

CONNECTICUT
HEALTHCARE
INNOVATION PLAN



Value-Based Insurance Design (VBID) Overview

Consumer Advisory Board Meeting
December 8, 2015

Agenda

1. State Innovation Model Vision and Strategies



2. Why Reform Insurance Design?



3. What is VBID?



4. SIM Program Goals & Components for VBID Initiative



5. VBID Consortium Details



6. Freedman Healthcare Staff Overview



7. CAB's Role on the Consortium



8. Next Steps

SIM Vision

Establish a whole-person-centered healthcare system that:

- improves population health;
- eliminates health inequities;
- ensures superior access, quality, and care experience;
- empowers individuals to actively participate in their healthcare; and
- improves affordability by reducing healthcare costs

SIM Strategies

Transform Healthcare Delivery System

Transform the healthcare delivery system to make it more coordinated, integrate clinical and community services, and distribute services locally in an accessible way.

Build Population Health Capabilities

Build population health capabilities that reorient the healthcare toward a focus on the wellness of the whole person and of the community

Reform Payment & Insurance Design

Reform payment & insurance design to incentivize value over volume, engage consumers, and drive investment in community wellness.

Engage Connecticut's consumers throughout

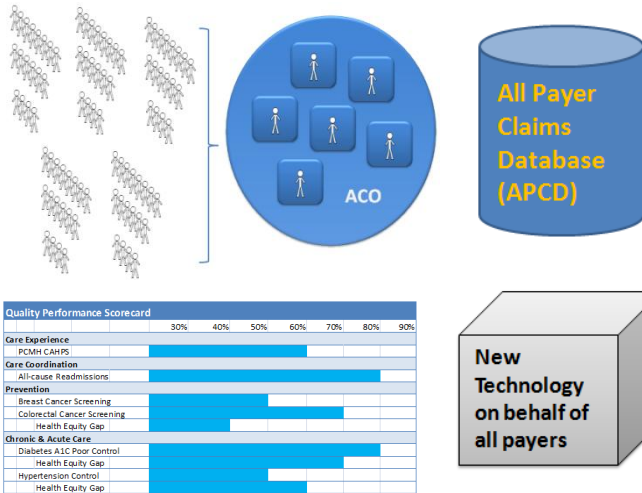
Invest in enabling health IT infrastructure

Evaluate the results, learn, and adjust

Value-based Payment and Insurance Design

System Delivery Reform

Value-based Payment



+

Demand-side Reform

Value-based Insurance Design (VBID)

Using incentives in benefits to encourage employees to be more value-conscious in their health behaviors and treatment choices



Why Reform Insurance Design?

- “Consumer-driven” plans aim to make the consumer more aware of the cost of healthcare with high deductibles and cost-sharing
- Enrollment in high deductible plans nearly doubled between 2008-2014 in CT
- Employers save money on premiums with high deductible plans, but consumers tend to put off needed care

Benefits of Value-Based Insurance Design

Figure 8. *The importance of benefit design.*



Aligning Incentives and Systems, Patient-Centered Primary Care Collaborative (2012)

<http://vbidcenter.org/wp-content/uploads/2014/10/Aligning-Incentives-and-Innovations-promoting-synergies-btw-V-BID-PCMHs.pdf>

What is Value-based Insurance Design?

VBID is an employee benefit plan approach used by small and large, fully- and self-insured employers to lower or eliminate financial barriers to, or introduce rewards for preventive care, medication adherence, chronic disease management, and high-quality provider selection.

(Fendrick, Mark, MD. *Value-Based Insurance Design Landscape Digest*, University of Michigan Center for Value-Based Insurance Design, July 2009.)

