Changing the Health Care Cost Discussion from 'How Much' to 'How Well'

The Problem: 'One-Size-Fits-All' Cost-Sharing

Consumers pay the same for all medical services and providers... despite evidence-based differences in value

High-Value Services
- Strong evidence base
- Enhance clinical outcomes
- Increase efficiency

Low-Value Services
- Weak evidence base
- Minimal or no clinical benefit
- Decrease efficiency

As out-of-pocket costs continue to rise...

Utilization of high-value services is reduced...
- adversely affects health
- worsens disparities
- potentially increases costs

Potential Solution to Cost-Related Non-Adherence

Clinically Nuanced Cost-Sharing

What is clinical nuance?

Services differ in clinical benefit produced

Implementing Clinical Nuance

Value-Based Insurance Design

Reduces cost-sharing to encourage greater adherence to high-value services and providers

V-BID: Who Benefits and How?

- Improves access
- Lowers out-of-pocket costs
- Promotes efficient expenditures
- Reduces unnecessary spending
- Aligns with provider incentives

Bipartisan political support
- Reduces health care disparities
- Implemented by hundreds of public and private organizations
- Enhances access to preventive care for 137 million Americans
- V-BID model test in TRICARE and Medicare Advantage

Implementation Impact

Center for Value-Based Insurance Design