



November 17, 1999

Marc P. Volavka
Executive Director
Pennsylvania Health Care
Cost Containment Council
225 Market Street
Suite 400
Harrisburg, PA 17101

Dear Mr. Volavka:

Independence Blue Cross appreciates the opportunity to participate in this important public report. The Company has a long history of providing high quality services to our members. As part of its evolution into managed care, Independence Blue Cross has developed special programs to help its members with chronic disease. Through the Connections Health Management programs, nurse case managers actively assist members with the management of chronic illness including asthma, diabetes and heart conditions.

As part of these programs, Independence Blue Cross uses information in administrative data bases to alert diabetic members and their physicians about the status of their condition, needed services, and the members' potential risk of complications. Sharing this information helps both members and physicians jointly manage the chronic condition.

While the data in this report are a useful "snap shot" of delivery of care to diabetic patients, interpretation of the differences among health plans must be made with caution and in awareness of the factors that affect the results. For example, as the Council report correctly notes, plan comparisons must be done with caution since the results do not account for plan differences in age, severity of illness, or the amount of time a person has had within the plan's care system.

A specific example of the need for caution relates to eye exam screening rates for diabetics. While the rates were calculated in accordance with the standards promulgated by the National Committee for Quality Assurance, and have been verified by independent third party audits, the eye exam screening rates are subject to and have not been adjusted

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for sampling error. This makes it difficult to interpret whether differences among plans are real or by chance. We cannot rule out random error as the reason for the differences.

Independence Blue Cross believes that this report is an important step toward in the evolution, accountability and measurement of care delivery by all parties in the health care system - physicians, hospitals, insurers, employers, health care professionals – and most importantly - patients. With time, measurement systems will evolve to better identify the differences among Plans. We look forward to our continuing work with the Council to evolve techniques for increasingly accurate measurement and to identify opportunities to improve the delivery of care to patients. In the end, our goal is to make our members the beneficiaries of better care, and we support the Council's focus on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "I. Steven Udvarhelyi", written in a cursive style.

I. Steven Udvarhelyi, MD
Senior Vice President and
Chief Medical Officer

c: Richard Doran, Vice President, Corporate Communications
Mary Ellen McMillen, Vice President, Legislative Policy