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**Blue Cross Blue Shield of Minnesota and Mayo Clinic Health System
Announce New Payment Contract**

Agreement complements new models of care

EAGAN and ROCHESTER, Minn. (January 28, 2014) — Blue Cross Blue Shield of Minnesota, the state’s leading nonprofit health plan, and Mayo Clinic Health System, a family of clinics, hospitals and health care facilities owned by Mayo Clinic, today announced a new, three-year agreement that is designed to promote quality care while lowering overall costs.

The new agreement complements Mayo Clinic Health System’s efforts to deploy new models of care across Southern Minnesota.

“This new type of contract works because it embodies shared priorities and purpose,” said Dr. Larry Lee, executive medical director for provider relations and quality at Blue Cross and Blue Shield of Minnesota.

“Blue Cross and the Mayo Clinic Health System recognize that health care costs in Minnesota cannot continue on an unsustainable trajectory, especially when we still have material gaps in the quality of care,” Lee said. “Our respective organizations won’t be competitive in the marketplace unless we can demonstrate and be accountable for measured quality and overall cost of care for the people we serve. It’s not just a payer issue or a provider issue. This agreement brings together the distinctive capabilities of each organization so that we can solve the problem together.”

“We have been working to transform the medical practice for our patients and communities and this new agreement complements those efforts,” said Robert Nesse, M.D., CEO, Mayo Clinic Health System. “New practice models are being deployed by our community care locations,

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meaning patients will be supported by a team of care givers, who work with their primary care provider to meet their needs. The team will help patients access the right level of care, when and where they need it.”

“In addition Mayo Clinic now offers patients greater access to their information and expert advice through online tools plus 24x7 ability to talk with a nurse to support their care needs without leaving their home or office,” said Nesse. “These are just three examples of ways we’re bringing Mayo Clinic’s care to communities in the Midwest.”

The new agreement was designed to create even more collaborative relationships between Blue Cross and Mayo Clinic Health System. Over time, the resulting quality improvements and cost-savings will benefit Blue Cross members and clients and the overall community in the form of measurable improvements in clinical and health outcomes, lower medical cost trends, and the impact on insurance premiums.

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.

About Mayo Clinic Health System:

Mayo Clinic Health System consists of Mayo-owned clinics, hospitals and other health care facilities that serve the health care needs of people in more than 70 communities in Georgia, Iowa, Minnesota and Wisconsin. The community-based providers, paired with the resources and expertise of Mayo Clinic, enable patients in the region to receive the highest quality health care close to home.

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