V-BID Basic Plan Template

This template is intended to provide a basic foundation for employers interested in implementing Value-Based Insurance Design that may have limited flexibility or resources to implement a more comprehensive V-BID plan. It includes core benefits (in yellow) and additional benefits (in grey) that may be implemented as part of a V-BID plan. Nevertheless, any interested employer seeking to implement a basic V-BID plan could use this template.

APPLICABLE EMPLOYER TYPES:

- Small-employers with less than 50 full time employees
- Fully-insured employers
- Employers offering eligible Health Savings Account-High-Deductible Health Plans (HSA-HDHP)

RECOMMENDED INCENTIVE MECHANISM(S)

Incentive mechanisms refer to the method of changing cost sharing for your employees. This could be through changes in copayments, changes in premium rates, bonus payments, contributions to Health Reimbursement Accounts or Health Savings Accounts, among others. Each employer should choose a method appropriate to the structure of the health plan offered. Below is a table to provide guidance on the mechanisms that work best for different plan types:

Plan Type	Incentive Mechanisms
All plans	○ Bonus payment for complying with recommended services ○ Reduced premium for complying with recommended services
Plans with copayment or coinsurance cost-sharing	○ Waived or reduced copayment or coinsurance for recommended services and drugs ○ Waived or reduced copayment or coinsurance for visit to high value provider
Health Savings Account-eligible High Deductible Health Plan (HSA-HDHP)*	○ Contribution to HSA for complying with recommended services or visiting high value provider
Health Reimbursement Account-eligible High Deductible Health Plan (HRA-HDHP)	○ Contribution to HRA for recommended services and drugs ○ Contribution to HRA for visit to high value provider ○ Exclusion of recommended services and drugs from deductible

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Please note: For HSA-HDHPs: According to IRS guidance, coverage does not include "any service or benefit intended to treat an existing illness, injury, or condition, including drugs or medications" until the deductible is met. Employers should seek legal guidance on approaches that incentivize drugs and services based on clinical condition.

V-BID COMPONENT 1: CHANGE INCENTIVES FOR SPECIFIC SERVICES FOR *ALL APPLICABLE MEMBERS,* TARGETED BY AGE AND GENDER

Below is a recommended core benefit design for V-BID. In addition to the services below, all plans are mandated by the ACA to cover specific preventive visits and screenings at no cost to the patient. Refer to the appendix for a list of services that are mandated by the ACA. **It is recommended that employers encourage use of specific high value services for all applicable members**.

	Services	Demographic*
Core Benefit Plan Design	Health Maintenance Exams	Adults at recommended frequency for age and gender
	Well Child Visits	Children at recommended frequency for age and gender
	Adolescent Care Visits	Adolescents at recommended frequency for age and gender
	Blood Pressure Screenings	All members at recommended frequency for age and gender
	Cholesterol Screenings	All members at recommended frequency for age and gender
	Breast Cancer Screenings	Women at recommended frequency for age group
	Cervical Cancer Screenings	Women over age 21 every three years
	Colorectal Cancer Screenings	Applicable members depending on age group and gender
	Behavioral health screening – includes substance use screening	All members
Additional Benefits	Beta-blockers	All members prescribed drug for any indication
	ACE inhibitors and ARBs	All members prescribed drug for any indication
	Statins	All members prescribed drug for any indication
	Gym membership	All members
	Smoking cessation program	All members (as applicable)
	Vision screening	All children

*For recommended frequency of visits and screenings depending on age group and gender, visit http://www.uspreventiveservicestaskforce.org/Page/Name/recommendations

JUSTIFICATION

- Most basic plan component to implement – simplicity was emphasized by stakeholders interviewed and Consortium members.
- Recommended preventive visits/diagnostics align with the Connecticut SIM Quality Council's Provisional Measure Set for measuring provider performance. Most employers implementing V-BID plans incentivize at least one of these services (in addition to ACA mandates).
- Evidence from the Connecticut State Employee Health Enhancement Program suggests incentivizing preventive visits/diagnostics increases use of primary care and diagnostic screenings, and decreases use of higher cost services.[i]
- Consortium members emphasized the importance of behavioral health and substance use screenings for all members, especially to ensure mental health parity.
- Reducing cost sharing for recommended drugs for all members increases access to drugs for members with conditions for which drugs are evidence-based without needing to identify members will specific conditions.
- Evidence from employers such as Pitney Bowes, Marriott International, and Proctor & Gamble suggests reducing cost sharing for certain drugs for all members prescribed these drugs increases medication adherence and decreases overall medical costs.[ii]

V-BID COMPONENT 2: PROVIDE INCENTIVES FOR MEMBERS WHO PARTICIPATE IN A DISEASE MANAGEMENT PROGRAM

It is recommended that fully insured employers offer employees the option to participate in a disease management program in order to receive incentives for condition-specific high value services. Below is a table to assist in selecting a disease management program; **it is recommended that you select at least one condition that is relevant to your employee population**.

Please note: Employers may also choose to make incentives conditional on outcomes achieved in the disease management programs. According to [law], employers that choose an outcomes-based incentive must provide an alternative way to earn incentives for members who are unable to reach required targets.

