CENTER FOR VALUE-BASED INSURANCE DESIGN
UNIVERSITY OF MICHIGAN

V-BID SUMMIT 2018:
"V-BID AT
THE BIG HOUSE"

MARCH 14, 2018
ANN ARBOR, MI

WELCOME

On behalf of the University of Michigan Center for Value-Based Insurance Design, we welcome you to Ann Arbor and the 2018 V-BID Summit: V-BID at the Big House.

Since the launch of the V-BID Center in 2005, our research, education, and policy efforts have made significant strides in advancing our mission to implement the concept of clinical nuance into payment reform initiatives and health plan benefit designs, so that consumers, providers, and payers are able to achieve the best patient-centered outcomes for the money spent.

Determining and enhancing value have become a centerpiece of health care reform discussions. Today, a broad range of healthcare stakeholders from across the nation have come together to address the opportunities and challenges of aligning payment reform and consumer engagement initiatives, confront the growing problem of underinsurance, examine the role of V-BID in public payers, and tackle the need to identify and reduce the use of low-value care. Your diverse expertise will drive the discussion as we pursue the improved quality, enhanced patient experience, and cost-containment. The resulting information gleaned from this engaging dialogue promises to shape our work moving forward.

We are gratified by your participation and commitment to changing the health care cost discussion from "how much" to "how well." As always, we hope today's conversation promotes innovative ideas and establishes new and productive relationships.

Enjoy your time at the Big House,

A. Mark Fendrick, M.D.

The University of Michigan Center for Value-Based Insurance Design (V-BID Center) is the leading advocate for development, implementation, and evaluation of clinically nuanced health benefit plans and payment models. Since 2005, the Center has been actively engaged in understanding the impact of innovative provider facing and consumer engagement initiatives, and collaborating with employers, consumer advocates, health plans, policy leaders, and academics to improve clinical outcomes and enhance economic efficiency of the U.S. health care system.

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V-BID Summit 2018:
V-BID at the Big House
March 14, 2018
Ann Arbor, MI

Welcome and Opening Remarks (8:15-8:30 am)

SESSION 1 (8:30-10 AM): ALIGNING CLINICIANS AND CONSUMERS AROUND VALUE

- *Michael Chernew,* Harvard Medical School
- *Kavita Patel,* Brookings Institution
- *Katy Spangler,* Spangler Strategies

Moderator: *Cliff Goodman*, Lewin Group

Break (10-10:15 am)

SESSION 2 (10:15-11:45 AM): CREATING A SMARTER HIGH DEDUCTIBLE HEALTH PLAN

- *Adam Beck*, AHIP
- *Michelle Drozd,* PhRMA
- *Paul Fronstin,* EBRI

Moderator: *Cliff Goodman*, Lewin Group

Networking Lunch (11:45-1 pm)

SESSION 3 (1-2:30 PM): EXPANDING THE ROLE OF V-BID IN PUBLIC PAYERS

- *Adam Finkelstein,* Manatt, Phelps & Phillips, LLP
- *Claire Levitt*, NYC Mayor's Office of Labor Relations
- *CAPT Edward Simmer,* Department of Defense
- *Thomas Woodruff,* Connecticut Office of the State Comptroller

Moderator: *Cliff Goodman*, Lewin Group

Break (2:30-2:45 pm)

SESSION 4 (2:45-4:15 PM): ELIMINATING LOW-VALUE CARE: A 'TOP FIVE' LIST TO GALVANIZE PURCHASERS

- *Beth Bortz*, Virginia Center for Health Innovation
- *Lauren Vela*, Pacific Business Group on Health
- *Daniel Wolfson,* ABIM Foundation

Moderator: *Cliff Goodman*, Lewin Group

Closing Remarks (4:15-4:30 pm)

Panelists:

Michael Chernew, PhD, is the Leonard D. Schaeffer Professor of Health Care Policy in the Department of Health Care Policy at Harvard Medical School. His research examines several areas related to controlling health care spending growth while maintaining or improving the quality of care, including consumer incentives, payment reform, and geographic variation in spending.

