

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.

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 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 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).
- 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.

Commented [CC1]: Component 1 Preventive Care: Removed incentivizing prescription drugs for all members for any indication

- This benefit is not offered by any employers or health plans
- Most of these drugs are for chronic conditions that are incentivized in component 2
- Kept smoking cessation under preventive services

Commented [AH2]: Employers and insurers predict more plans will be moving in this direction

Commented [AH3]: Added this tip based on feedback from CTBGH event

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

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

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

Commented [CC4]: Component 2 Chronic Condition Management: Changed making incentives conditional on participation in a condition management program to a core benefit instead of additional benefit

- Many employers are already implementing this

Commented [AH5]: Should we continue to recommend employers choose at least two conditions, or change to at least one to increase flexibility?

▪ Health coach	
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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

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 [Self-Insured V-BID Employer Manual](#).
- 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.

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 [CC6]: Component 3: High Value Providers: Changed Centers of Excellence and narrow networks to core benefits instead of additional benefits
• Many employers and plans offer this