Chronic Conditions (pick at least one)	Disease Management Program (pick at least one)
☐ Diabetes	☐ Disease-specific action plan
☐ Asthma/COPD	☐ Meetings with health coach or health educator for education on condition
☐ Hypertension	☐ Medication adherence program
☐ Depression	☐ Treatment Decision Support program
☐ Substance Use Disorders	☐ Pharmacist counseling
☐ Pre-diabetes	☐ Nutritional counseling
☐ Pre-hypertension	☐ Behavioral health counseling
☐ Congestive Heart Failure	☐ Lifestyle change/wellness program specific to condition
☐ Obesity/High BMI	☐ Weight management/weight loss program indicated for condition
☐ Coronary Artery Disease	

JUSTIFICATION:

Over 57%, or two million, Connecticut residents have one or more chronic disease, which drives healthcare spending and results in lost productivity for employers.[iii] Asthma, diabetes and hypertension are most often targeted by employers because they affect a large percentage of their population and can be well-managed by monitoring and medication adherence.

This plan is designed to provide employers with maximum flexibility to address the conditions that most adversely impact their employee populations. Due to regulatory barriers, fully-insured employers cannot offer condition-specific financial incentives external to a disease management program or wellness program. Hence, this component supports targeting conditions relevant to your employee population by offering employees the opportunity to participate in a voluntary disease management program.

V-BID COMPONENT 3: CHANGE INCENTIVES FOR VISITS TO HIGH VALUE PROVIDERS

This component recommends that employers provide incentives for visits to high value providers, such that the measures of "value" are transparent, and are defined by both cost and quality metrics. The SIM Quality Council Provisional Measure Set (see Appendix [ ]) is recommended for measuring provider quality.

	Provider Type
Core Benefit Plan Design: Employers choose to incentivize visits to at least one of the following provider types	Preferred network of providers who have agreed to be paid based on performance on quality metrics
	Provider who is part of an ACO identified as high performing based on cost and quality metrics
	First tier provider in tiered networks, when providers are assigned to tiers based on transparent cost and quality metrics

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Please note: For guidance and recommendations on how value should be defined for providers, please see the V-BID Plan Guiding Principles on pg.[_]

JUSTIFICATION

- Approach aligns consumer incentives with provider incentives, which experts and stakeholders agreed was essential.
- Consortium members emphasized that while important, value cannot be defined solely in terms of cost but should also include quality measures, and that measures need to be transparent. Other dimensions, such as patient accessibility, credentials, etc. may be incorporated into future V-BID templates.
- Quality measures align with SIM Quality Council initiative, which is developing a Provisional Core Measure set to propose tying provider payment to selected quality metrics.
- According to stakeholders, many health plans in Connecticut have established incentive structures to drive consumers towards high value providers. Stakeholders suggested building/improving upon these models and ensuring transparency in defining value.
- Health plans such as Anthem's Patient Centered Primary Care Program and Aetna Whole Health - Hartford HealthCare & Value Care Alliance that reduce cost sharing for providers who are being paid for performance have seen success with these programs.[iv]

Examples of Employers Implementing V-BID Plans

	Employer Type	Employer	V-BID Strategies	Program Results
V-BID Component 1: Change Incentives for Specific Services for *All Applicable Members* Targeted by Age and Gender	National	MassMutual	• HSA funding for achieving biometric makers within certain range and participating in annual physical exams and cancer screenings	• Over 75% participation • Improvements in biometrics
	Publicly funded Connecticut-based	Connecticut State Employee Health Enhancement Program	• 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	• Primary care visits increased by 75% • Preventive diagnostic visits increased over 10%, and • Specialty visits decreased by 21% in the first year
V-BID Component 2: Provide Incentives for members who participate in a disease management program	National	Caesar's Entertainment	• Incentivized participation in disease management programs by awarding participants who achieve certain outcomes with an HSA contribution	• Cost savings of $130-$150 per month per participant
	Connecticut	United Healthcare "Diabetics Health Plan"	• Eliminated payments for diabetes-related supplies and Rx drugs for participation in routine disease maintenance exams • Provided free access to online health educators and disease monitoring systems	• After one year of implementation reduced total net cost by 9%, saving about $3 million
V-BID Component 3: Change Incentives for Visits to High Value Providers	Publicly funded	New York City Employees	• Will eliminate copayment for primary and specialty care visits at one of 36 sites in which providers are part of specified pay for performance contracts	• Program implemented in 2016 – anticipated savings of $150M
	National - Connecticut based	Pitney Bowes	• Incentivizes use of high performing physicians through tiered network	• Increased cost savings as result of incentive program

[i] http://vbidcenter.org/wp-content/uploads/2016/03/CT-HEP-infographic-3-30-16.pdf

[ii] Fendrick, M., MD. "Value-Based Insurance Design Landscape Digest". *National Pharmaceutical Council*. July, 2009. Retrieved from < http://vbidcenter.org/wp-content/uploads/2014/08/NPC_VBIDreport_7-22-09.pdf>

[iii] http://www.ct.gov/dph/cwp/view.asp?a=3137&Q=543772

[iv] "2015 Connecticut Plan Guide for Businesses with 51-100 eligible employees." *Employer Plans*. Aetna. Web. March 11, 2016. < https://www.aetna.com/employers-organizations.html> and https://www.anthem.com/health-insurance/about-us/pressreleasedetails/VA/2012/939/anthem-blue-cross-and-blue-shield-launches-innovative-program-to-enhance-primary-care-by-paying-physicians-more-for-quality-and-cost-improvements