Michael is the former Vice Chair of the Medicare Payment Advisory Commission (MedPAC). While a professor at the University of Michigan, Michael co-founded the Center for Value-Based Insurance Design (V-BID) and co-directed the Robert Wood Johnson Foundations Scholars in Health Policy Research program.

Michael earned his BA from the University of Pennsylvania and a PhD in economics from Stanford University.

Kavita Patel, MD, MS, is a nonresident Senior Fellow at the Brookings Institution and a co-founder of Tuple Health, a physician led company focused on practical clinical solutions to bring care back to health, as well as a practicing primary care physician at Johns Hopkins Medicine.

Dr. Patel was previously a Director of Policy for The White House under President Obama and a senior advisor to the late Senator Edward Kennedy. Her prior research in healthcare quality and community approaches to mental illness have earned national recognition, and she has published numerous papers and book chapters on healthcare reform and health policy.

Dr. Patel earned her bachelor's degree from University of Texas at Austin, her MD from University of Texas Health Science Center, and a MSHS from The University of California, Los Angeles.

Katy Spangler is a principal at Spangler Strategies, a boutique consulting firm based in Washington, D.C. focused on health policy, advocacy, and coalition building. In this role, Katy is Senior Advisor to the American Benefits Council and the Alliance to Fight the 40, a coalition established to protect employer-provided health coverage.

Katy is also Co-Director of the Smarter Health Care Coalition, a diverse group of stakeholders focused on integrating benefit design innovations and consumer engagement within broader delivery system reform in order to better align coverage, quality, and value-based payment goals. Previously, Katy served as Deputy Health Policy Director of the Health, Education, Labor and Pensions (HELP) Committee during the health care reform debate.

Katy earned a bachelor's degree in economics from The University of Tulsa.

Moderator:

Clifford Goodman, Ph.D, is a Senior Vice President at The Lewin Group, a health care policy consulting firm based in Falls Church, Virginia. Dr. Goodman has experience in such areas as health technology assessment, evidence-based health care, comparative effectiveness research, and payment.

Dr. Goodman served as Chair of the Medicare Evidence Development & Coverage Advisory Committee (MEDPAC, 2009-12) for the U.S. Centers for Medicare and Medicaid Services. He served as President of the professional society Health Technology Assessment international (HTAi, 2001-13), and is a Fellow of the American Institute for Medical and Biological Engineering.

Dr. Goodman received a Ph.D. from The Wharton School of the University of Pennsylvania, a Master of Science from The Georgia Institute of Technology, and a Bachelor of Arts from Cornell University

ALIGNING CLINICIANS AND CONSUMERS AROUND VALUE

M | V-BID

Clinician initiatives are restructuring incentives to move from volume to value

PB

J
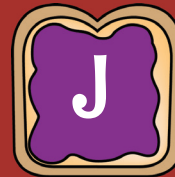
Consumer initiatives should provide similar incentives around value

Clinician Incentives 🙂

Implementation of ACOs, bundled payments, and global budgets rewards both clinicians and hospitals...
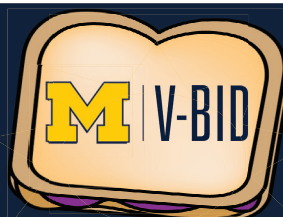
...for providing high-value services and penalizes those who deliver low-value care

Consumer Incentives ☹

Benefit designs that do not incorporate V-BID principles...

...do not distinguish medical services based on value and can act as a barrier to high-value care

PB

M | V-BID

J

Clinician and Consumer incentives should be aligned to promote use of high-value services and discourage low-value services

Creating a Smarter High-Deductible Health Plan

Panelists:

Adam Beck, JD, is the vice president for employer health policy and initiatives at America's Health Insurance Plans (AHIP). At AHIP, he oversees the association's efforts to support and promote employer-sponsored health benefits, ranging from policy initiatives to relationships with the business community and the Departments of Labor and Treasury.

Prior to joining AHIP, Adam was an assistant professor of health insurance at The American College of Financial Services, where his research and teaching focused on the impact of the Affordable Care Act. Adam also led the College's MassMutual Center for Special Needs, and as an attorney, he has practiced law in Philadelphia and worked for two presidential campaigns, as well as a health care consulting firm and the U.S. Department of Justice, Civil Rights Division.

