EAGAN, Minn., Oct. 2, 2013 /PRNewswire-USNewswire/ -- October 1 marked a transformational milestone in health care in the United States and across Minnesota with the initial implementation of the federal Affordable Care Act (ACA).

Businesses and individuals can now shop for and purchase ACA-compliant insurance coverage for 2014. Implementation of the ACA, combined with other powerful market forces that have converged in recent years, are reshaping the business of health care— from the delivery of medical services to the pricing and payment for these services.

Blue Cross and Blue Shield of Minnesota is the only health plan offering coverage options in every county in the state, and is actively reaching out to Minnesotans with information and tools to understand the many changes taking place. Today, Blue Cross is announcing a five-point plan to align its business and financial model to the new realities of the health care marketplace.

Elements of the Blue Cross plan include:

1.**Redesigning product features and prices to comply with federal mandates.** The impact of the ACA on individuals will be as a broad and diverse as Minnesota itself. Requirements of the ACA for plans that consumers purchase on their own will translate into new choices and new prices for many of our members.

For 2014, Blue Cross revised approximately 200 existing individual products to conform to ACA standards. 95% of those members will receive at least one new essential health benefit and 95% will receive a reduction in out-of-pocket limits. These changes will provide more comprehensive coverage, but they also can translate into higher up-front premiums. Many individuals will be eligible for federal financial assistance to lower their costs.

Because heath care reform affects every person differently— from whether someone qualifies for federal financial assistance, to their age, to where they live in the state—Blue Cross and its network of independent agents are available to help consumers make the best coverage choice for 2014. Blue Cross encourages all current members to look at our new product offerings for next year, as they may find different price and benefit combinations that meet their coverage needs and their budget.

2. **Transitioning to new provider payment models that address the significant challenges posed by escalating health care costs and significant pricing variations for medical care across the state** . Physicians, hospital systems and other care providers are currently paid on a transactional "fee-for-service" payment model which rewards volume of care and unsustainable price increases. Our commitment is to move towards new and proven methods that align provider payments to quality, outcomes, and the costs of delivering services that take into account the medical complexities of a patient's health. Blue Cross is actively working with individual hospitals to address their unique circumstances in transitioning to new payment approaches that can better control rising health care costs.

3. **Improving member and community health with a focus on preventive measures that can better manage health care costs** . Physical inactivity, unhealthy eating and tobacco use take an enormous toll, not just on quality of life issues, but on overall health care costs. Blue Cross is expanding its commitment to empowering individuals and communities to make informed choices about health and taking on the main drivers of preventable diseases will have added importance in our work moving forward.

4. **Developing and promoting tools that deliver services at a lower cost**. Blue Cross recognizes that health insurers must make changes in how it does business, just like all the other stakeholders in health care. We will continue to leverage online platforms that increase the transparency of information related to the cost and quality of health care services so members can stretch their health care dollar farther. Blue Cross continues to innovate and adapt to the changing needs of consumers, which includes expanding the reach of our "Online Care Anywhere" telemedicine program, connecting consumers efficiently and effectively with a doctor whenever they need one.

5. **Maintaining our financial security to ensure that Blue Cross remains stable for Minnes**

ota **.** As the largest non-profit health plan in the state, Blue Cross takes very seriously our obligation to provide secure, predictable coverage for our members—especially during times when they need it most. Financial reserves are a critical component in meeting that obligation, as well as an important safeguard in a changing marketplace. This safeguard offers stability for consumers, hospitals, doctors and every health care provider that relies on timely and predictable health plan payments.

"As Minnesota's largest health plan with more than 80 years of history in this state, we are taking this opportunity in the midst of significant change to restate our commitment to serving Minnesotans and meeting the needs of our members in this new marketplace," said Michael Guyette , president and CEO. "Our five-point plan reflects our focus on taking a leadership role in shaping the business operating environment on behalf of our customers, members and other key stakeholders."

"No one, including Blue Cross, is immune to the coming changes," said Guyette. "Blue Cross and Blue Shield of Minnesota stands ready to be a trusted resource to help our many stakeholders understand and navigate the changes of this new market reality."

In the near future, Blue Cross and Blue Shield of Minnesota will announce a new statewide initiative to engage Minnesotans in a conversation about health care and help consumers, employers, providers, policymakers and interested citizens from across the state better understand the changes occurring in health care and what they mean to them and their families.

About Blue Cross Blue Cross and Blue Shield of Minnesota (bluecrossmn.com), with headquarters in the St. Paul suburb of Eagan , was chartered in 1933 as Minnesota's first health plan and continues to carry out its charter mission today as a health company: to promote a wider, more economical and timely availability of health services for the people of Minnesota . Blue Cross is a not-for-profit, taxable organization. Blue Cross and Blue Shield of Minnesota is an independent licensee of the Blue Cross and Blue Shield Association, headquartered in Chicago

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SOURCE Blue Cross and Blue Shield of Minnesota