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Final Copy of Case Study

LOCATION:
Chicago, IL, US

ORGANIZATION:
Blue Cross Blue Shield of Kansas City

YEAR:
2011

ORGANIZATION URL:
<http://www.bluekc.com/Home.aspx>

STATUS:
Laureate

PROJECT NAME:
Blue Cross Blue Shield of Kansas City

CATEGORY:
Health

PROJECT OVERVIEW

Blue Cross and Blue Shield of Kansas City (Blue KC) is a leading health insurer whose mission is to provide affordable access to healthcare and improve the health of its members. In 2003, the health plan, which services almost half of the 2.2 million residents of the Greater Kansas City area, realized that fulfilling this lofty mission would be extremely difficult considering the disparate data structures in place at that time. Blue KC was dealing with numerous data sources across its business units, resulting in multiple versions of the truth and creating complexity and expense when sourcing data into operational and analytical solutions. Blue KC's individual units were managing their own data, hampering the company's business flexibility and competitiveness while incurring unnecessary cost. Employing the help of HP Business Intelligence and Information Optimization Solutions (HP), Blue KC created a best-in-class, fully integrated data management architecture. In addition, a dedicated division of business and technology professionals was established to maintain and enhance the environment in support of current and future business needs. Blue KC's knowledge of the healthcare business combined with HP's best practice approach in handling large, complex data structures allowed the plan to better leverage its data as a corporate asset and deliver new services and products more efficiently. Following the initial implementation and yearly enhancements and updates of this data management solution, Blue KC quickly realized several financial and operational benefits that would result in a 332% return on investment against a six-year benefit totaling \$23.1 million. This new-found efficiency touched on all programs administered by Blue KC to some degree. For example, in 2008 the organization's "A Healthier You" (AHY) wellness program that was in place at most of its large clients continued expansion into other states across the country. AHY was created to promote wellness for Blue KC's members, helping reduce future medical risks and resulting costs. Presently, more than 90% of Blue KC's large group clients are participating in the program. These groups boast lowered medical costs and improved health outcomes, made possible through the data management efficiency which served as a foundation to the Blue KC program. 1 Blue KC

continues to reap the benefits of the data management implementation aided by HP, as it allows the organization to provide consistently improving health care to its members. "It is something that our brokers tell us we do better than anyone else ... that is, proactively managing health conditions and providing members with more tools and resources for continued health improvement," notes David Gentile, president and CEO of Blue KC. "The depth and breadth of our engagement is unparalleled. We lead the market in this effort."¹

SOCIETAL BENEFITS

Blue KC's data management solution powers programs designed to improve community health, such as A Healthier You (AHY). AHY participants demonstrated improved aggregate wellness scores, lower medical utilization rates, and AHY groups saw a collective \$2.4 million cost savings in 2009 alone.¹

PREVIOUS PROJECT UPDATED/EXPANDED?

Blue KC's initial data management solution was implemented during 2004, with the first production release in May of that year. On average, the solution requires a major enhancement each quarter and new projects, such as those listed below, have been implemented as a result: • 2008 – A Healthier You – From Pilot to Mainstream, Adolescent Immunization Community Collaborative, Healthy Reforms Health Summit: National Trends and How Kansas City Measures Up • 2009 – Healthy Companion First Year Results, A Healthier You Web Tools, Head Start Student Wellness Community Collaborative • 2010 – A Healthier You – Blue Cross and Blue Shield of Kansas PILOT, ER Reduction Initiative for Blue-Advantage Plus Members, A National First Wellness & Health Promotion NCQA Accreditation for A Healthier You, Community Collaboration to Measure Patient Experience and Report Results to the Public via the Internet, 360 Member View

PROJECT IMPLEMENTATION COMPLETE?

Yes

PROJECT BENEFIT EXAMPLE

Blue KC, enabled by HP's consulting solutions around data management, is realizing its core initiative of individual health and wellness promotion through its Comprehensive Health and Wellness Solutions program. Blue KC has been able to establish itself as a leader in this arena, providing members with a combination of education, motivational technique, incentive, benefit design, personal physician and employer intervention services to address their healthcare needs and mitigate long-term medical risks and costs. For example, generally healthy members on average may only incur around \$1,000 in medical expenses each year. On the other hand, members with catastrophic medical issues can cost more than \$50,000 a year routinely in medical expenses. Moving individuals toward an improved health status can significantly reduce the impact of future compounding costs.

IS THIS PROJECT AN INNOVATION, BEST PRACTICE? Yes



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