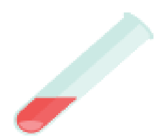
V-BID IN ACTION:

THE CASE OF DIABETES



Participate in the Twitter conversation with
#VBIDinDiabetes

Kim Jinnett, PhD

Center for Workforce Health and Performance

Introduction

What We'll Cover

- Define and describe the problem of cost-related non-adherence for patients with diabetes
- Describe and explore the potential role of value-based insurance design in tackling problem
- Enhance access to evidence-based care and improve patient-centered outcomes

CONNECTING

EVIDENCE-BASED CARE TO PATIENT-CENTERED OUTCOMES

POPULATION HEALTH TO PERSONALIZED MEDICINE:
CONNECTING DISEASE INDICATORS TO WORK OUTCOMES

• TYPE 2 DIABETES •

This CWHP report is part of a series, *Patient-Centered Outcomes Research (PCOR) Dissemination at Work: How Employers Use Evidence to Make Employee Health Investment Decisions*, partially funded through a Patient-Centered Outcomes Research Institute (PCORI) Eugene Washington PCORI Engagement Award (#2970-CWHP).

DIABETES

POPULATION HEALTH TO PERSONALIZED MEDICINE:
CONNECTING DISEASE INDICATORS TO WORK OUTCOMES

POPULATION WITHOUT TYPE 2 DIABETES NOR PRE-DIABETES	DIABETES DISEASE PROGRESSION	WORKER HAS PRE-DIABETES	WORKER HAS TYPE 2 DIABETES	WORKER HAS TYPE 2 DIABETES W/COMPLICATIONS
Normal glucose range	DISEASE INDICATORS	Lab values indicate pre-diabetes (glucose or A1c)	Lab values indicate diabetes (glucose or A1c) CVD risk factors (smoking, high blood	Microvascular: Eye, Kidney, Nerve Disease Macrovascular: Heart, Brain, Blood Vessels
Education Biometric screening if self-assessment of prediabetes risk indicated	INTERVENTION	Education Lifestyle modification (e.g., healthy eating, exercise)	Glucose monitoring devices Medications Eye & foot exams Other specialty visits	Glucose monitoring devices Medications Surgery / Dialysis Other specialty visits
Low to no health-related attendance or job performance difficulty	WORK OUTCOMES	Health-related attendance or job performance difficulty (e.g., concentration, energy)	Health-related attendance or job performance difficulty Increased use of sick leave	Work disability (STD & LTD) Work safety risk Permanent work departure
Support healthy work environment and engagement with evidence-based diabetes prevention programs	EMPLOYER ROLE	Support healthy work environment and engagement with evidence-based diabetes prevention programs	Reduce or eliminate barriers to evidence-based treatments, medication, devices, procedures & diabetes self-management education programs	Reduce or eliminate barriers to evidence-based treatments, medication, devices, procedures & diabetes self-management education programs

COMMON COMORBIDITIES: Obesity, Dyslipidemia, Hypertension, Chronic Kidney Disease, Cardiovascular Disease, Depression, Sleep Disorders, Cancer.

THE CENTER FOR WORKFORCE HEALTH AND PERFORMANCE

DIABETES

POPULATION HEALTH TO PERSONALIZED MEDICINE:
CONNECTING DISEASE INDICATORS TO WORK OUTCOMES

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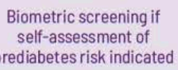
Education Biometric screening if self-assessment of prediabetes risk indicated	 INTERVENTION	Education Lifestyle modification (e.g., healthy eating, exercise)	Glucose monitoring devices Medications Eye & foot exams Other specialty visits	Glucose monitoring devices Medications Surgery / Dialysis Other specialty visits
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THE CENTER FOR WORKFORCE HEALTH AND PERFORMANCE

Today's focus

Cost-related non-adherence for those diagnosed with diabetes and how value-based insurance design can address

Key Questions to Address

- How is “value” defined and what should investors in health measure to determine whether value is produced?
- What outcomes of care may be of most importance to consumers (patients, employees, etc.)?
- Where are the biggest opportunities for improvement in terms of care quality and equitable distribution of outcomes?
- What are the biggest barriers to excellent care for all with diabetes?
- What role can different stakeholders play in supporting excellent diabetes care?

