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## Value-based design piques PPACA regulators' interest

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By Lydell C. Bridgeford

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The regulatory process to implement the Patient Protection and Affordable Care Act has initiated a government request for public comments on value-based insurance design (VBID).

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Yesterday, officials at the Departments of Treasury, Labor and Health and Human Services [issued a request for information](#) on VBID in connection with preventive care benefits.

Under PPACA, health plans (with an exception for grandfathered plans) that renew or have plan years that begin on or after Sept. 23, 2010 are required to cover certain preventive care services, such as screenings for diabetes, cancer and other chronic diseases, with no member cost-sharing.

"We are excited to see the Affordable Care Act and other federal initiatives following this idea and seeing it included in every stage of health care reform," says Dr. A. Mark Fendrick, co-director of the Center for Value-Based Insurance Design at the University of Michigan.

Fendrick, who is also a professor in the departments of internal medicine and health management and policy at the university, adds that the idea of VBID has largely been driven by the private sector.

"This is a big moment because the notice opens up a dialogue for us to say what our fears and concerns are regarding VBID," says [Cyndy Nayer, president and CEO of Center for Health Value Innovation.](#)

On July 19, government officials released the interim final regulations on preventive care services mandated by PPACA. Those regulations also requested comments on VBID. According to federal regulators, they received about 25 comment letters discussing VBID.

Proponents of VBID cited the importance of the design as a way to help control increasing health care costs and promote better health care outcomes. Some commenters, however, raised concerns about VBID becoming a roadblock to preventive services, officials report. Others questioned "how value

would be assessed and whether that assessment would include measures such as quality and effectiveness, not solely measures of cost."

Federal regulators believe this request for information will help them to examine how VBID can promote high-value, clinically effective and evidence-based preventive care.

**Comments are due on or before Feb. 28, 2011.**

Below are some of the questions regulators hope commenters can address on "VBID in the context of recommended preventive services."

- What costs and benefits are associated with expanded use of VBID methods? How do costs and benefits vary among different types of preventive screenings, lifestyle interventions, medications, immunizations, and diagnostic tests?
- What policies, procedures, practices and disclosures of group health plans and health insurance issuers would be impacted by expanded use of VBID methods? What direct or indirect costs and benefits would result?
- Which stakeholders will be impacted by such benefits and costs?
- What impact would expanded use of VBID methods have on small employers or small plans? Are there unique costs or benefits for small plans? What special considerations, if any, should the Departments take into account for small employers or small plans?

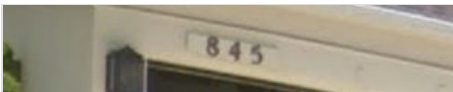
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