthem’s sponsorship of this ski event is just one small way we can support them and their families,” said Mike Wozny, president of Anthem Life. “A disability can change a person’s life. At Anthem, we’re committed to helping people with disabilities get back to health, back to work and back to life.”

When someone is initially faced with the reality of a disability, they can lose confidence in themselves, become depressed and begin viewing their fun and active days as a distant memory. They might also alienate themselves from family and friends due to the belief that they are limited from participating in various events and activities. However, sports and recreational activities offer those with disabilities the opportunity to achieve success in a very short time period and to use this success to build self-confidence and focus on the possibilities instead of dwelling on what can no longer be done.

“Having Anthem continue to sponsor this event is helping these individuals lead active lifestyles,” said Kirk Bauer, executive director, Disabled Sports USA and a disabled Vietnam veteran. “We know the positive impact sports and recreational activities have on successfully rehabilitating individuals with disabilities. Having the ability to participate in a sport, such as skiing, provides wounded warfighters the opportunity to rebuild their self-esteem and self-confidence.”

BCBS Plans recognized for leadership in mentoring America's youth



Blue Cross and Blue Shield Companies were among the corporations recently recognized by the National Mentoring Partnership (MENTOR) for their outstanding contributions to advancing quality mentoring opportunities for young people and their commitment to the Corporate Mentoring Challenge. Launched by First Lady Michelle Obama, the Corporate Mentoring Challenge promotes and recognizes the breadth and impact of private-sector engagement in quality youth mentoring.

For at-risk young adults, having a mentor can be the difference between going on to college and dropping out of high school. A mentoring relationship with a caring adult can encourage young people to participate in after-school activities, be leaders in clubs and teams, volunteer in their communities or even go on to be a mentor themselves.

Many of the 36 independent BCBS companies support youth and workplace mentoring through a variety of ways, including:

- BCBS Plan leaders have a long history of serving as members of their local Mentoring Partnerships Board of Directors. Mentoring Partnerships are affiliates of MENTOR that provide regional, state and local leadership to support the expansion of mentoring relationships.
- BCBS Plans provide grants to local organizations of all sizes, from Mentoring Partnerships and Big Brothers Big Sisters to smaller community-based mentoring programs.
- BCBS employees in some states mentor high school students through a career pathways mentoring program.

According to MENTOR, one in three young people will grow up without a mentor, and studies show that youths with mentors are more likely to be successful in school, and to enter young adulthood with opportunities for ongoing education and career choices. Young adults who were at-risk for falling off track but have a mentor are:

- **55%** more likely to enroll in college
- **78%** more likely to volunteer regularly
- **90%** more interested in becoming a mentor
- **130%** more likely to hold leadership positions

"BCBS companies' commitment to youth mentoring is just one example of what we have termed The Power of Blue – the collective ability of Blue Cross and Blue Shield companies to make a difference in the communities we serve,"

- Paul Gerrard, vice president,
Strategic Communications.

A selection of these initiatives is featured in Investing in America's Health, BCBSA's annual community report.

To learn more about how BCBS Plans are improving the health and wellness of members and their communities, visit www.bcbs.com/investingincommunities.

BCBSA Health of America Report

Blue Cross Blue Shield Association Study Shows How Consumers Save with Shift to Outpatient Care

A new study released February 24 by the Blue Cross Blue Shield Association (BCBSA) demonstrates how much consumers and payers save when medical procedures shift from an inpatient to an outpatient setting.

The study, "How Consumers Are Saving with the Shift to Outpatient Care," examines four common shoppable procedures – hysterectomy, lumbar/spine surgery, angioplasty and gallbladder removal – from 2010 to 2014. These four procedures cost Blue Cross and Blue Shield companies, their members and employers nationwide an estimated \$11 billion in 2014.

KEY FINDINGS

Patients who utilized outpatient procedures saved money in 2014:

- \$320 on average for lumbar/spine surgeries
- \$483 for hysterectomies
- \$924 for gallbladder removals
- \$1,062 for angioplasties

Total average costs for consumers, payers and employers in 2014 also went down when shifting to the outpatient setting:

- \$4,505 per hysterectomy
- \$8,475 per lumbar/spine surgery
- \$11,262 per gallbladder removal
- \$17,530 per angioplasty

"Performing procedures in the outpatient setting will continue to provide valuable cost savings," said Maureen Sullivan, chief strategy officer and senior vice president of strategic services for BCBSA. "These savings will be especially important for members when they need surgical care and will help them save money."

This study is the fifth by Blue Cross Blue Shield, The Health of America Report, a collaboration between BCBSA and Blue Health Intelligence, which uses a market-leading claims database to uncover key trends and provide insight into healthcare affordability and access to care. Go to <http://www.bcbs.com/healthofamerica/> for this report and others in the series.

NEW for 2016, join our webinar series and participate in our top of the class question challenge at the end of each webinar. Participants have a chance to win a prize from the featured Strategic Alliance company. The winner of the individual webinars will be featured in our NLO Labor Matters newsletter and on Twitter. Visit us on Twitter (@BlueLabor) to get more information for upcoming webinars.

NATIONAL LABOR OFFICE 2016 EDUCATIONAL WEBINAR SERIES		
Month	Date	NLO Strategic Alliance
March	17	Part D Advisors
April	28	Evive Health
May	12	Epic Hearing
June	16	Best Doctors
July	14	Teladoc
August	11	UCCI
September	15	Ameritox
October	6	NDBH
November	8	BCS Financial
December	15	NASCO

2016 NLO CALENDAR OF EVENTS		
Jan.	3 – 5	National LERA Meeting ASSA/AEA (San Francisco, CA)
	24 – 26	Made in America (Las Vegas, NV)
	24 – 26	NCPERS Annual Legislative Conference (Washington, D.C.)
	26 – 28	Sales Advantage – Consortium Health Plans (Palm Springs, CA)
Feb.	11 – 16	National Labor Management Conference (Hollywood, FL)
Mar.	9 – 11	Healthcare Forum – Consortium Health Plans (Scottsdale, AZ)
	21 – 23	SIIA Self-Insured Health Plan Executive Forum (New Orleans, LA)
	21 – 24	NLO Labor/Management Healthcare Strategies Meeting (San Diego, CA)
Apr.	13	NCCMP - Lawyers and Administrators Annual Meeting (Washington, DC)
	14 – 16	IBEW (Washington, DC)
	17 – 20	Building Construction and Trades Conference (Washington, D.C.)
	19 – 20	NLO Spring Board of Directors Meeting (Washington, D.C.)

2016 NLO CALENDAR OF EVENTS (CONT.)		
May	15 – 19	NCPERS Annual Conference & Exhibition (San Diego, CA)
	16 – 19	BCBSA Blue National Summit (Orlando, FL)
	18 – 19	SIIA Self-Insured Taft-Hartley Plan Executive Forum (Chicago, IL)
	25 – 30	LERA 68th Annual Meeting (Minneapolis, MN)
Aug.	24-27	IUPA (Tucson, AZ)
Sept.	25-27	SIIA 35th Annual National Educational Conference & Expo (Austin, TX)
	26-28	NCCMP Annual Conference (San Diego, CA)
Oct.	17-19	NLO Fall Board of Directors Meeting (Chicago, IL)
Nov.	12 – 16	IFEBP Annual Conference (Orlando, FL)

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*NLO strategic alliances do not sell Blue Cross and Blue Shield branded products. Strategic alliances are not BCBSA partners or joint ventures. In addition, there is not an employer and employee or principal and agent relationship between BCBSA and any strategic alliance, or their respective personnel.

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

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