

Focus on *Value*: Healthcare Strategies May Help Lower Your Costs

V-BID Employer Testimonials:

By eliminating cost sharing for brand-name medications and cholesterol-lowering statins, Pitney Bowes reported improved medication adherence, long-term health and cost-savings.³



By opening its own pharmacy and reducing pharmacy expenses by offering drugs at a lower cost, one Connecticut employer reported savings of up to \$1 million annually.⁴



With 88% of employees fully participating in their V-BID program, one Connecticut employer reports that the program is \$130-\$150 more efficient per member per month.⁵

Problem: As employers shoulder increasing health care costs, their employees are using fewer necessary health care services, which:

- Adversely affects their health
- Results in poorer productivity and job performance
- Potentially increases costs to the company

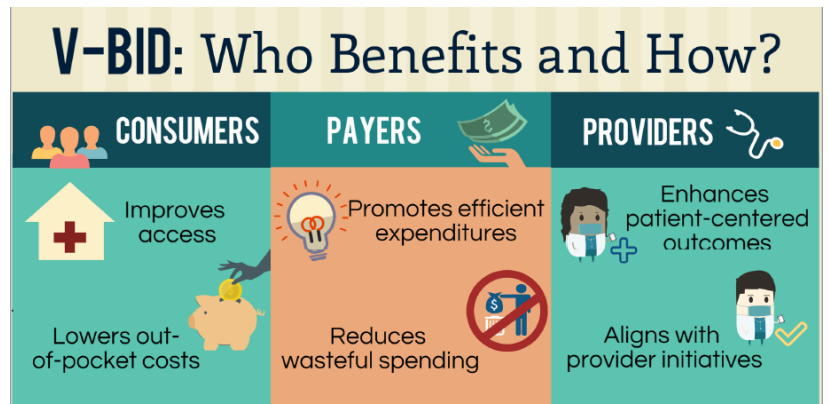
Currently, employers are using a “one-size-fits-all” model for health insurance, in which employees pay the same amount for all medical services and providers, despite evidence-based differences in value.



Infographic from University of Michigan’s V-BID Center¹

Solution: Value-Based Insurance Design (V-BID)

V-BID plans reduce cost-sharing for employees to encourage greater usage of *high-value services and providers*.



Infographic from University of Michigan’s V-BID Center²

By improving employee health, V-BID can also improve employee productivity and reduce absenteeism.

V-BID plans offer employees financial incentives, or reduced cost sharing, to:

- Visit high-value providers
- Attain high value preventive services and screenings
- Manage chronic conditions and adhere to prescription drug plans

For more information about Value Based Insurance Design, see the Connecticut Value Based Insurance Design Self-Insured Employer Manual.

¹<http://vbidcenter.org/wp-content/uploads/2016/02/v-bid-infographic.pdf>

²<http://vbidcenter.org/wp-content/uploads/2016/02/v-bid-infographic.pdf>

³Fendrick, 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>

⁴ State Innovation Model V-BID Initiative. Personal Interview. May 12, 2016.

⁵ State Innovation Model V-BID Initiative. Personal interview. May 12, 2016.

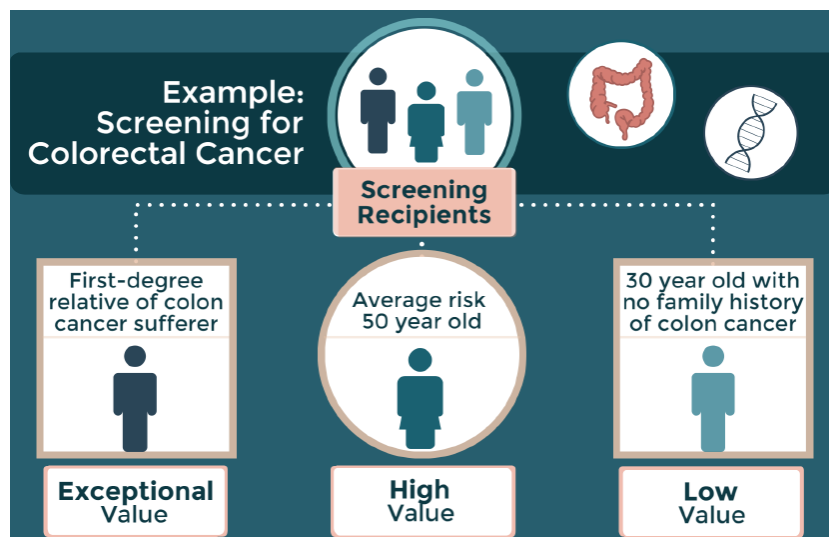
Pitching Value-Based Insurance Design to Leadership

Engaging company, union, and other employee leaders will increase buy-in and help your company to successfully choose and implement a V-BID plan. Focus on what V-BID is, how it will benefit the company, and how it helps employees.

