



June 15, 2001

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

Dear Mr. Volavka:

Highmark Blue Cross Blue Shield appreciates the opportunity to provide comments for the HC4's report, "Measuring the Quality of Pennsylvania's Commercial HMOs: A Managed Care Performance Report." Highmark is pleased with advances in this reporting effort. Nonetheless, we do have concerns over several issues.

Readers of the report should know that Highmark is represented in the report with combined lines of business: KeystoneBlue commercial HMO, and SelectBlue commercial POS. Together, these plans cover over 1 million members in Western Pennsylvania. Performance measures for these combined plans appear under the abbreviated name KHP West in this HC4 report.

Highmark's goal is to maintain a network of healthy connections among these members and physicians, hospitals and others. So, as part of our efforts, such as our condition management programs, Highmark works closely with our members and their doctors to reach treatment and lifestyle goals that are designed to improve their quality of life. Maintaining a network of healthy connections can also mean the wise use of technology to connect key participants. For example, Highmark unveiled BlueChoice to allow members to choose the plan option that achieves the best balance of cost, design and freedom of choice. Also, Highmark unveiled its Internet provider portal, Navinet, which simplifies communications between Highmark and providers.

Highmark concentrates on continuous quality improvement and is pleased with a number of performance measures included in this report. Based on the more current 2000 version of "Quality Compass" by the National Committee for Quality Assurance (NCQA), Highmark vastly exceeded national averages for "Effectiveness of Care Measures" concerning immunizations, screenings, other preventive measures, and more.

This HC4 report documents a number of steps that Highmark has taken to partner with its members and their doctors to improve the quality of their lives. Mailings to members, primary physicians, and specialists reminding them of the benefits of prevention are another example. This report which is a snapshot of one year (1999) in an ongoing program cannot tell the whole story about Highmark's efforts. Highmark remains committed to working with its members to ensure that they receive the proper care at the proper time.

HC4's report demonstrates a number of positive performance measures for Highmark's commercial managed care programs. Other organizations have also recognized Highmark's outstanding performance. The seal of approval for managed health care plans is accreditation by the National Committee for Quality Assurance (NCQA). Effective October 20, 2000, Highmark's KeystoneBlue and SelectBlue products all received NCQA's top accreditation status of Excellent for service and clinical quality that met or exceeded NCQA's rigorous requirements for consumer protection and quality improvement. NCQA's performance measures also require qualified providers, access to care and member satisfaction, in addition to programs that help members stay healthy, get better and live with illness.

Also, Highmark was successful in 2000 in retaining an "A+" rating from Standard & Poor's and an "A" rating from A.M.Best, two of the nation's leading financial rating agencies. These ratings confirm Highmark's strong consolidated balance sheet, superior capitalization, and excellent market position.

Highmark is pleased with the HC4 advances in managed care reporting, but has concerns with some report issues. So, Highmark plans to continue to support HC4's further reporting enhancements by pointing out areas for improvement. For example, Highmark is concerned about the possible confusion with consumers due to discrepancies with CAHPS data in this report compared with data already released by NCQA. Highmark calculates its scores with strict adherence to NCQA's "HEDIS 2000 Specifications for Survey Measures, Volume 3." The variation in the scores publicly reported by Highmark and those in this report is the result of a different methodology to calculate the data provided to the HC4 by NCQA.

Also, while the report appropriately relies on largely existing sources of information, nonetheless there may be problems for readers trying to integrate results reflecting different sources of information. Also, some measures using hospital records appropriately attempt to adjust for the health risks of its members. Unfortunately, others do not. So, this variable risk adjustment can explain observations that readers may make about plan performance. In addition, since the HC4 has done a good job in laying out the "Limitations of the Data," readers should pay close attention to these cautions so as to use the report most effectively.

Highmark has participated in efforts to provide information and advice to the HC4 as it develops reports on managed care. Highmark remains committed to assisting the HC4 to ensure that the Council's reports are as accurate and useful as possible for all Pennsylvanians.

Sincerely,



George F. Grode
Executive Vice President
Government Business and Corporate Affairs