

**Georgetown University Researchers Find Value-Based Insurance Design Can Be Promoted Through Health Insurance Exchanges, But Must be Balanced With Consumer Protections
Washington, DC (PRWEB) February 05, 2013**

As policymakers across the country look for ways to spend health care dollars more wisely and improve quality of health care, Georgetown University's Center on Health Insurance Reforms and Colorado-based Engaged Public take a closer look at one promising approach known as value-based insurance design and the implications for health insurance exchanges.

In an article published in the February issue of Health Affairs, a national peer-reviewed journal, Georgetown University's Center on Health Insurance Reforms and Engaged Public researchers report that Value-Based Insurance Design (VBID) could help reduce costs and improve care. VBID plans are designed to encourage patients and providers to pursue more effective treatments by reducing or eliminating co-pays for high-quality, proven treatments and increasing co-pays for some treatments that are overused and of questionable value.

At the same time, VBID is a complicated insurance product that can make it difficult for consumers to understand and compare their health plan options. This presents a problem for the health insurance exchanges, created by the Affordable Care Act to help connect consumers with health care coverage and make "apples to apples" comparisons between plans. Policymakers across the country are making decisions right now about which plans to include in exchanges, which are scheduled to open their doors in October with insurance coverage taking effect on January 1, 2014.

"It will be of utmost importance to offer consumers a streamlined, simple shopping experience," according to lead author Sabrina Corlette of the Center on Health Insurance Reforms. "On the other hand, VBID plans could offer consumers an important, more value oriented alternative. In our research we found that a number of exchanges are attempting to strike a balance between a limited, standardized set of plans and unfettered innovation."

The researchers found that the inherent complexity of VBID plans may make it more difficult for consumers to make true "apples-to-apples" comparisons among plans. For example, while traditional benefit design might assign a \$20 co-payment for all doctors' visits, a VBID plan might reduce or eliminate that co-payment for a diabetic foot exam. Or, conversely, while a traditional plan may charge a standard 10% coinsurance charge for outpatient surgery, a VBID plan might impose an additional \$500 charge for knee arthroscopy, a service that has been shown to be of questionable value for most patients.

"As policymakers and exchange planners attempt to find the right balance between standardization and innovation, we recommend that they pay critical attention to the new web-based tools consumers will be using, and design them so they can fully understand and compare their health plan options," said report co-author Christine Monahan. "They must also ensure transparency regarding benefits and cost-sharing, require uniform definitions and

descriptions about design attributes and monitor the plans to make sure they are truly improving access to high value primary care, while also covering services appropriate to each person's clinical needs, preferences, and values.”

The research was funded by the Robert Wood Johnson Foundation. Georgetown University's Center on Health Insurance Reform is composed of a team of nationally recognized experts on private health insurance and health reform.