“WHAT IS VALUE-BASED INSURANCE DESIGN?”

“V-BID is an innovative insurance strategy that seeks to improve health and control rising health care costs by promoting use of high-value services and providers through financial incentives for employees.”

High-value services are those that have a strong evidence-base, enhance clinical outcomes, and increase efficiency. Clinical benefits derived from a medical service differs based on who receives it, who provides it, and where it’s provided.



Infographic from University of Michigan’s V-BID Center¹

“WHY SHOULD MY COMPANY CHOOSE A V-BID PLAN?”

“When employees utilize high-value services, overall health improves resulting in increased productivity, use of expensive and wasteful healthcare services decreases, and there are potential cost-savings for both the employer and the employee.”

V-BID can increase the value of your healthcare dollar. Incentivizing the use of effective services may result in savings from decreased use of expensive services, such as ER visits and hospital stays, due to better management of diseases.

“HOW DOES V-BID BENEFIT EMPLOYEES?”

“V-BID initiatives make it easier for employees to access high-value services by reducing their costs.”

V-BID reduces Out-of-Pocket health care costs for employees by reducing cost sharing for certain high value services, providers, and drugs, such as physician visits and diabetes medication for diabetics.

¹http://vbidcenter.org/wp-content/uploads/2016/02/Clinical_Nuance_Infographic.pdf

Steps for Implementing a V-BID Plan for Your Company

**Bring
Leadership
Onboard**

**Assess
Employee
Needs**

**Choose a
V-BID Plan**

**Discuss
Compliance
Measures**

**Develop a
Communication
Strategy**

**Initiate your
V-BID Plan**

**Evaluate your
V-BID Plan**

1. GAIN COMPANY AND EMPLOYEE LEADERSHIP BUY-IN TO PRIORITIZE AND PROMOTE V-BID

Promote V-BID to company and employee leaders by focusing on key benefits to the company and employees. Encourage these leaders to become champions of the V-BID program.

2. ASSESS THE CLINICAL NEEDS OF YOUR EMPLOYEE POPULATION

Your health plan administrator and pharmacy benefits manager can analyze employee claims data to identify areas of risk for increased health care spending due to health conditions that can be improved through enhanced treatment adherence and/or behavior change.

3. CHOOSE A V-BID PLAN TO IMPLEMENT AND DECIDE ON ANY ADDITIONAL BENEFITS

Based on analyses your health plan administrator provides, work together to discuss options and decide on which V-BID benefits your company plan will offer. The V-BID template developed by the Connecticut SIM initiative provides a flexible plan design, with a recommended core benefits package and additional benefits employers may choose from.

4. DETERMINE A METHOD FOR MEASURING COMPLIANCE WITH RECOMMENDED SERVICES AND PROGRAMS

To protect employee confidentiality, the health plan administrator should develop methods to measure employees' compliance.

5. DEVELOP A COMMUNICATIONS PLAN TO EDUCATE EMPLOYEES ABOUT V-BID BENEFITS

Work with your HR department to develop a communications strategy before implementing V-BID plan designs. Give employees ample time to understand the plan before implementing it, and communicate about the plan regularly through different communication methods.

6. IMPLEMENT YOUR CUSTOMIZED V-BID PLAN

Choose a date for open enrollment that allows ample time to communicate the new plan to employees, and to iron out all of the details with your health plan administrator.

7. DEVELOP AN EVALUATION PLAN AND ASSESS THE IMPACT OF V-BID

Work with your health plan administrator to develop an evaluation plan to measure the impact of the V-BID plan design. Define goals and select specific, quantifiable measures to evaluate its success.