

# What is Blue Cross and Blue Shield doing to control costs?

Blue Cross and Blue Shield of Kansas is dedicated to providing our members with the security, dependability and quality services that they have come to expect from us. Here are some ways we are working for you to control costs:

- **Contracting with providers offers major savings**

Doctors and hospitals that contract with us agree to provide services at a discounted fee. Each year, such agreements save our members hundreds of millions of dollars.

- **Keep administrative costs low**

Currently, less than 10 cents of every premium dollar goes to the costs of processing and paying claims, providing customer service and other business activities. In 2003, our entire cost containment program saved members more than \$848 million.

- **Policy restrictions save dollars**

Your health insurance plan does not provide coverage for every medical service, procedure, piece of equipment or drug. It contains certain restrictions designed to help keep your premium affordable.

- **Create a variety of health plan options**

By listening to our members, we continually strive to develop new and varied products that offer affordable coverage options, including flexibility on the amounts of deductibles and copayments.

- **Develop new pharmacy programs**

We create programs that encourage use of generic drugs and offer savings on brand-name drugs. A three-tiered benefit design works in conjunction with our preferred medication list (or formulary) to offer three levels of copayment.

- **Investigate possible fraud**

We are committed to eliminating all fraudulent activity. Detection, prevention and elimination of fraud, abuse and over use of services are essential to maintaining a health care system that is affordable to everyone.

- **Legislative activities**

We traditionally oppose mandated benefits, and ask lawmakers to “first do no harm” when they consider new legislation. We keep Kansas business owners informed as to what health-related legislation is being considered at the state and federal levels, and how it might affect them.

- **Work with medical providers**

Many solutions for controlling health care costs happen when we work closely with the people who deliver health care. We seek input from a variety of active medical providers on treatment options and medical care.

- **Promote community health programs and initiatives**

We are taking steps to increase our emphasis on wellness and prevention. For example, materials for people who want to quit smoking are available on our Web site.

- **Conduct educational campaigns**

Our staff of insurance professionals – employees who live and work throughout the state – present programs designed to improve the efficiency and effectiveness of our health care system.

- **Work with other Blue Plans**

The 40 independent Blue Plans that form the Blue Cross and Blue Shield Association work together on a variety of programs and services that lower costs for all members.

- **Web and electronic services**

We continue to use technology to become more efficient and cost-effective. Members can visit our Web site to check the status of a claim, learn about their eligibility, print forms, and locate a doctor, hospital, pharmacist or other health care professional.