Frank Wharam, MD, MPH

Harvard Medical School & Harvard Pilgrim Health Care Institute

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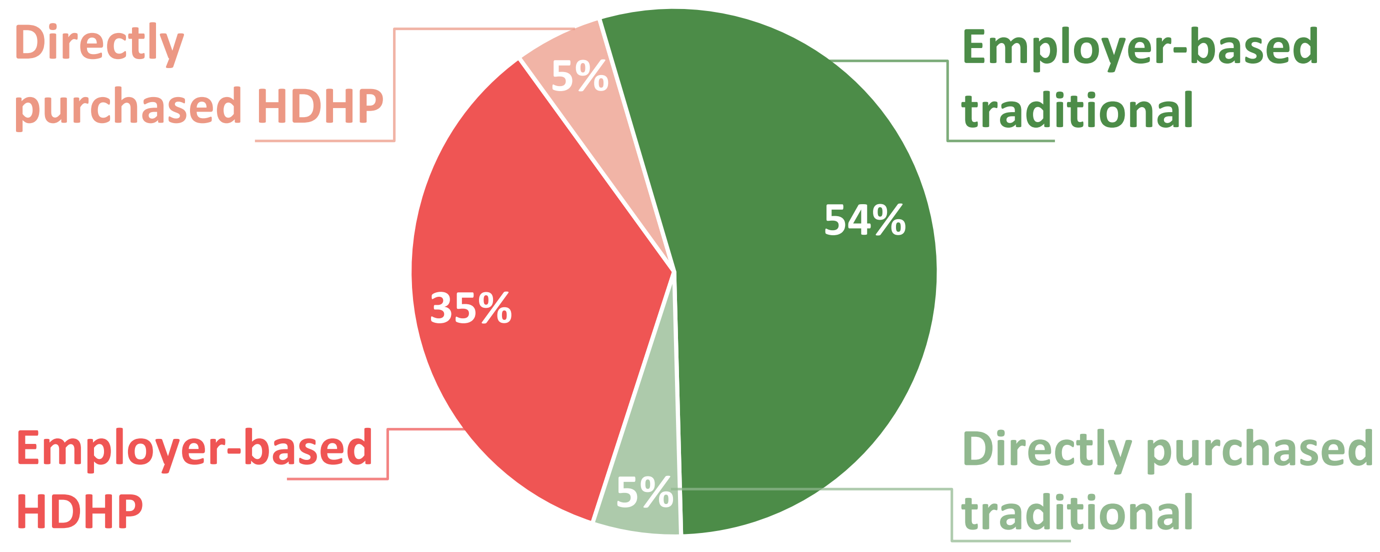
Effect of High-deductible Insurance on Diabetes Services with and without Value-based Cost-sharing Reductions

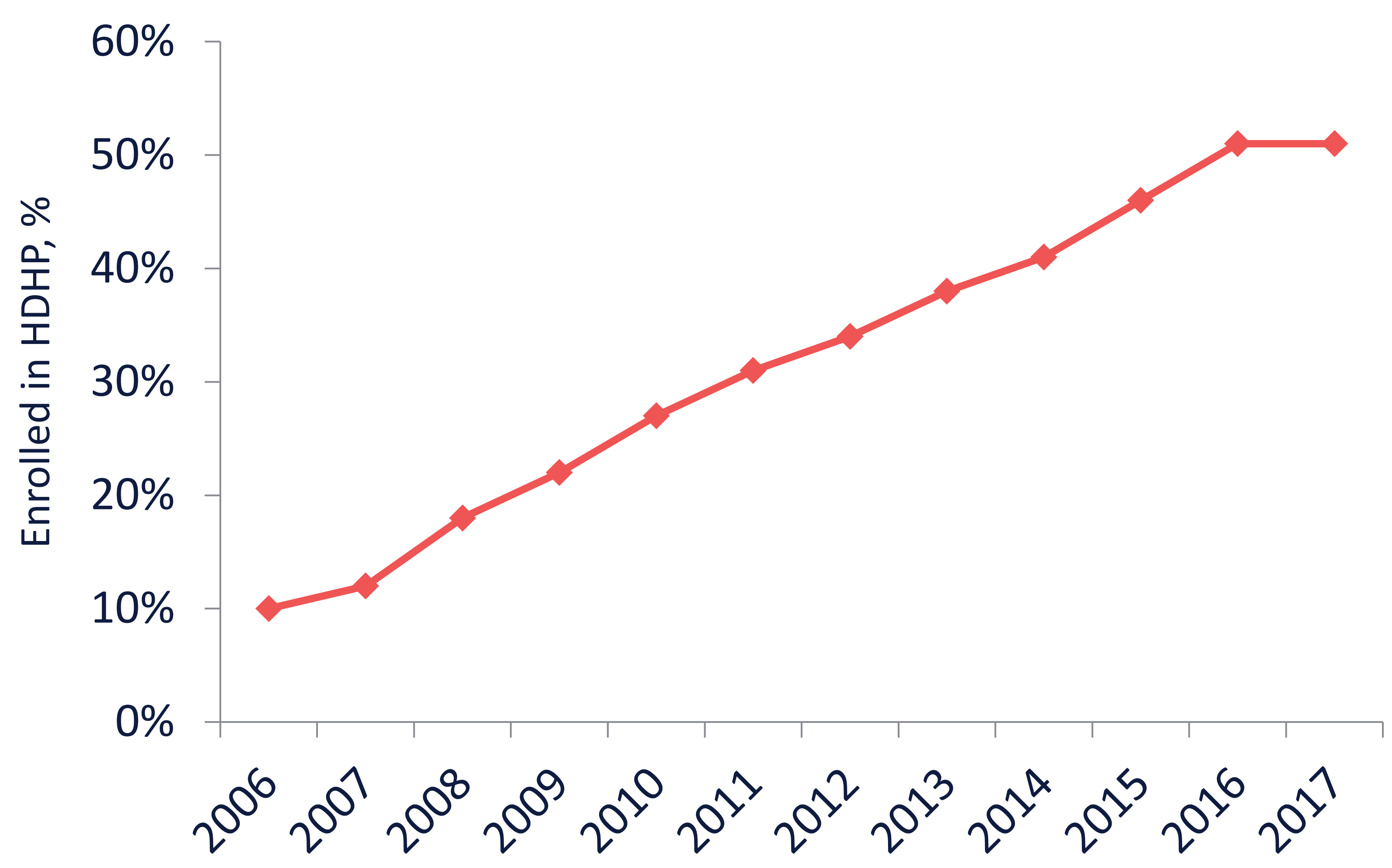
40% of All US Adults have High-deductible Health Plans (HDHPs)



