



BlueCross BlueShield of Alabama

**Media Response
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Blue Cross and Blue Shield of Alabama Hospital Tier Results Aim to Lower Healthcare Costs and Improve Quality of Care

Birmingham, AL -- Blue Cross and Blue Shield of Alabama is committed to programs designed to promote access to quality and affordable healthcare. In 2006, the Alabama Hospital Tiered Network (HTN) was developed to reinforce quality and cost efficiency in healthcare delivery. The goal of HTN is to ensure cost containment, quality and patient satisfaction in our in-network hospitals.

Recently, Blue Cross released Hospital Tier results for 2016, which will be effective April 1, 2016. Hospitals are evaluated on three criteria - cost, quality and patient experience. Hospitals may attain the highest status, Tier 1, if criteria across all three measurement categories are met. The Hospital Tiering is based on criteria from Blue Cross and Blue Shield of Alabama and the Centers for Medicare and Medicaid Services.

This year, new criteria place greater emphasis on cost resulting in 15 of our in-network hospitals moving from Tier 1 to Tier 2. Due to recent increases in healthcare cost, this year's criteria place greater emphasis on cost. It is important that we continue to provide our members information about the more cost-effective hospitals. Blue Cross members who use Tier 1 hospitals will have lower out-of-pocket costs for inpatient and outpatient care.

In 2016, for Blue Cross' 82 in-network hospitals,

- 54 hospitals will remain Tier 1;
- 8 hospitals will move from Tier 2 to Tier 1;
- 15 hospitals will move from Tier 1 to Tier 2, and
- 5 hospitals remained Tier 2.

Though a hospital may not be Tier 1, they are still an in-network provider.

These 2016 HTN changes will result in 76% of Blue Cross' in-network hospitals classified as Tier 1 and 24% classified as Tier 2. This year, scoring will be conducted quarterly, giving hospitals the opportunity to improve and move from Tier 2 to Tier 1. Hospitals will not be moved from Tier 1 to Tier 2 during the calendar year.

Nearly 450,000 members, representing 21% of instate membership; will be affected by the 2016 HTN changes. These customers will be notified and assisted with these changes during first quarter, 2016. Beginning March 1, members can further access 2016 HTN results at AlabamaBlue.com/HTN.

About Blue Cross and Blue Shield of Alabama

Blue Cross and Blue Shield of Alabama has insured Alabamians for nearly 80 years. Blue Cross offers coverage plans to corporations, individuals and the senior market. For more information about Blue Cross, visit AlabamaBlue.com.

Blue Cross and Blue Shield of Alabama is an independent licensee of the Blue Cross and Blue Shield Association.