Adam earned his bachelor's degree from The George Washington University, a Master's Degree from the American College and a juris doctorate from Temple University.

Michelle Drozd, MS, is a Deputy Vice President in the Policy and Research department at the Pharmaceutical Research and Manufacturers of America (PhRMA). Michelle focuses on addressing the barriers to value-based contracting, and policies related to the pharmaceutical supply chain.

Prior to joining PhRMA, Michelle worked in quality improvement and business planning at Partners Healthcare, an integrated delivery system. She also worked at RTI International in implementing demonstration projects for the Centers for Medicare & Medicaid Services.

Michelle holds a BA in economics and public policy from Duke University and a MS in health policy and management from Harvard School of Public Health.

Paul Fronstin, Ph.D, is Director of the Health Research and Education Program at the Employee Benefit Research Institute (EBRI), a private, nonprofit, nonpartisan organization committed to original public policy research and education on economic security and employee benefits. He also oversees the Center for Research on Health Benefits Innovation.

Dr. Fronstin's research interests include employment-based health benefits, private health insurance exchanges, wellness programs, consumer-driven health benefits, retiree health benefits, and public opinion about health benefits and health care. He currently serves on the board of trustees for Emeriti Retirement Health Solutions and for the Maryland Patient Safety Center. Previously, Dr. Fronstin served on the Maryland Health Care Commission and the Institute of Medicine (IOM) Committee on Determination of Essential Health Benefits.

Dr. Fronstin earned his Bachelor of Science degree from SUNY Binghamton and his Ph.D. in economics from the University of Miami.

Moderator: Cliff Goodman, Lewin Group (Biography located on Page 4)

CREATING A SMARTER HIGH-DEDUCTIBLE HEALTH PLAN

V-BID

Current IRS Safe Harbor Guidance for HDHPs eliminates cost-sharing for specified preventive services; however, there is no pre-deductible coverage for services used to treat **"existing illness, injury or conditions."**

AS A RESULT

HSA-HDHP enrollees with existing conditions must pay out-of-pocket for necessary services, leading to...

less care utilization

poorer health outcomes

higher aggregate costs

Potential Solution:

High-Value Health Plan

Amend IRS "Safe Harbor" to allow health plans the flexibility to cover additional evidence-based services prior to meeting the plan deductible.

- Covers additional evidence-based services prior to meeting the plan deductible & enhances clinical outcomes
- Aligns with provider payment reform incentives
- Lower premiums than most PPO and HMO plans
- Substantially reduces aggregate health care expenditures
- Provides millions of Americans a plan option that better meets their clinical and financial needs

"Smarter Deductibles, Better Value"

Expanding the Role of V-BID in Public Payers

Panelists:

Adam Finkelstein, JD, MPH, is counsel with Manatt Health in the Washington, D.C., office.

Prior to joining Manatt, Adam served as a health insurance specialist at the CMS Center for Medicare and Medicaid Innovation. There, he led the Medicare Advantage Value-Based Insurance Design model test, an innovative test of benefit flexibilities for Medicare Advantage and Medicare Part D enrollees. He also participated in the implementation of the Medicare Access and CHIP Reauthorization Act of 2015 and the development of alternative payment models.

Adam earned a BA in economics from George Washington University, a juris doctorate from the University of Pennsylvania, and an MPH from Harvard School of Public Health.

Claire Levitt, MS, is Deputy Commissioner for the New York City Mayor's Office of Labor Relations, where she is responsible for overseeing health care strategy for the 1.2 million employees, dependents and retirees of the City of New York. She is also a member of the Board of Directors of the Northeast Business Group on Health.

She was previously Executive Director of the Amalgamated National Health Fund, a large national multiemployer trust fund, and the President of Alicare Medical Management, an affiliate company of Amalgamated Life that is an industry leader in delivering quality care management solutions. She has also served on the Boards of Directors of the Medicare Rights Center, the National Association of Independent Review Organizations (NAIRO), and the National Association on Drug Abuse Problems.

Ms. Levitt earned a bachelor's degree from Binghamton University and holds an M.S. in Management with a specialty in Health Management from New York University.

