

Greetings!

We hope you enjoy this month's newsletter. For additional information on the stories included below, please feel free to contact us at (734) 615-9635 or vbidcenter@umich.edu.

September newsletter highlights:

- [AJMC: Editorial on 'generic drug cost sharing' generates immediate attention](#)
- [V-BID for Better Care Act 2014 attains bipartisan, bicameral support](#)
- [HIN Blog: V-BID infographic featured in healthcare infographic series](#)
- [EBRI: Patients enrolled in CDHPs receive less preventive care](#)
- [Business Roundtable and ABC align with V-BID on HSA-HDHPs](#)
- [AJMC: Using meta-analysis to simulate V-BID plans](#)
- [CHCD: Findings from California Medicare CHAT include V-BID](#)
- [Healthcare Payer: States step in to regulate cost-sharing for specialty drugs](#)
- [Towers Watson: 2015 employee-sponsored plans increasingly include V-BID](#)
- [SF Gate/M-Live: Price transparency measures and V-BID 'common sense'](#)
- [NYT Upshot: Workplace wellness options that work](#)
- [Fierce HealthPayer: Bundled payments focus on cost, not value](#)

AJMC: Editorial on 'generic drug cost sharing' generates attention across stakeholder groups

The American Journal of Managed Care published an [editorial](#) by Dr. Gerry Oster, Vice President of Policy Analysis Inc. and V-BID Center director, [Dr. A. Mark Fendrick](#). The piece, also featured in the [New York Times Upshot](#) and [others](#), details a recent trend in which prominent health plans are forcing consumers to [assume the burden](#) of their health care costs by placing generic drugs into "preferred" and "non-preferred" tiers. This designation may result in lower rates of medication and treatment adherence and runs counter to ongoing efforts by payers and providers to improve treatment adherence and health outcomes. [Listen to a podcast](#) to learn more.



V-BID for Better Care Act of 2014: "Simple, yet transformative" idea attains bipartisan, bicameral support

This month, U.S. Senators John Thune (R-South Dakota) and Debbie Stabenow (D-Michigan) introduced [bipartisan legislation S.2783: The Value-Based Insurance Design \(V-BID\) for Better Care Act of 2014](#). A companion bill, [H.R. 5183](#), was [introduced](#) in July by House Representatives Diane Black (R-Tennessee) and Earl Blumenauer (D-Oregon). A [summary](#) of the bill, [additional research](#) and [an infographic](#) on the impact of Medicare Advantage plans are available.

HIN Blog: V-BID featured in healthcare infographic series

[V-BID's infographic](#), which defines and describes [V-BID concepts of clinical nuance](#), is featured as the [top healthcare infographic](#) by Healthcare Intelligence Network's 'Eye on Infographic' series.

EBRI: Patients enrolled in CDHPs receive less preventive care

A [five-year study](#) of a large full-replacement CDHP found that participants utilized fewer preventive services than traditional plan holders, perhaps due to initial higher out-of-pocket costs. V-BID's [white paper on HSA-eligible HDHPs](#) offers a framework for CDHPs to offer preventive services before the deductible.

Business Roundtable & ABC align with V-BID on HSA-HDHPs

Business Roundtable's [September report](#) cites [V-BID's white paper](#) on expanding the definition of prevention in HSA-eligible HDHPs and the American Benefits Council has identified [46 policy recommendations](#) for employer-sponsored benefit programs including allowing employers greater flexibility regarding prescription drug coverage that may be covered before the deductible in HSA-eligible HDHPs. [Read more](#) about this issue.

AJMC: Using meta-analysis to simulate V-BID plans

Using claims data from a large California health plan, [a new study](#) published in the American Journal of Managed Care uses network meta-analysis to generate evidence and rank osteoporosis treatments in order of efficacy. The piece illustrates the value of network meta-analysis in the absence of clinical

trials and provides a framework for using evidence synthesis methods in value-based insurance design.

CHCD: Findings from California Medicare Chat include V-BID

As part of the California Medicare CHAT Collaborative, groups of voluntary participants use a computer-based simulation program to design a Medicare benefits plan. In addition to adding several [new coverage options](#), participants would require enrollment in a provider network, [reduce coverage of low-value care](#), change coverage of end-of-life care, apply penalties and rewards to urge patients' compliance, and charge higher-income seniors more for Part B premiums. The [full report](#) is available.

Healthcare Payer: States regulate cost-sharing for specialty drugs

As specialty drug costs continue to rise, [states impose limits to cost-sharing](#) to regulate drug copayments, [alleviate costs](#), and [improve adherence](#). However, these state regulations will only apply to individual and small group plans. Insurers need to think about their specialty medication strategies in the context of their value-based strategies. [Read V-BID's white paper](#) on specialty medications to learn more.

Towers Watson: 2015 health care changes include V-BID

According to a recent [Towers Watson survey](#), employers plan [major changes](#) to sponsored coverage in response to ACA regulations. The use of value-based designs and benefit differentials that drive employees to high-performance or narrow networks for medical care is projected to rise. One in seven organizations will use value-based designs by 2015, and another 34% are considering them for 2016 or 2017.

SF Gate/M-LIVE: Price transparency enables consumers to spend less

When given a choice between two procedures that achieve the same health quality outcome, the majority of people tend to [choose the least expensive procedure](#). In today's era of high health care spending, when comparing two treatments that differ in price, V-BID principles of clinical nuance [can be applied](#) to encourage high-value health care and discourage wasteful spending.

NYT Upshot: Workplace wellness options that work

Employers of all sizes [use financial incentives](#) to motivate employees to achieve better health with a range of success. However, studies tend to find that wellness programs [don't save money](#) and generally [do not](#) appreciably [improve health](#). However, [workplace wellness efforts](#) that encourage consumer responsibility focused on chronic illness prevention and management have [shown positive outcomes](#).

Fierce Health Payer: Bundled payments focus on cost, not value

Critics of [bundled payments](#) argue that the reimbursement strategy is just another method of [price control](#), which may discriminate against high-risk patients and discourage utilization of new drugs, devices, and procedures. [Utilizing V-BID principles of clinical nuance](#) rather than a one-size-fits-all reimbursement strategy can align care cost, delivery, and value.



The University of Michigan Center for Value-Based Insurance Design ([V-BID](#)) leads in research, development and advocacy for innovative health benefit designs.

For more information about V-BID, please visit our [website](#) and [sign up](#) to receive our newsletter.

To contact the V-BID Center, email us at vbicenter@umich.edu or call 734-615-9635.

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