Understanding the full picture of Total Cost of Care.

What is a Total Cost of Care Approach?
Total Cost of Care (TCOC) encompasses your organization’s total spending on healthcare and health benefits for your employees and their dependents. The concept is straightforward and relatively simple, but understanding and managing all of the variables that impact the cost of your organization's health plan can be considerably more complex. So let’s take a look at the key components, how they work together, and why this approach can benefit both you and your employees.

The Four Key Components of Total Cost of Care

**Network and Benefit Design**
- Network discounts
- Cost-sharing arrangements
- High-performance networks, narrow networks, and networks of excellence
- Benefit design based on your population’s health

**Clinical Programs**
- Population health management
- Care management at risk members
- Integrated medical and pharmacy benefits
- Integrated physical and behavioral healthcare

**Member Engagement**
- Advocacy and navigation
- Health and wellness programs

**Cost Protection**
- Data analytics
- Prior and post-payment reviews
- Fraud prevention

**Network and Benefit Design**
Build a strong foundation with your network and benefit design.

A strong network with competitive discounts is the foundation of TCOC. However, as networks continue to shift from volume to value, and solutions evolve and emerge, such as centers of excellence as well as high-performance and narrow networks, it’s important to consider all of these factors when modeling the impact of network and benefit design to maximize savings opportunities.

**Clinical Programs**
Make sure you have the right clinical programs.

Effective clinical programs ensure that employees, especially those with chronic, high-cost, or critical conditions, are getting the right care, from the right provider, in the right place and at the right time. When you consider that 80 percent of annual healthcare spending is by people with chronic and mental health conditions,1 employers can achieve significant savings by taking a data-driven approach—increasing physical and behavioral care as well as medical and pharmacy benefits.

This approach supports more informed care management that can lead to TCOC savings through fewer ER visits, lower hospitalization rates, preventive screenings and more.

**Member Engagement**
Encourage employee engagement.

Working with your health plan partner to make sure your employees understand and get the most out of their benefits is another important consideration for TCOC. Whether you’re offering advocacy programs designed to help employees better navigate their benefits, or health and wellness programs that aid in prevention and get the most out of their benefits is another important consideration for TCOC.

**Cost Protection**
Increase savings with cost protection.

One of the most fundamental ways to keep costs in check is to ensure that your health plan includes a solution that verifies your medical claims are paid accurately. When claims to ensure they are billed accurately.

**Clinical Programs**

- How long have your value-based care programs been in place?
- More established programs have been shown to drive quality improvements and provide a clear path to cost reductions.
- Does your high-performance network have well-defined quality measures, using sufficient data and insights into the full picture of your employee’s health?
- Do you provide programs that can connect primary care and behavioral health providers to empower collaboration?

**Member Engagement**

- What quality results are you seeing from your clinical programs? Do these results generate ROI?
- Are pharmacy benefits integrated so that a single pharmacy benefit is offered across all providers? In addition to reducing total cost of care, it’s important to ensure employees are accessing high-quality providers.

**Cost Protection**

- Do you offer customized programs that provide personalized support and solutions for each employee’s unique health situation?
- Do you provide better access to health information and tools to help employees better manage their health?

**Total Cost of Care in Action**

Maternal healthcare is among the highest consistent claim costs for employers. Here’s an example of how the four TCOC components can work together to deliver cost savings for your organization and better health outcomes for your employees. Visit smarterbetterhealthcare.com for more information and insights to help you make the right decisions for your organization's needs.

With healthcare costs projected to rise to an average of just over $15,500 per employee in 2021, employers continue to look for ways to cut costs and improve health outcomes for their employees. By taking a Total Cost of Care approach, your organization can identify and execute a series of solutions that can make a meaningful impact on the health of your organization’s bottom line and your workforce.

**Clinical Programs**

- Patient health management
- Care management at risk members
- Integrated medical and pharmacy benefits
- Integrated physical and behavioral healthcare

**Member Engagement**

- Advocacy and navigation
- Health and wellness programs

**Cost Protection**

- Data analytics
- Prior and post-payment reviews
- Fraud prevention

**Total Cost of Care**

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1) Business Group on Health, 2021 Large Employers’ Health Care Strategy and Plan Design Survey
2) Leading Consulting Firm CY2018 Total Cost of Care Benchmark
3) Becker's Hospital Review, Medical billing errors growing, says Medical Billing Advocates of America
4) BlueCard® PPO leads on top of plan
5) Total Cost of Care:

- Estimated that up to 80 percent of medical claims contain errors.5
- Total cost of care savings through fewer ER visits, lower hospitalization rates, preventive screenings and more.
- 11% savings, on average, with high-performance networks.
- 5-9% lower costs over competitors2
- BlueCard® PPO leads on top of plan
- 5-9% lower costs over competitors2
- And our new Blue

Visit smarterbetterhealthcare.com for more information and insights to help you make the right decisions for your organization’s needs.