



BlueCross BlueShield
of Illinois

Karen M. Atwood
President

July 1, 2011

The Honorable Julie Hamos
Director, Illinois Department of Healthcare and Family Services
201 South Grand Avenue East
Springfield, Illinois 62763

Dear Director Hamos,

As the state of Illinois embarks upon the implementation of PA 96-1501, which mandates that 50% of all Illinois Medicaid recipients be enrolled in coordinated care by January 1, 2015, Blue Cross and Blue Shield of Illinois (BCBSIL) appreciates the opportunity to provide input into the development of the state's future Medicaid program.

Given our scope, depth and experience as the state's largest health insurance company with nearly seven million members, BCBSIL understands and shares the challenges and opportunities that face the state of Illinois in light of the implementation of the Affordable Care Act. As you are aware, both the public and private sectors are charged with improving the health of residents throughout Illinois by increasing access to health care, reducing treatment disparities, controlling costs, and improving the affordability, quality and effectiveness of health care in a collaborative fashion. At BCBSIL, our goal on behalf of our members and employer groups is to: (1) optimize limited health care resources by increasing efficiency, (2) improve health outcomes and (3) increase member/patient satisfaction.

As a company with solid experience in managed care and risk management, BCBSIL has been at the forefront of working with hospitals, physicians and other providers on ways to provide care more efficiently and at the same time improve quality in our state. We believe that aligning payments more closely with the needs of patients and employers and incenting providers to keep their patients healthy is the future – which can also translate to the Medicaid population. We have seen significant success in a range of models and we believe that properly aligned incentives will allow the state to meet its goals.

We believe that the state would be best served leveraging existing resources to partner with Medicaid Managed Care Plans via a contracting process that ensures the state's desired outcomes, especially at a time when the state has limited resources and other key priorities, including the improvement and expansion of enrollment capabilities. The questions outlined in your Request for Comments contain some of the major features (comprehensiveness of care, structural characteristics of new models, consumer rights, and use of risk-based arrangements) that are all part of what Medicaid Managed Care Plans deliver as the core of their business.

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I would be happy to sit down with you and your team to discuss further some of our lessons learned and delivery system innovations through our long history of working collaboratively with providers to continuously improve care via our 800,000+ member HMO; three successful patient-centered medical home programs; numerous hospital quality improvement programs, including our new agreement with Advocate, Illinois' largest health care provider.

Sincerely,

A handwritten signature in black ink that reads "Karen M. Atwood". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Karen M. Atwood
President, Blue Cross Blue Shield of Illinois