



University of Michigan  
Center for Value-Based Insurance Design

February 28, 2011

Office of Consumer Information and Insurance Oversight  
Department of Health and Human Services  
Attention: HHS-OS-2011-0001-0001  
Hubert H. Humphrey Building, Room 445-G  
200 Independence Avenue, SW  
Washington, DC 20201

**Re: Request for Information Regarding Value-Based Insurance Design in Connection with Preventive Care**

Submitted via: [www.regulations.gov](http://www.regulations.gov)

Dear Sir/Madam:

Thank you for soliciting comments on the subject of Value-Based Insurance Design (V-BID) in the December 28, 2010 Request for Information (RFI) in Connection with Preventive Care Benefits, pursuant to Section 2713 of the Patient Protection and Affordable Care Act (PPACA). The University of Michigan Center for Value-Based Insurance Design appreciates your efforts to implement V-BID as part of PPACA and we welcome this opportunity to offer input to this process. We believe that V-BID offers one of the simplest yet most promising opportunities to encourage clinically-effective care by creating incentives for Americans to get the preventive care they need in a way that can lower overall health care cost trends and improve total health outcomes.

The University of Michigan Center for Value-Based Insurance Design was established in 2005 to develop, evaluate, and promote value-based insurance initiatives to ensure efficient expenditure of health care dollars and maximize benefits of care. The Center is the first academic venue in which faculty with both clinical and economic expertise conduct empirical research to determine the health and economic impact of innovative benefit designs.

The Request for Information addresses many of the issues and complexities of plan design that must be understood in order to implement federal V-BID policy. We hope that insights from the multi-stakeholder academic, public, and private sector knowledge base will inform the Departments' process moving forward. In addition to our attached responses, we wish to emphasize three themes with respect to the development of V-BID that are supported by the evidence we present in our responses:

- 1. WE SUPPORT THE DEFINITION OF VALUE-BASED INSURANCE DESIGN INCLUDED IN THE JULY 19, 2010 INTERIM FINAL RULES (IFR) FOR GROUP HEALTH PLANS AND HEALTH INSURANCE ISSUERS RELATING TO COVERAGE OF PREVENTIVE SERVICES UNDER PPACA, AND BELIEVE IT REPRESENTS THE INTENT OF CONGRESS**

The legislative history of PPACA demonstrates broad support from bipartisan congressional leaders for using V-BID to improve health and provide more efficient care delivery. We affirm the definition of Value-Based Insurance Design as written on page 41729 of the IFR:

“Value-based insurance designs include the provision of information and incentives for consumers that promote access to and use of higher value providers, treatments, and services.”

Language incorporating V-BID principles was included in every version of comprehensive health reform legislation throughout the legislative process; we believe the IFR has captured accurately the intent of Congress.

**2. SECTION 2713 IS A V-BID IMPLEMENTATION; THE USE OF V-BID WILL RESULT IN THE ENHANCED USE OF CLINICALLY EFFECTIVE PREVENTIVE CARE**

The prohibition of patient cost sharing for selected evidence-based screenings and preventive care for specified populations of children, adolescents, and adults is consistent with core V-BID principles: 1] health care services differ in the health benefits they produce; 2] barriers to the use of clinically effective care should be eliminated; and 3] the clinical benefit of health care services depends on the individual who receives them. These principles are germane to the implementation of clinically effective preventive care as authorized by Section 2713, wherein Congress acknowledged that all preventive services are not equal in terms of their clinical value, and selected services do not offer the same clinical value to every person or patient group.

**3. V-BID PRINCIPLES SHOULD BE APPLIED BEYOND PRIMARY PREVENTION; WE LOOK FORWARD TO CONTINUING A DIALOGUE WITH THE DEPARTMENTS TO ADVANCE THE ROLE OF V-BID**

We believe that the V-BID premise of reduced patient cost sharing for high-value, evidence-based care has important implications beyond preventive services as mandated in Section 2713. The definition of preventive services in PPACA is narrow, focusing only on primary prevention, while secondary prevention has traditionally been a common and successful clinical area of implementation for V-BID plans. Given this experience, we believe V-BID holds important implications for essential benefit packages and offerings in the state health care exchanges.

The University of Michigan Center for Value-Based Insurance Design is delighted to provide you with the attached responses, and we look forward to working with the Departments to help ensure continued flexibility and viability for V-BID innovations. Please contact me if I or my colleagues can answer any questions, provide you with additional information, or be helpful to you as you continue to develop this important policy area in efforts to improve Americans' health and control rapidly rising costs.

Sincerely,



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