



## **State Employee Benefit Reform**

Millions of government employees receive health care through a state or local government insurance plan. Unfortunately, employers and employees face rising premiums, co-payments and deductibles, difficult economic circumstances, and seemingly few mutually agreeable solutions. V-BID is one idea that has attracted bipartisan support and has been implemented as a proactive measure to improve plan value over the long term in terms of improving health and decreasing cost.

### **V-BID in Connecticut: More than 95% of State Employees Enrolled**

In Connecticut, on May 17, 2011 Governor Malloy and unions representing state employees negotiated a labor agreement that includes targeted health savings driven by value-based insurance design. The agreement was approved by union members on August 18th and ratified by the Connecticut legislature on September 1st. State employees had until September 15th to decide whether or not they would participate in the V-BID program, and, according to Connecticut Comptroller Kevin Lembo, more than 95 percent of employees have chosen to enroll in the V-BID plan.

Employees who choose to participate in the V-BID program will have a reprieve from higher premiums and deductibles if they commit to yearly physicals, age-appropriate diagnostic tests, and two free dental cleanings. Employees must also agree to participate in disease management programs, which include free office visits and lower co-pays for pharmaceuticals (including zero co-pays for generics) if they have one of five common chronic conditions. Some of the projected cost savings will come from new co-pays on Emergency Room visits and pre-authorization requirements for high-cost diagnostics.

In part, the agreement stated, “The simplistic answer—raising employee premium shares, co-pays, and instituting deductibles doesn’t work. In the short term, it saves employer costs by increasing employee costs. In the long term, it discourages employees from getting needed medical care, creating more avoidable illness and greater costs for everyone. The answer was to save money by keeping employees healthier...” Full details of the plan are available below.

[Read the full text of the agreement](#)

[Read more about ratification](#)

*Additional Media:*

[Hartford Courant, September 2011](#)

[West Hartford News](#)

[The CT Mirror](#)

[The Middletown Press](#)

[The CT Mirror](#)

[National Physicians Alliance](#)

[Hartford Courant, June 24](#)