

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](#)
- [High Value Providers](#)

Commented [AH1]: Refocused to target health plans rather than employers

- Insurers need to offer plans in order for employers to adopt them
- Strategy is encouraging all plans to adopt V-BID components to impact fully-insured market

Commented [AH2]: Removed former Component 2: Prescription Drugs for all members, for any indication

- No plans currently offer this, and it may be too advanced for this market at the current time

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	<ul style="list-style-type: none"> o Bonus payment for complying with recommended services o Reduced premium for enrolling and complying with V-BID program o Exclusion of recommended services and drugs from deductible* o Employers may offer gift cards, payroll bonuses, premium contributions, etc.
Plans with copayment or coinsurance cost-sharing	<ul style="list-style-type: none"> o 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"> o Contribution to HRA or HSA for recommended services and drugs o 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.

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

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

Implementation Tips

- Provide additional incentives for services already provided at no cost under the ACA.
- 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

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%.

Commented [CC3]: Goal is to change Employer Spotlights to Patient Stories, if possible.

Commented [AH4]: Insurers predict more plans will be moving in this direction

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	Use a tiered or narrow network to encourage visits to providers who have been identified as high-value based on performance on cost and quality metrics.
Accountable Care Organizations	Encourage visits to an ACO identified as high-value based on performance on cost and quality metrics.
Patient-Centered Medical Homes	Encourage visits to a Patient-Centered Medical Home that has been identified as high-value based on performance on cost and quality metrics.



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.

Encourage employees to visit a narrow network of specialists identified as high-value for performance on cost and quality for specific conditions (e.g. diabetes).

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.

Employer Spotlight

General Electric covers 100% of medical costs and up to \$2,000 of travel costs for employees who get hip and knee replacements at one of four Centers of Excellence. GE also provides incentives to employees to use obesity surgery, organ transplant, and substance abuse Centers of Excellence. This program was started to reduce costs, lower readmissions, lower mortality among their workforce.

Commented [CC5]: Component 3: High Value Providers: Changed Centers of Excellence and narrow networks to core benefits instead of additional benefits
• Many plans offer this