Captain Edward Simmer, MC, USN, is the Chief Clinical Officer for the TRICARE Health Plan at the Defense Health Agency in Falls Church, VA. In this role he is responsible for overseeing all clinical aspects of the civilian medical and dental care provided to the 9.4 million beneficiaries of the Military Health System. In addition, he is the first Officer-in-Charge for the Navy Element at DHA, providing leadership to the approximately 200 Sailors stationed with DHA worldwide.

Captain Simmer has also deployed to Iraq as an Individual Augmentee with the Army's 113th Combat Stress Control Company, Camp Taji Detachment and served at Guantanamo Bay, Cuba as the Head of Mental Health for Joint Task Force–160.

Captain Simmer received his Bachelor of Arts degree from Hiram College, his MD from the Saint Louis University School of Medicine, and his MPH from the Eastern Virginia Medical School/Old Dominion University Consortium.

Thomas Woodruff, Ph.D, is Director of the Healthcare Policy & Benefit Services Division of the Office of the Connecticut State Comptroller, which is responsible for investment policy and administration of the state's $4.7 billion dollar defined contribution retirement plans, as well as the employee and retiree medical, dental, and pharmacy benefit programs for over 250,000 employees, retirees, and family members.

Prior to joining state service, Dr. Woodruff was the Executive Director of the President's Commission on Pension Policy during the Carter administration, a Visiting Professor at Cornell University, Executive Director of the foundation-supported Commission on College Retirement and the CEO of his own consulting firm.
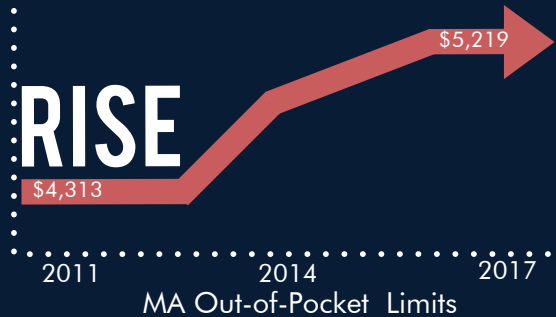
Dr. Woodruff has degrees from the Massachusetts Institute of Technology in Economics, Planning, and Management.

Moderator: Cliff Goodman, Lewin Group (Biography located on Page 4)

MEDICARE ADVANTAGE

M V-BID

MA enrollment & cost-sharing are on the RISE

$5,219

$4,313

2011   2014   2017

MA Out-of-Pocket Limits

Higher Cost-Sharing
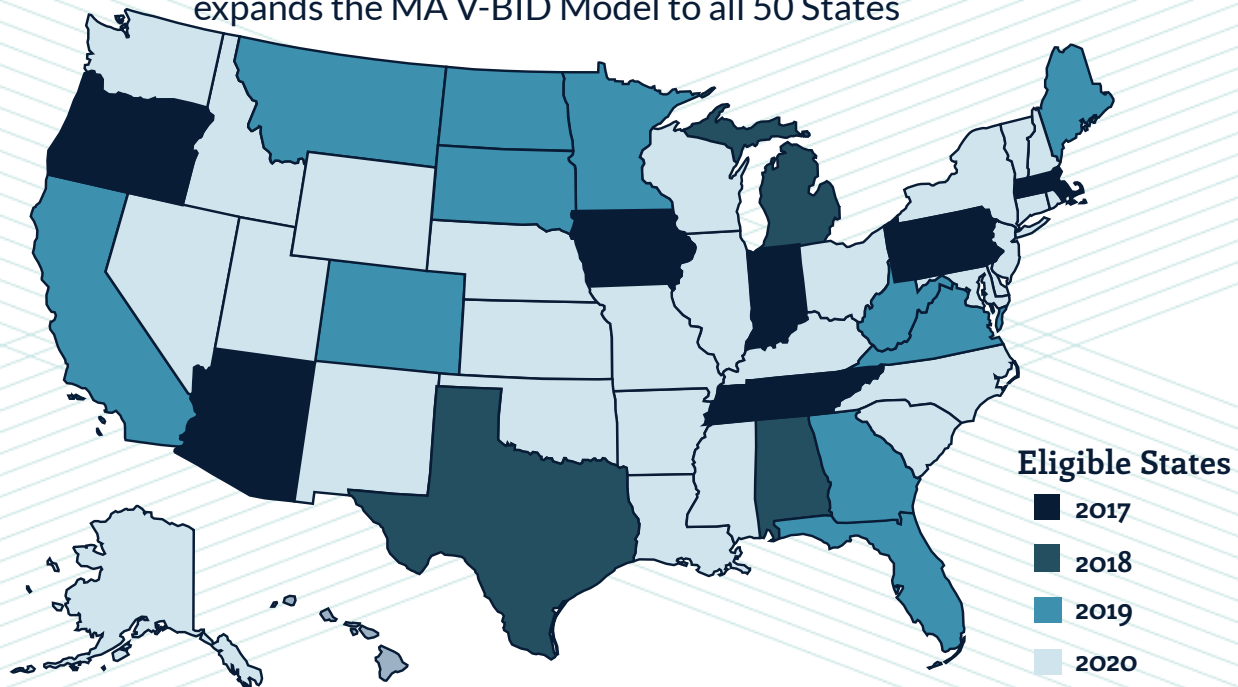
Adversely Affects Health

