



## V-BID Plays Key Role in Michigan Medicaid Expansion

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LANSING - Yesterday's 20-18 Senate vote made Michigan the 25<sup>th</sup> state in the nation to expand Medicaid under the Affordable Care Act. The new plan—Healthy Michigan—will provide coverage to an additional 470,000 residents over the next several years. Among the provisions of the [Senate version of House Bill 4714](#), Healthy Michigan relies on Value-Based Insurance Design ([V-BID](#)) to improve access, control costs, and enhance personal responsibility. Section 105d(1)(e) permits health plans to waive copays “to promote greater access to services that prevent the progression and complications related to chronic disease.” Health plans may also reduce enrollee contributions for meeting certain healthy behavior goals or addressing unhealthy behaviors such as alcohol and tobacco use, substance use disorders, and obesity. Moreover, Section 105d(1)(f) of the new law explicitly calls for the creation of a clinically nuanced value-based design: “By July 1, 2014, design and implement a copay structure that encourages the use of high-value services, while discouraging low-value services.” The incorporation of V-BID into Health Michigan follows the recent [CMS rule](#) giving Medicaid programs greater flexibility to vary enrollee cost-sharing for drugs as well as certain outpatient, emergency department, and inpatient visits. When V-BID principles are used to set enrollee cost-sharing levels, Medicaid programs can improve quality of care, remove waste, foster consumer engagement, and mitigate the legitimate concern that non-nuanced cost-sharing may lead individuals to forgo clinically important care.