Value-based Insurance Design

...the use of plan incentives to encourage employee adoption of one or more of the following:

New and innovative approaches



Adopt healthy lifestyles

(e.g. smoking cessation, physical activity)



Use high value services
(e.g., preventative services, certain prescription drugs)



Use high performance providers

Who adhere to evidence-based treatment



➔ **Health promotion & disease management**

➔ **Health coaching & treatment support**

Existing Connecticut VBIDs

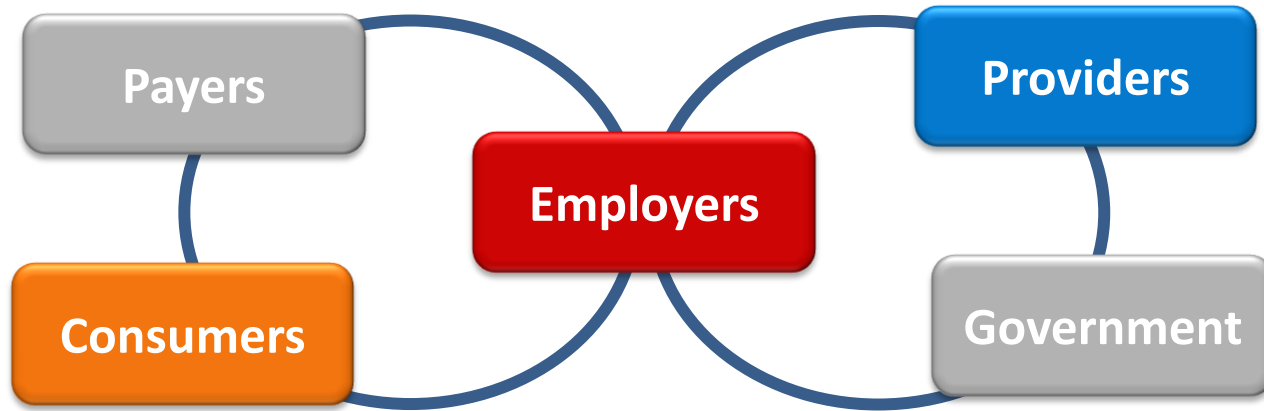
- State of Connecticut and other large employers in CT have adopted VBID models
- State Health Enhancement Program began in 2011
 - Lower premiums in exchange for preventive care
 - Care Management Programs for chronic disease with reduced or waived copayments

Barriers to VBID Uptake

- Uptake has been gradual
- Barriers include capacity for employers to:
 - quantify **return on investment**
 - measure **outcomes**
 - determine **value**
 - perform actuarial analysis to set copayments
 - Manage administrative burden caused by variable VBIDs across plans

Program Goals

1. Develop prototype VBID plan designs that align the interests of consumers and providers



2. Provide a mechanism for employers to share best practices to accelerate the adoption of VBID plans



SIM VBID Components

- **Employer-led Consortium:** peer-to-peer sharing of best practices
- **Prototype VBID Designs:** using latest evidence, to make it easy for employers to implement
- **Annual Learning Collaborative:** including panel discussions with nationally recognized experts and technical assistance



Component 1: Employer-Led Consortium

- The consortium will serve in an advisory capacity, with the potential for subcommittee working groups
- 3 Meetings- First week of February, Last week of March, last week of April
- The consortium meetings will be facilitated by Freedman Healthcare

Proposed Composition and Criteria for VBID Consortium

Composition

Criteria For Membership

VBID Employer Led Consortium

- 1 Office of the State Comptroller Representative
- 1 Department of Insurance
- 1 Access Health CT Representative
- 4 Providers (ACO Representatives)
- 4 Health Plan Representatives
- 4 Employers
- 4 Consumer Advocates
- 3 Employer Associations (CBIA, CTBGH, NEBGH)