Worsens Disparities

Increases Aggregate Costs

MA V-BID MODEL TEST

Launched in 2017, the Bipartisan Budget Act of 2018 expands the MA V-BID Model to all 50 States

Eligible States

- 2017
- 2018
- 2019
- 2020

V-BID in MA and other Public Payers

✓ **Decreases cost-related non-adherence**

✓ **Improves efficiency of health care spending**

✓ **Provides better access to quality health care services**

✓ **Aligns with provider initiatives**

CONNECTICUT'S HEALTH ENHANCEMENT PROGRAM

Motivation for V-BID Implementation

Address state budget deficits

Encourage employee engagement

Reduce disparities and quality gaps

Improve individual and population health
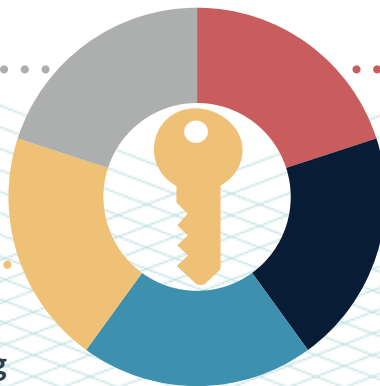
HEP **Key** Features

Align out-of-pocket costs with healthy behaviors

Voluntary Enrollment

Reduced cost-sharing for visits & medications to better manage specific clinical conditions

Full Preventive Care Coverage

Increased cost-sharing for non-emergent ED visits

Participatory Requirement: age-appropriate preventive care & recommended chronic disease services

Impact

Increased Office Visits

Increased Preventive Care Utilization

More Efficient Resource Use

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★★★ THE TRICARE PROGRAM ★★★

Traditional TRICARE plans...

- ▶ Offer one-size-fits-all cost-sharing
- ▶ Limit provider access
- ▶ Misalign consumer and provider incentives

V-BID plans...

- ▶ Increase use of high-value services and providers
- ▶ Align with provider initiatives
- ▶ Promote more efficient expenditures

★★★ V-BID in TRICARE ★★★

2017 National Defense Authorization Act

- ▶ Reduces copayments for the use of high-value services and providers for targeted populations

2018 National Defense Authorization Act

- ▶ Gives preferential status to high-value, non-generic medications by treating them as generics for cost-sharing purposes
- ▶ Excludes from the pharmacy benefits program any medication that provides little or no value, so as to encourage the use of high-value services

Eliminating Low-Value Care: A 'Top Five' List to Galvanize Purchasers

Panelists:

Beth Bortz, MPP, is the President and CEO of the Virginia Center for Health Innovation, a nonprofit established in 2012 to accelerate the adoption of value-driven health care in the Commonwealth. Since starting VCHI, Ms. Bortz has secured more than $20M in funds for Virginia innovation and reform initiatives.

Ms. Bortz currently serves on the Board of Directors of the American Board of Family Medicine, Virginia Health Information, and LEAD Virginia. Previously, she has served as Executive Director of the Medical Society of Virginia Foundation, as Deputy Director of the Virginia Health Care Foundation, and as a Senior Associate Legislative Analyst for the Virginia General Assembly.

