

Value-Based Insurance Design (V-BID) Template for Self-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 self-insured employers for a comprehensive V-BID benefit design, focused on three core components:

[Preventive Care](#)
[Chronic Condition Management](#)
[High Value Providers](#)

Benefits of V-BID Plans

Employers achieve better value on their health care investment through:

- Better employee health, resulting in improved productivity and reduced sick time
- Smarter spending by encouraging use of high-value, cost effective services
- Reduced costs by discouraging use of low-value, unnecessary services
- Increased employee satisfaction by offering a richer healthcare benefits package

V-BID benefits employees by:

- Improving their experience of care
- Improving the quality of care received
- Reducing Out-Of-Pocket costs

Financial Incentives

Choose financial incentives appropriate to the structure of your health plan. Incentives could be for employees who receive recommended high-value services or visit high-value providers, or they could be a reward for reaching employee 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	<ul style="list-style-type: none"> ○ 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* ○ Gift cards, payroll bonuses, premium contributions, etc.
Plans with copayment or coinsurance cost-sharing	<ul style="list-style-type: none"> ○ Waived or reduced copayment or coinsurance for recommended services and drugs or visit to high value provider
Health Reimbursement Account or Health Savings Account	<ul style="list-style-type: none"> ○ 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. Employers should consult with their legal counsel and health plan for guidance.

Note: V-BID plans are still required to remain in compliance with 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 should be incentivized for specific populations, 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

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).
- Consider offering paid time off for doctor's visits.
- Design plans to ensure members choose or are assigned to a Primary Care Provider.
- Encourage screenings during primary care visits, or provide services through on-site or nearby clinics. For care coordination, send records of services from on-site or nearby clinics to the patient's PCP or usual source of care.
- For additional detail, see the [Self-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

Employer 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%. HEP is now available to municipalities through the Partnership 2.0 plan.

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Chronic Condition Management

Recommendation: Provide financial incentives for visits, diagnostics, and drugs related to chronic condition management.

Why?

- Two million Connecticut residents have one or more chronic diseases
- Conditions have evidence-based treatments
- Reducing financial barriers for medications results in increased medication adherence and improved disease management
- Employers have found improved chronic condition management results in less disability and decreased spending
- Aligns consumer incentives with provider performance metrics for managing chronic conditions

Recommended Chronic Conditions

Target at least two conditions that most affect your workforce. Incentives may be conditional on participation in a disease management program.

Diabetes

Visits	Diagnostics	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Nutritional counseling ▪ Smoking cessation 	<ul style="list-style-type: none"> ▪ HbA1c ▪ Eye exams ▪ Foot exams 	<ul style="list-style-type: none"> ▪ Insulin ▪ Oral Hypoglycemics ▪ Diabetic supplies ▪ ACE inhibitors/ARBs

Pre-Diabetes

Visits	Diagnostics	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Nutritional counseling ▪ Health coach ▪ Smoking cessation 	<ul style="list-style-type: none"> ▪ HbA1c ▪ Glucose test 	<ul style="list-style-type: none"> ▪ ACE inhibitors/ARBs ▪ Metformin ▪ Statins

Asthma/COPD

Visits	Diagnostics	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Smoking cessation ▪ Home visits 	<ul style="list-style-type: none"> ▪ Spirometry 	<ul style="list-style-type: none"> ▪ Long-acting inhalers ▪ Inhaled corticosteroids ▪ Oxygen

Hypertension

Visits	Diagnostics	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Smoking cessation ▪ Nutritional counseling 	<ul style="list-style-type: none"> ▪ Blood pressure testing 	<ul style="list-style-type: none"> ▪ ACE inhibitors/ARBs ▪ Statins

Pre-hypertension

Visits	Diagnostics
<ul style="list-style-type: none"> ▪ Office visits related to condition 	<ul style="list-style-type: none"> ▪ Blood pressure testing

Employer Spotlight

United Healthcare’s “Diabetes Health Plan” eliminated payments for diabetes-related supplies and drugs for employees with diabetes who participated in routine disease maintenance exams. They estimated this resulted in \$2.9 million in savings after one year.

United HealthCare Study, 2013

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<ul style="list-style-type: none"> ▪ Smoking cessation ▪ Nutritional counseling ▪ Health coach 	<ul style="list-style-type: none"> ▪ Home blood pressure measurement
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Depression

Visits	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Smoking cessation ▪ Suicide and other risk assessments ▪ Cognitive behavioral therapy 	<ul style="list-style-type: none"> ▪ Anti-depressants

Substance Use Disorder

Visits	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Smoking cessation ▪ Risk assessments ▪ Evidence-based treatment programs 	<ul style="list-style-type: none"> ▪ Methadone ▪ Buprenorphine/Naloxone ▪ Detox medications

Congestive Heart Failure

Visits	Diagnostics	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Nutritional counseling ▪ Smoking cessation 	<ul style="list-style-type: none"> ▪ Echocardiogram ▪ EKG ▪ Potassium and creatinine testing ▪ Digoxin level 	<ul style="list-style-type: none"> ▪ Beta-blockers ▪ ACE inhibitors/ARBs ▪ Spironolactone ▪ Diuretics ▪ Oxygen ▪ Digoxin

Coronary Artery Disease

Visits	Diagnostics	Drugs
<ul style="list-style-type: none"> ▪ Office visits related to condition ▪ Nutritional counseling ▪ Smoking cessation 	<ul style="list-style-type: none"> ▪ EKG 	<ul style="list-style-type: none"> ▪ Beta-blockers ▪ ACE inhibitors/ARBs ▪ Aspirin ▪ Clopidogrel/Plavix

Implementation Tips:

- Use claims data (from your health plan) to determine which conditions are most prevalent among your workforce, and which employees are eligible for incentives.
- 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).

For employers already offering robust disease management programs, consider additional services for employees with chronic conditions, such as:

- ✓ Transportation to appointment(s)
- ✓ 90-day supply mail-order prescriptions for chronic conditions
- ✓ Virtual/audio/telephonic counseling or consultations
- ✓ Meals or other nutritional services

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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.

Employer Spotlight

Pitney Bowes uses a tiered network structure to incentivize the use of identified high performing providers by providing reduced copayments for specialist visits, and reduced coinsurance after the deductible is met. The company also covers transplants and infertility treatments at Centers of Excellence only.

Implementation Tips

- Find recommendations for defining value for providers in the Guiding Principles in the [Self-Insured V-BID Employer Manual](#).
- Discuss requiring PCP selection when members enroll with your health plan administrator. Plan provider directories should indicate which providers have been identified as high-value.
- Consider factors that impact provider access, such as geography, when designing networks.
- 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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