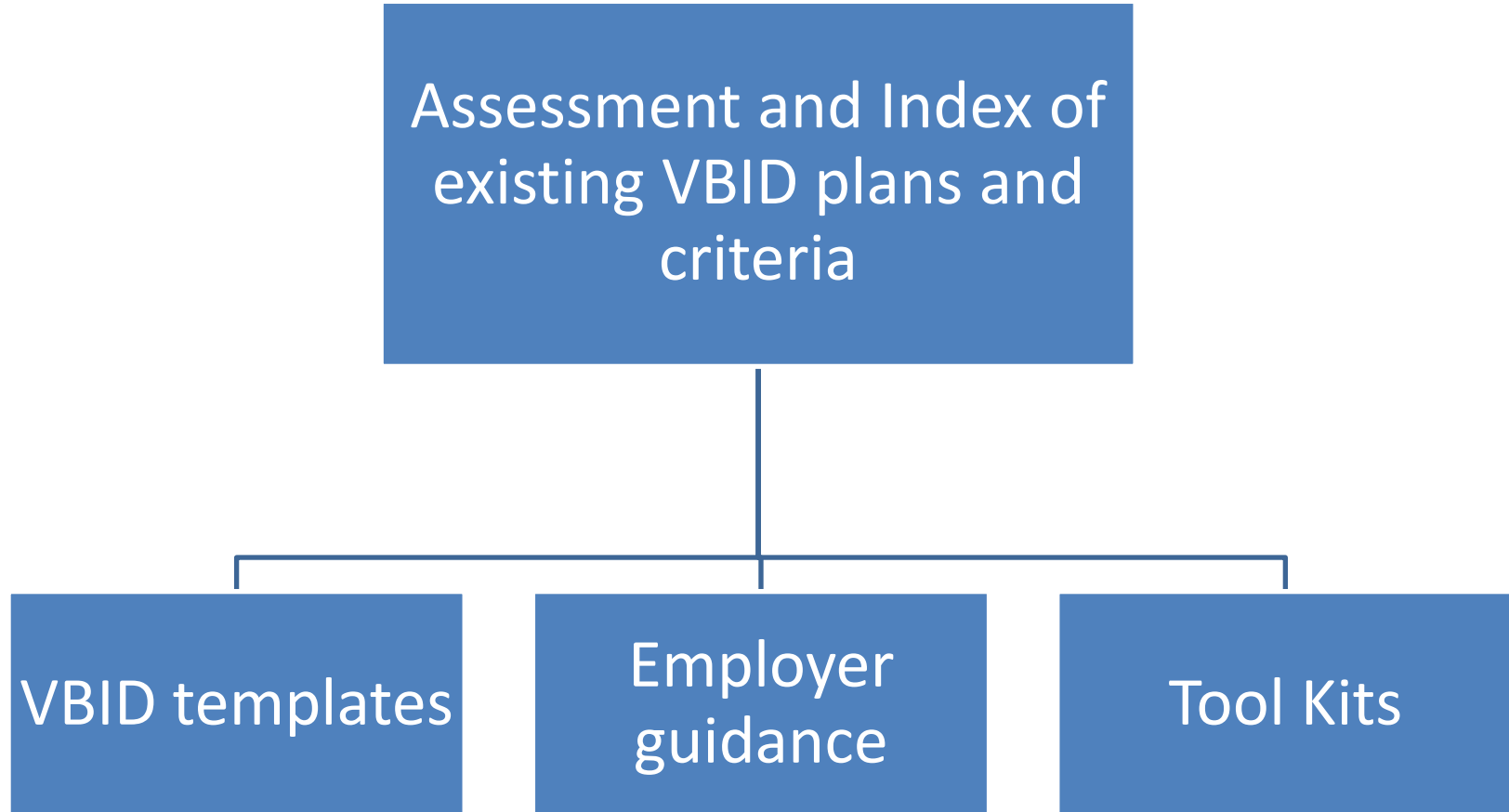
- Knowledge of the CT healthcare environment
- Knowledge of value based insurance design (including patient-centered health behavior incentives and engaging consumers to seek high-value services)
- Experience evaluating insurance benefit designs
- Ability to assess VBID models and assist to create a prototype VBID plan for CT employers and insurance exchanges
- Experience interpreting public health or healthcare data
- Experience with CT health insurance policies and regulations
- Experience with patient care and engagement

