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CONTACT: Anna Gosline

(617) 246-2528 / anna.gosline@bcbsma.com

BLUE CROSS BLUE SHIELD OF MASSACHUSETTS FOUNDATION AWARDS \$575,000 IN POLICY RESEARCH GRANTS TO ADVANCE HEALTH CARE COST CONTAINMENT EFFORTS

BOSTON – January 8, 2013 – The Blue Cross Blue Shield of Massachusetts Foundation has awarded more than \$575,000 through four grants to Massachusetts organizations to conduct policy research projects focused on health care costs in the Commonwealth.

Moderating the growth of health care spending is critical to sustaining the gains that Massachusetts has made in access to care and insurance coverage since 2006. Each of the projects will contribute vital data and analysis to fill knowledge gaps around health care spending and identify opportunities for cost savings in the state. The research will provide timely guidance to Massachusetts public policymakers, payers, and provider organizations as they look to develop, expand, and improve their cost containment efforts.

Cost containment is a national issue, yet significant responsibility for identifying and implementing cost saving opportunities is expected to continue to fall to the states. With the passage of Chapter 224 of the Acts of 2012, which sets statewide health care cost growth targets, Massachusetts has the opportunity to lead in these efforts. The Blue Cross Blue Shield of Massachusetts Foundation is one of the few funders tackling this important issue.

"We know there are tremendous opportunities for making health care more efficient and affordable in Massachusetts," said Celeste Lee, Interim President of the Blue Cross Blue Shield of Massachusetts Foundation. "These grants will help health care leaders understand, at a more actionable level of detail, some of the best opportunities for reducing spending while maintaining and improving health care quality and outcomes."

The Cost and Affordability Policy and Research Grants provide up to two years of grant support to research organizations. Using Massachusetts-specific data, the research teams are exploring a variety of topics relating to hospital readmissions; high-cost patients; opportunities for health gains and cost savings through the use of cost effectiveness research; and variations and best practices around hospital admissions originating in the emergency department. A complete listing of grantees with brief descriptions of their work appears below.

About the Blue Cross Blue Shield of Massachusetts Foundation

The mission of the Blue Cross Blue Shield of Massachusetts Foundation is to expand access to health care. It focuses on collaborating with public and private stakeholders to develop measurable and

sustainable solutions that benefit uninsured, vulnerable, and low-income individuals and families in the Commonwealth.

The Foundation was established in 2001 with an endowment from Blue Cross Blue Shield of Massachusetts. It operates separately from the company and is governed by its own Board of Directors.

2013 Grants Brief project descriptions

1. Project Co-Directors Arnold Epstein and Amy Boutwell, Harvard School of Public Health (\$149.945)

In their project "Analysis of the Massachusetts All-Payer Claims Database to Describe the Epidemiology of Readmissions," the research team will use the Massachusetts All-Payer Claims Database (APCD) to better understand patterns of hospital readmissions in Massachusetts. Most research on readmissions has been conducted using Medicare data or on data sets that describe only inpatient hospital encounters. By using the APCD, this research will shed new light on the diagnoses and patterns of care associated with readmissions in Massachusetts for all populations. This analysis could help providers develop and focus work around preventing avoidable readmissions.

2. Project Director Ashish Jha, Harvard School of Public Health (\$136,580)

The research team will use the APCD in their project titled "Understanding High-Cost Patients in Massachusetts" to provide in-depth analysis of the small percentage of patients who consume a disproportionately large share of health care spending in the state. By gaining a more detailed understanding of high-cost patients—their diagnoses, co-morbidities, demographic factors, and providers—the researchers hope to help inform the development and targeting of potential cost containment policies, practices, and payment models for Massachusetts.

3. Project Director Natalia Olchanski, Tufts Medical Center (\$150,000)

In their project titled "Best Opportunities for Improving Massachusetts Health within Budget Constraints," the research team will use published cost effectiveness research and Massachusetts-specific data on current health care use to identify opportunities to reduce the use of overused low-value care and increase the use of underused high-value care. Their simulation model will allow health care leaders to estimate total cost savings and health gains that could be achieved by reallocating resources from inefficient to efficient interventions.

4. Project Director Jeremiah Schuur, Brigham and Women's Hospital (\$139,099)

Inpatient admissions that originate in the emergency department (ED) result in a significant portion of total health care spending each year, yet there is both wide variation in admission patterns and little understanding of best practices for post-ED care management and potential cost savings. In their project "Identifying Best Practices to Reduce Hospital Admission from the Emergency Department," the research team will complete an in-depth study of three common conditions leading to admissions from the ED. By analyzing top-performing hospitals, the researchers will develop strategies and best practices around improving care and reducing costs.