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Value-Based Insurance Design (V-BID) Template for Fully-Insured Plans

Value-based Insurance Design uses financial incentives to encourage people to get the **right care**, at the **right time**, from the **right provider**. This template provides recommendations to health plans for comprehensive V-BID benefit designs for the fully-insured market, focused on two core components:

Preventive Care
Prescription Drugs
High Value Providers

Benefits of V-BID Plans

- Early detection of disease and better management of chronic conditions
- Increased use of preventive care and decreased use of expensive, specialty and inpatient care
- Smarter spending by encouraging use of high-value, cost effective services
- Improved quality of care
- Reduced Out-Of-Pocket costs for members

Financial Incentives

Choose financial incentives appropriate to the structure of your health plan. Incentives could be for members who receive recommended high-value services or visit high-value providers, or they could be a reward for reaching health goals such as lowering blood pressure. If the financial incentive is based on health outcomes, participation in the V-BID plan should be voluntary, and plans must offer an alternative way to earn incentives for members who are unable to meet their health goals.

Plan Type	Financial Incentives
All plans	○ Bonus payment for complying with recommended services ○ Reduced premium for enrolling and complying with V-BID program ○ Exclusion of recommended services and drugs from deductible* ○ Employers may offer gift cards, payroll bonuses, premium contributions, etc.
Plans with copayment or coinsurance cost-sharing	○ Waived or reduced copayment or coinsurance for recommended services and drugs or visit to high value provider
Health Reimbursement Account or Health Savings Account	○ Contribution to HRA or HSA for recommended services and drugs ○ Contribution to HRA or HSA for visit to high value provider

*HSA-HDHP plans have specific IRS rules around what services can be offered pre-deductible.

Note: V-BID plans are still required to remain in compliance with state and federal regulations, including mental health parity regulations and health plan nondiscrimination laws.

Recommendations were developed by the Connecticut State Innovation Model (SIM) program and Office of the State Comptroller (OSC), with support from Freedman HealthCare, LLC, V-BID Health, LLC, and Dr. Bruce Landon, MD. Recommendations were informed by a multi-stakeholder V-BID Consortium with employer, plan, provider, consumer, and state representatives.

Preventive Care

Recommendation: Provide financial incentives to increase use of evidence-based age and gender appropriate preventive screenings.

Why?

- Reduces illness and death by diagnosing diseases earlier
- Cost-effective
- Aligns consumer incentives with provider performance metrics for preventive screenings

Recommended High-Value Preventive Screenings

Services are based on the U.S. Preventive Services Task Force recommendations for targeted age, gender, and frequency of tests.

- ✓ Blood Pressure Screening
- ✓ Cholesterol Screening
- ✓ Obesity Screening
- ✓ Depression Screening
- ✓ Alcohol Screening and Counseling
- ✓ Breast Cancer Screening
- ✓ Cervical Cancer Screening
- ✓ Colorectal Cancer Screening
- ✓ Smoking Cessation

Plan Spotlight

The Connecticut State Employee Health Enhancement Program (HEP) reduces premiums and cost-sharing for enrollees who participate in yearly physicals, age and gender-appropriate health risk assessments and evidence-based screenings, vision exams and dental cleanings. HEP has increased primary care visits by 75%, increased preventive diagnostic tests by over 10%, and decreased specialty visits by 21%.

Implementation Tips

- Provide additional incentives for preventives services already provided at no cost under the Affordable Care Act (ACA), such as premium contributions or reductions or bonus payments.
- Consider making financial incentives conditional based on outcomes achieved (there must be an alternative way to earn incentives for employees who are unable to reach required targets).
- Design plans to ensure members choose or are assigned to a Primary Care Provider.
- For additional detail, see the Fully-Insured V-BID Employer Manual.

For employers already offering incentives for recommended preventive care, additional services include:

- ✓ Treatment decision support/counseling for employees with conditions that have multiple treatment options, e.g. lung cancer, breast cancer, depression, etc.
- ✓ Surgical decision support for employees undergoing elective surgeries that have other treatment alternatives, e.g. low back surgery, hysterectomy, hip or knee replacement, etc.
- ✓ Complex case management
- ✓ Pain management
- ✓ Pre-natal and post-partum care

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Prescription Drugs

Recommendation: Reduce cost sharing for certain prescription drugs.

Why?

- Reducing financial barriers increases medication adherence
- Aligns consumer incentives with provider performance metrics for managing chronic conditions

Recommended Prescription Drugs

Reduce cost sharing for at least two prescription drugs for all members.

- ✓ Beta-blockers
- ✓ ACE inhibitors and ARBs
- ✓ Insulins and oral hypoglycemics
- ✓ Long-acting inhalers and inhaled corticosteroids
- ✓ Statins
- ✓ Anti-depressants
- ✓ Smoking cessation drugs

Plan Spotlight

The Connecticut State Employee Health Enhancement Program (HEP) reduces premiums and cost-sharing for enrollees who participate in yearly physicals, age and gender-appropriate health risk assessments and evidence-based screenings, vision exams and dental cleanings. HEP has increased primary care visits by 75%, increased preventive diagnostic tests by over 10%, and decreased specialty visits by 21%.

Implementation Tips

- Reduce cost sharing for recommended prescription drugs by moving them to lower cost drug tiers for all members (Connecticut health insurance regulations restrict copayment variation based on a member's medical condition).
- Consider providing financial incentives for medication adherence programs.
- Update prescription drug lists as needed in accordance with FDA approval of new and more effective drugs.
- For additional detail, see the Fully-Insured V-BID Employer Manual.

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High Value Providers

Recommendation: Provide financial incentives for visits to high-value providers. *A high-value provider is determined by transparent cost and quality metrics.*

Why?

- Aligns consumer incentives with provider incentives
- Builds on existing efforts by CT health plans to drive consumers towards high value providers

Recommended Strategies for High Value Providers

Choose one or more of the following five strategies.

Networks of High-Value Providers	Encourage visits to providers identified as high-value for performance on cost and quality metrics using a tiered or narrow network structure.
Accountable Care Organizations	Encourage visits to an ACO identified as high-value based on performance on cost and quality metrics.
High-Value Primary Care Physicians	Encourage visits to Primary Care Providers that have been identified as high-value based on performance on cost and quality metrics, such as high-value PCMH or Advanced Medical Home practices.

Centers of Excellence

Encourage employees in need of special services or surgeries to visit high-value providers of those services. Services could include transplant surgery, knee or hip replacement, heart surgery, obesity surgery, or substance abuse.

Plans on the Market*

ConnectiCare Passage Plan for the Exchange and small group markets incentivizes members to use identified high quality, lower cost networks of primary care physicians and specialists.

Anthem Choice Connecticut uses a value-based tiered provider network, in which members pay less for choosing PCPs who participate and hospitals who meet certain quality and cost efficiency benchmarks.

**Provided for illustrative purposes only, not an endorsement of these plans.*

Implementation Tips

- Find recommendations for defining value for providers in the Guiding Principles in the Fully-Insured V-BID Employer Manual.
- Consider factors that impact provider access, such as geography, when designing networks.
- Employers may consider coverage for additional out-of-pocket costs associated with getting care from certain providers, such as travel to Centers of Excellence.

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