VBID Team Support

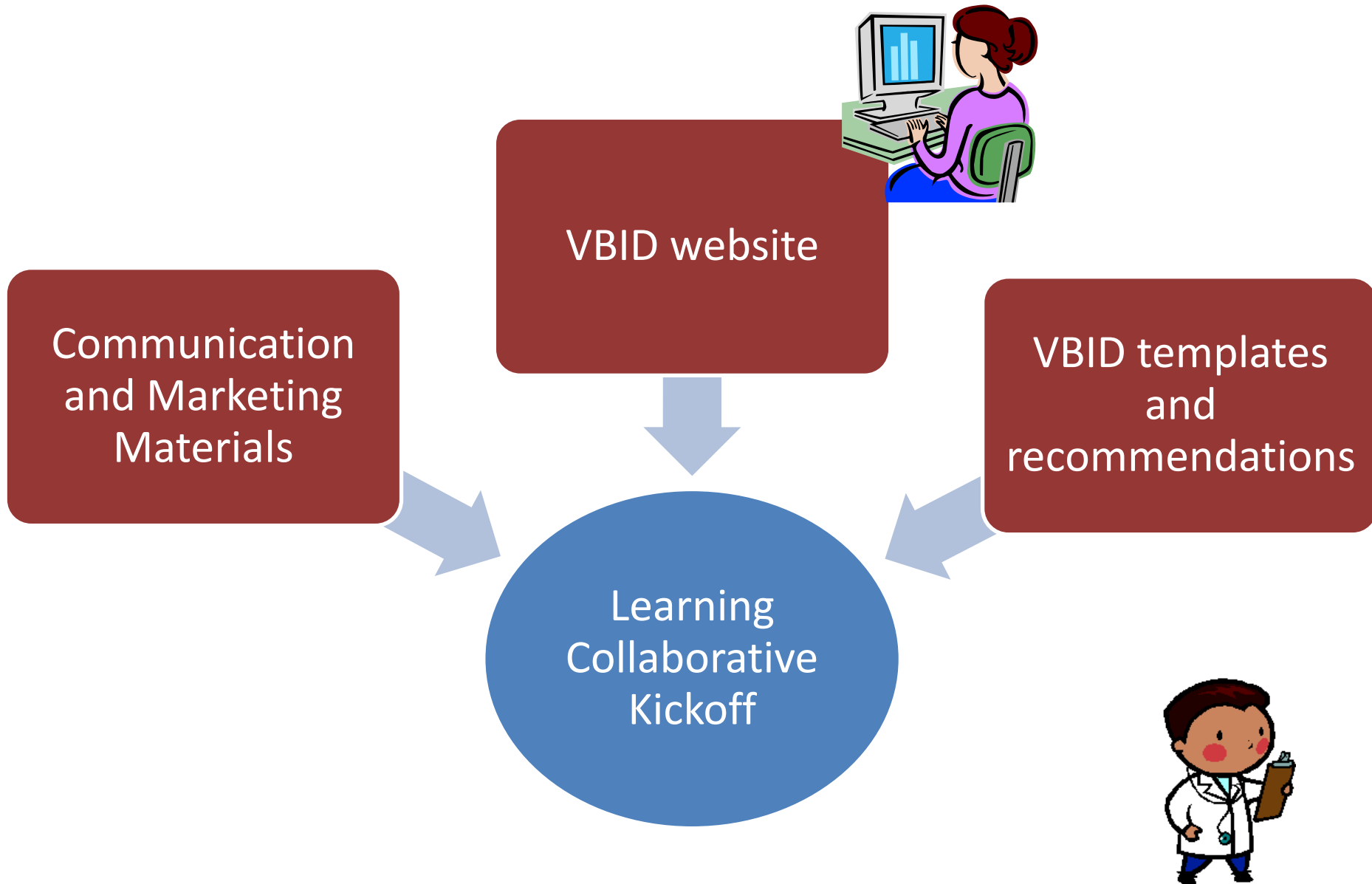
- 1 PMO member
- Freedman Healthcare Staff

- Expertise in public health and healthcare research and evaluation
- Knowledge of CT SIM
- Experienced developing communications and marketing materials
- Ability to facilitate collaborative activities

