

United States Senate

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Thune-Stabenow Bill Creates Program to Evaluate Value-Based Insurance Design

WASHINGTON, D.C. – U.S. Sens. John Thune (R-S.D.) and Debbie Stabenow (D-Mich.) today reintroduced [bipartisan legislation](#) that would establish a Medicare Advantage (MA) demonstration program to evaluate how [value-based insurance design](#) (V-BID) could reduce MA enrollees' copayments and coinsurance for some beneficiaries with specific chronic conditions for certain high-value medications and services resulting in better health outcomes and reduced overall health spending.

“We recognize that it’s a challenge to find policy solutions that achieve cost savings while at the same time improving patients’ health outcomes,” said Thune. “With V-BID, a promising health insurance concept, both patients and taxpayers win, proving that if money can be spent in a more targeted, effective way, it’s also possible to improve the value of care delivered.”

“This legislation is a win-win,” said Stabenow. “It tests a new innovative model that lowers costs to Medicare patients for prescription drugs and services that provide the best overall value. At the same time, it lowers insurance costs for everyone.”

V-BID is an insurance design concept that reverses the current one-size-fits-all approach to cost-sharing by embracing the simple, yet transformative idea that prices for prescription drugs and services should be structured to motivate patients to make healthy choices. When patients forego high value medications or health care services due to cost, they are more likely to suffer adverse, and often serious events that could have been prevented, ultimately driving up the cost of care. Studies show that reducing or eliminating co-payments for high-value prescription drugs can increase their utilization, and ultimately improve clinical outcomes and lower health care expenditures.

This legislation would allow participating [MA plans the option to use V-BID](#) benefits to lower copayments and coinsurance to encourage the use of specific, evidence-based medications or clinical services and/or specific high-performing providers. It also explicitly prohibits plans from increasing copayments or coinsurance to discourage use of services in order to protect seniors.

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For more information on [V-BID and Medicare Advantage](#), please visit our [website](#), follow us on [twitter](#), or contact us at 734-615-9635 or vbidcenter@umich.edu.