

Blue Cross Blue Shield of Georgia enters agreement with VillageMD to lower care costs

By Ellie Hensley – Staff Writer, Atlanta Business Chronicle – Nov 21, 2017

Blue Cross Blue Shield of Georgia (BCBSGa) is partnering with primary care provider VillageMD in an effort to improve patient health and lower costs, two of today's hottest health-care topics.

BCBSGa is the largest health benefits company in Georgia and first in the state to contract with Chicago-based VillageMD.

VillageMD collaborated with Quality Care Providers Inc., Atlanta's largest independent network of primary care physicians. The agreement helps give BCBSGa customers access to QCPI's 1,600 physician members.

Over time, VillageMD looks to collaborate with other physicians in private care to expand BCBSGa's network.

"We fundamentally believe the way to create better quality and a more affordable price point in Georgia is to re-energize and re-empower independent primary care practices," Fusile said. "One observation has been that a lot of primary care doctors have been nervous to join larger institutions and hospitals to protect themselves from being left out of changes in health care."

Fusile said doctors who join larger systems often find that more hospital services are required of them.

"A lot of physicians come to us and say, 'I feel like I'm not practicing medicine the best I can because I have to refer to particular places,'" Fusile said.

VillageMD lowers costs through the use of data analytics, physician care coordination and support resources to improve health outcomes. It also offers value-based reimbursement contracts to reward physicians for high quality, cost effective care.

"It's like managing a population of people rather than seeing a calendar of patients," Fusile said. "It's encouraging people to come in for testing and following up to make sure they're taking their medication."

Physicians can then use the data collected to help improve their practices and patient outcomes. In other states, VillageMD's patient-centric approach has resulted in a 20 to 45 percent lower admissions and readmissions rate, 20 to 45 percent lower Medicare costs and 15 to 20 percent lower commercial costs.

Fusile said the arrangement also could result in higher compensation for affiliated physicians.

"We used to pay doctors four percent of the total medical spend, but we realized they control up to 72 percent of total medical spend based on where they are and who they refer people to," Fusile said. "We made the conscious decision to try to get them as high as eight percent [reimbursement], which would effectively double their compensation, and they could reduce the rest of our spending by up to 15 percent if they practice really high quality medicine. Quality could improve dramatically and costs could come down partially because we're getting out of the way."

Dr. Katherine Huggins Alexander, a physician at Stone Mountain Family Practice and one of 1,600 QCPI physicians who are now part of VillageMD, said she's ready for the change.

"VillageMD has a lot of services to provide for us, such as arrangement of patients who need help and helping our office become more efficient, so we can hopefully stay in private practice," Alexander said. "We're excited about it, because we can afford to hire a nutritionist or someone to come in and help us run some of our services. They support us so we can do better."



Jeff Fusile
President, Blue Cross and Blue Shield of Georgia