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**Blue Shield of California and St. Joseph Health System to collaborate on coordinated care model to improve quality and reduce healthcare costs**

**San Francisco and Orange, Calif. (July 28, 2011)** – Blue Shield of California and St. Joseph Health System (SJHS) today announced an accountable care initiative designed to help improve quality and effectiveness for approximately 30,000 Blue Shield HMO members in Orange County, Calif. This collaboration will provide integrated, cost efficient health care to Blue Shield members who are SJHS patients while resulting in little to no increase to members’ healthcare costs for 2012.

SJHS’s regional delivery system in the county, which includes St. Joseph Hospital in Orange, St. Jude Medical Center in Fullerton, Mission Hospital in Mission Viejo and Laguna Beach, the St. Joseph Home Health Ministry, three affiliated physician networks and three medical groups, will participate in the collaboration.

To achieve this goal, the organizations will identify and implement long-term strategies aimed at ensuring health care stays affordable and accessible for Blue Shield members in Orange County. The healthcare entities will work together to share clinical and case management information and to coordinate comprehensive healthcare services. The organizations’ incentives will be aligned to improve healthcare quality and patient service while reducing costs.

“As a faith based organization, we understand the importance of providing perfect care that optimizes clinical quality, patient safety and patient experience, which is why we are collaborating with Blue Shield to deliver medical cost relief to the communities that we serve,” said C.R. Burke, president and CEO of St. Joseph Heritage Healthcare, which is part of St. Joseph Health System. “We’re excited about the potential for this collaboration to advance our mission to deliver care that is safe, timely, evidence-based and efficient, while enhancing the patient experience.”

“St. Joseph Health System has a well-deserved regional and national reputation for clinical excellence and innovation. We look forward to working together to deliver high-quality coordinated care to Blue Shield members in Orange County,” said Juan Davila, senior vice president of network management for Blue Shield of California. “This marks the latest milestone in our ongoing effort to transform how we provide and pay for care to make health coverage more affordable to all Californians.”

This initiative launches January 1, 2012 and will continue for a minimum of 12 months with the intent of extending the collaboration to have a material, sustainable impact on healthcare costs for members and employers over time. The goal is to build a delivery model that improves quality through better coordination of care, while taking costs out of the healthcare delivery system. Preliminary work is underway across the organizations, and will accelerate in the coming months.

### **About Blue Shield of California**

Blue Shield of California, an independent member of the Blue Cross Blue Shield Association, is a not-for-profit health plan with 3.3 million members, 4,800 employees, and one of the largest provider networks in California. Founded in 1939 and headquartered in San Francisco, Blue Shield of California offers a wide range of commercial and government products throughout the state. The company has contributed more than \$125 million over the past four years to the Blue Shield of California Foundation—which was named one of [BusinessWeek’s 20 most generous corporate foundations](#). Today’s announcement is the latest in our series of [accountable care initiatives](#) throughout California, including in Sacramento, San Francisco and the Central Valley. For additional information, visit [www.blueshieldca.com](http://www.blueshieldca.com).

### **About St. Joseph Health System**

The St. Joseph Health System (SJHS) is a \$4.7 billion, integrated Catholic healthcare delivery system sponsored by the St. Joseph Health Ministry. We provide a full range of care facilities including acute care hospitals, home health agencies, hospice care, outpatient services, skilled nursing facilities, community clinics, and physician organizations throughout California, Texas and New Mexico. Our 24,000 dedicated employees and more than 6,000 physicians strive daily to provide perfect care while building the healthiest communities and ensuring every encounter is sacred. SJHS is committed to maintaining a continuum of care that matches the diverse needs of the communities we serve. For more information about SJHS, log onto [www.stjoe.org](http://www.stjoe.org).

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