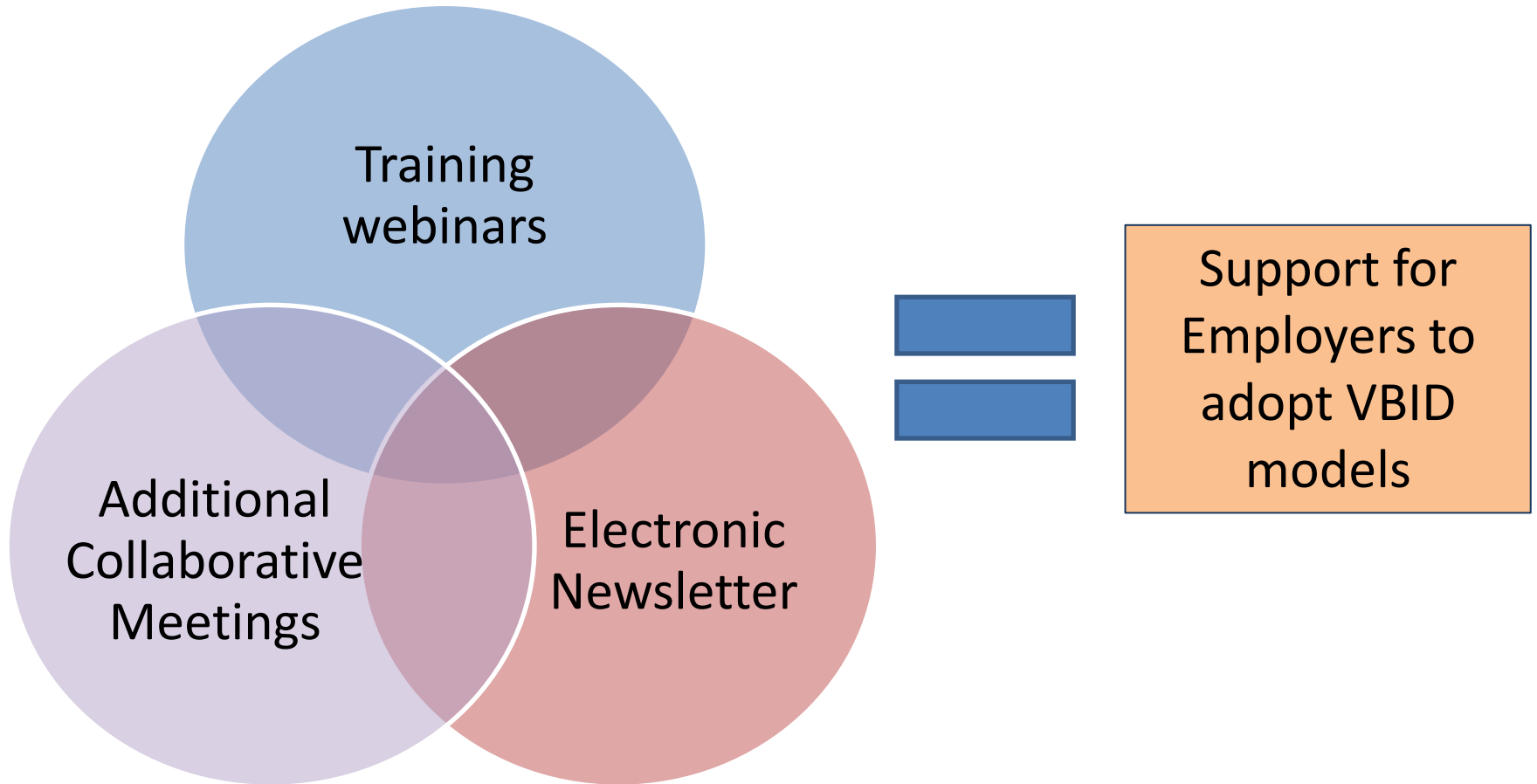
Component 2: Prototype VBID Creation Process



Component 3: Learning Collaborative



Component 3: Learning Collaborative



Freedman Healthcare Key Staff Roles

Name	Organization	Role
John Freedman	FHC	Insurance design subject matter expert
Alyssa Ursillo	FHC	Project Manager
Tanya Bernstein	FHC	Project Director
Mark Fendrick	VBID Health, LLC	VBID subject matter expert, lead on Consortium discussions
Mike Chernew	VBID Health LLC	Subject matter expert
Bruce Landon	Harvard Medical School	Subject matter expert

Value-Based Insurance Design - Accountability Metrics

Year	Percent adoption
2016	44%*
2017	53%
2018	65%
2019	74%
2020	85%

*Estimate – will establish empirical baseline 2015

CAB's Role in the VBID Consortium

- We are requesting that CAB shares the application with potential applicants and encourages them to apply
- Criteria is listed in more detail on the application

Next Steps

- PMO will inform CAB that the application is posted
- Consumer applications will be submitted
- CAB's Personnel Subcommittee will review applications and determine appointees

Questions