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By *Chris Anderson, Contributing Editor*

The TriZetto Group recently announced a partnership with professors who founded the value-based insurance design (VBID) movement to develop chronic-condition templates as options for healthcare payer customers of TriZetto's Value-Based Benefits Solution.

The initial set of templates will be automated through TriZetto's insurance design software and enable innovative benefit designs for health plan members who have diabetes, coronary artery disease, asthma, a smoking habit or depression, based on the professors' templates of proven best clinical practices.

Designed by professors A. Mark Fendrick, MD, and Michael Chernew, of the Value-Based Insurance Design Institute (VBIDI), these five chronic-condition templates will launch this summer; additional templates will follow.

"TriZetto will help us move value-based insurance design from the halls of academia to real-world application on a large scale," said Chernew, a professor in the department of healthcare policy at [Harvard Medical School](#).

"TriZetto's core administration systems can automate value-based insurance designs for health plans that touch more than a third of all Americans, and that's a big footprint for an approach to healthcare that we believe in passionately."

According to TriZetto, the company currently has its benefits design platforms placed with customers that insure more than 100 million people in the United States, a sizable opportunity for VBIDI to move its mission into the mainstream.

For TriZetto, gaining exclusive access to the templates will provide myriad opportunities to its health insurance customers, allowing them to customize insurance plans for groups and set rates at the individual member level, according to Gail Knopf, vice president, enterprise strategy with TriZetto.

"The clinical protocols are what Fendrick and Chernew will provide for these specific conditions

and our software allows the health plans to define the programs and administer the benefits through real-time claims adjudication with our administrative systems,” Knopf said.

TriZetto’s Value-Based Benefits Solution will use the templated algorithms for diabetics and pre-diabetics, for instance, to customize claims adjudication with no or low out-of-pocket costs for drugs, diabetes-monitoring office visits and related services known to help control diabetes. But bringing this kind of benefit down to the member level, in a paper-based system, is virtually impossible because of the level of individualization needed to effectively manage a value-based insurance design model.

The Value-Based Benefits Solution automates the adjustments of co-pays or coinsurance on specific claims in real time during the plan year based on effective dates of qualifying events.

“Our partnership with TriZetto is a response to two elusive goals of U.S. healthcare reform – quality improvement and cost containment,” said Fendrick, a professor at the University of Michigan in the departments of internal medicine and health management and policy. “Most insured Americans pay the same amount for every doctor visit, diagnostic test and prescription drug within a formulary tier, regardless of the amount of health created. The basic premise of value-based insurance design is to remove patient barriers for essential, evidence-based services.”

According to Knopf, coming to market with the five chronic conditions templates comes at a time when employers are beginning to push back at insurance companies to hold rates down and many are specifically looking at VBID as an effective insurance cost control. One example she cited is the National Business Coalition on Health, which recently published a guide last fall for how to buy value-based insurance designs.

“It’s because of the successes of the pioneers that VBID is rapidly increasing,” noted Knopf. “What’s important now is properly managing these chronic conditions, because they are responsible for about 75 percent of the money spent on healthcare. It is extremely important that value-based insurance designs be focused on these chronic conditions.”

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