Ms. Bortz earned her undergraduate degree in Economics and Government and her Master's in Public Policy from the College of William and Mary.

Lauren Vela, Ph.D, is the Senior Director of Member Value for the Pacific Business Group on Health (PBGH). Lauren works directly with the large purchaser members of PBGH to facilitate collaboration and to support their purchaser-driven initiatives impacting healthcare delivery in the US.

Previously, Lauren was the Executive Director of the Silicon Valley Employers Forum (SVEF), a coalition of high tech employers that benchmark benefit designs and collaborate for improvement. Prior to this role, she was employed by organizations in the workers comp, TPA, and mental health fields where she held positions in product development, operations, marketing, and provider relations.

Ms. Vela earned an MBA from the University of Houston and a PhD with a focus on managed health care and health economics from the University of Texas.

Daniel Wolfson, MHSA, is Executive Vice President and Chief Operating Officer of the ABIM Foundation, a not-for-profit foundation focused on advancing medical professionalism and physician leadership to improve the health care system, where he has played a leading role in the Choosing Wisely® campaign.

Previously, Mr. Wolfson served as the founding President and CEO of the Alliance of Community Health Plans, the nation's leading association of not-for-profit and provider-sponsored health plans. Prior to this role, Mr. Wolfson was the Director of Planning and Research at the Fallon Community Health Plan. Prior to graduate school, Mr. Wolfson worked in the Social Services Department of Massachusetts General Hospital, counseling and discharge planning for spinal cord patients, amputees and stroke patients.

Mr. Wolfson received his master's degree in health services administration from the University of Michigan, School of Public Health.

Moderator: Cliff Goodman, Lewin Group (Biography located on Page 4)

M | V-BID — ELIMINATING LOW-VALUE CARE: A 'TOP FIVE' LIST

The US spends more per capita on health than any other nation, but does not achieve outcomes commensurate with that spending. Billions are spent every year on services that harm patients- or at best, offer no clinical value.

A new Task Force on Low-Value Care has identified the "Top Five" low-value clinical services that are unsafe, do not improve health, or both. Drawing on the work of the Choosing Wisely campaign and others, the services were selected based on their association with harm, their cost, their prevalence, and the availability of levers for purchasers to help reduce their delivery.

1. Diagnostic Testing and Imaging Before Low-Risk Surgery

19.2 million unneeded pre-surgery tests and imaging services

$9.5 billion in avoidable spending

2. Vitamin D Screening Tests

6.3 million non-clinically indicated Vitamin D tests

$800 million in avoidable spending

3. Prostate-Specific Antigen Testing for Men 75+

>1 million Medicare beneficiaries 75 and older receive a PSA test

$44 million in avoidable Medicare spending

4. Imaging for Low-Back Pain within 6 Weeks of Onset

1.6 million unnecessary imaging services for low-back pain

$500 million in avoidable spending

5. Branded Drug Use when Chemically Equivalent Generics are Available

$14.7 billion spent unnecessarily on branded drugs

Select Strategies to Reduce "Top Five" Use

Decision Support

Payment Models

Coverage Policies

Network Design

Provider Profiling

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Annual Update

POLICY IMPACT

- CMMI MA V-BID Model Test Expands to all 50 States
- "Chronic Disease Management Act" of 2018 Introduced in Congress
- 2018 NDAA Builds on V-BID Pilot in TRICARE
- Testimony to US House Ways and Means Subcommittee on Health
- Congressional Briefing on V-BID in MA, HSAs, and TRICARE

RESEARCH

$450K in grant funding
4 peer-reviewed publications
37 national presentations

Resources

Infographics

- Precision Benefit Design
- Precision Patient Assistance
- Financial Impact of V-BID
- Top 5 Low-Value Services

Videos and Comics

- Precision Co-Pay Assistance Programs
- The High-Value Health Plan
- Aligning Payment Reform w/ Benefit Design
- Precision Medicine Needs Precision Benefit Design

Briefs

- Precision Patient Assistance Programs
- Cost-Sharing for Immunizations in Medicare

@um_vbid
2,683 followers
16,100 tweets

228 Like

559 connections

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75,279 Views
16,928 Users

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