

Medication Adherence Increases with V-BID

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Lower insurance copays for high-value chronic illness medications leads to a greater utilization by patients, according to two studies recently published in *Health Affairs*.

A group from Harvard Medical School analyzed efforts by Pitney Bowes. The corporation provides health insurance directly to employees and incites employees to adhere to their high-value medication regimen by eliminating co-pays. Findings of the study indicate that compliance increased by 2.8% for individuals taking cholesterol-lowering statins and 4% for those on a blood-clot inhibitor.

Another study conducted by Blue Cross Blue Shield of North Carolina has found that there is an increase in medication adherence—between 1.5% and 3.8%—for plan members that paid less for diabetes, hypertension, and congestive heart failure drugs.

The concept, called value-based insurance design (V-BID), is intended to align patients' out-of-pocket costs, including co-pays and premiums, with the value of the health service, V-BID designers Dr. A. Mark Fendrick, Dr. Dean Smith and Dr. Michael Chernew at the University of Michigan say.

"Our evidence has clearly shown that when health plans and payers have increased patient cost sharing, there has been a reduction in use of nonessential services as well as essential services such as cancer screenings, office visits and high-value prescription drugs," says Fendrick, professor in the Department of Internal Medicine at the University of Michigan and co-director of its Center for Value-Based Insurance Design.

Proponents say that effective VBID programs will increase near-term costs for employers, health plans, and pharmacies in that they lose the copay revenue and there will be greater utilization as more patients take medications consistently. However, healthcare costs will theoretically decrease over the long term because improved adherence should translate into better control of chronic conditions.

"In turn, this better disease control should reduce avoidable healthcare utilization, such as ER visits and hospital admissions," authors of the BCBSNC study Dr. Matt Maciejewski and Dr. Daryl Wansink, PhD, say.

They admit it's still a theory, and that there has been no definitive study that has shown that it actually decreases cost.

The VBID principle replaces the common "one-size-fits-all" approach to coverage in favor of plans that help nudge people to get services that produce high value for the money, Fendrick says.

But Fendrick argues that the VBID shouldn't just apply to high-value prescriptions and medical services. "We need to apply the same transparent processes to how we define a low-value service," he says.

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