- HDHPs: potential out-of-pocket payments of ~$1000-$7000 per year
  - But select preventive services exempted from deductible (value-based design feature)

https://www.cdc.gov/nchs/data/nhis/earlyrelease/ERHDHP_Access_0617.pdf

HDHPs* are Growing Rapidly

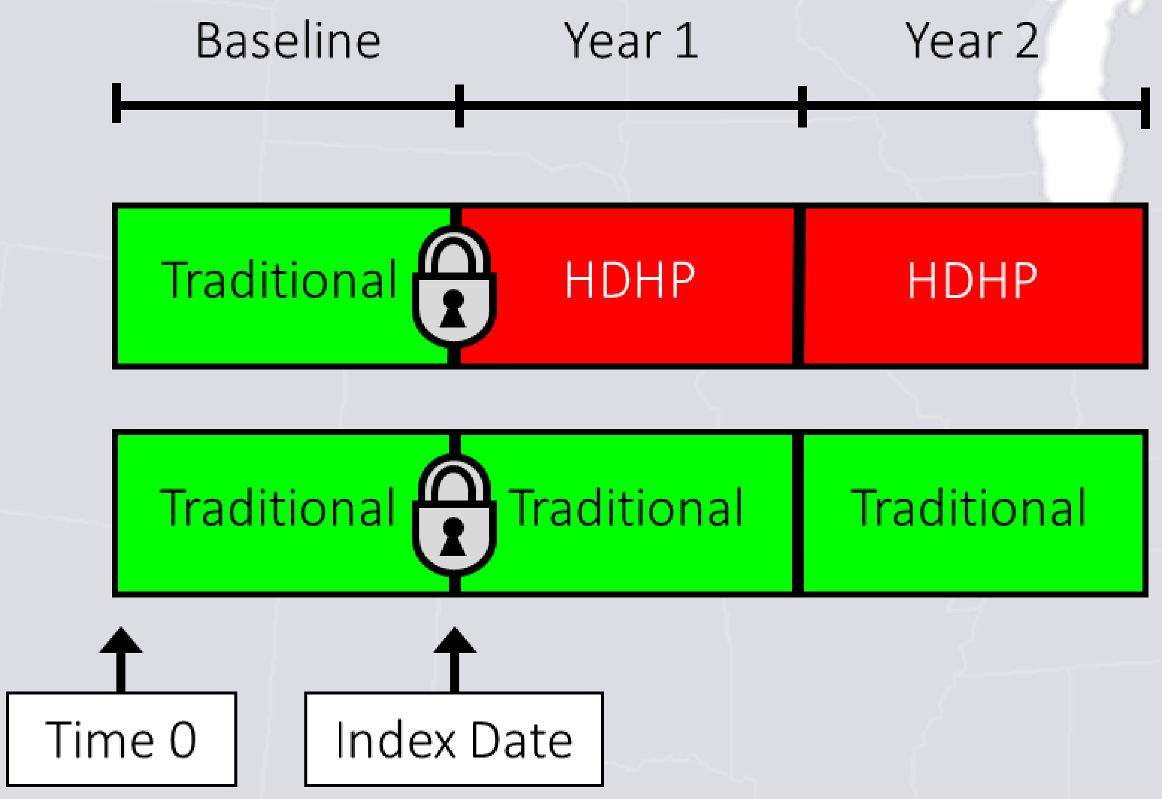


Kaiser Family Foundation 2017 Employer Health Benefits Survey; *HDHP: >=$1000 / year

Why Study Diabetes Patients in HDHPs?

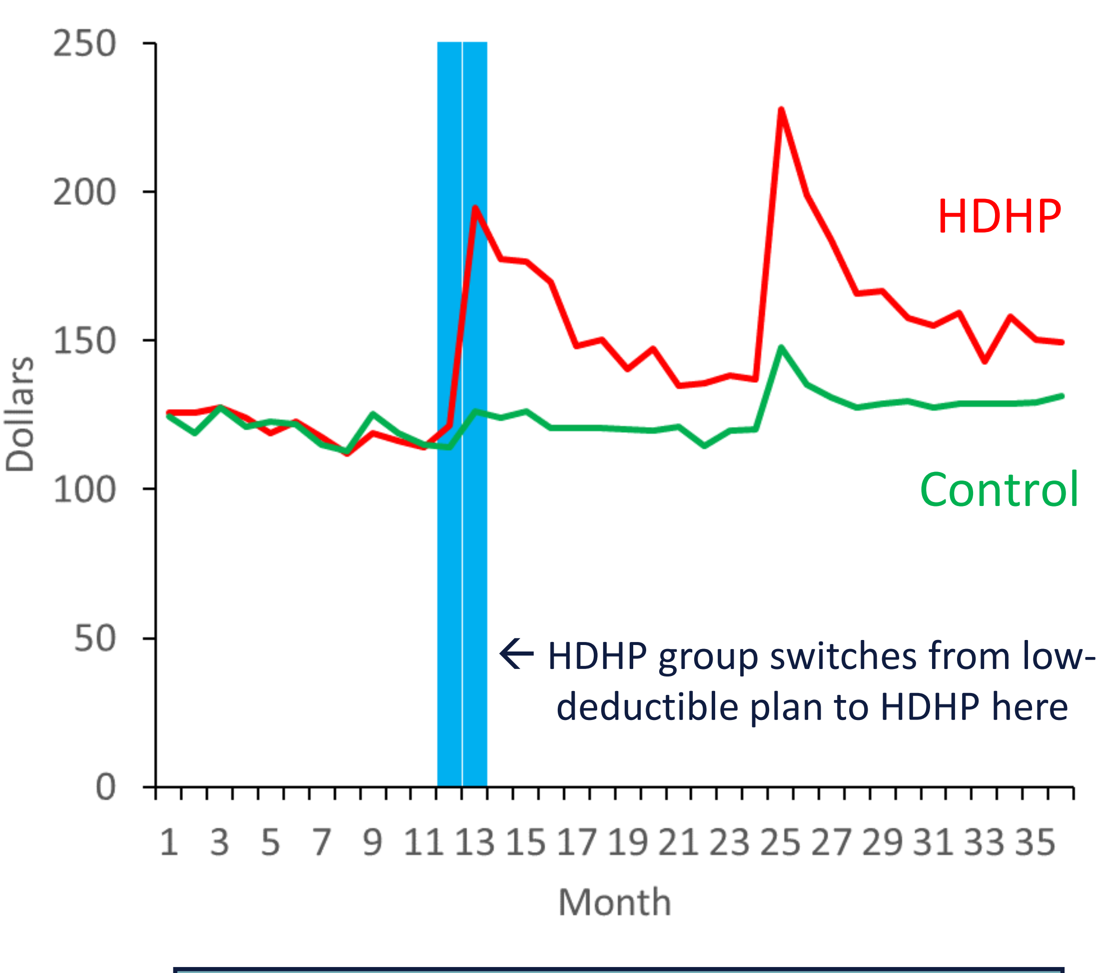
My husband is now working again but once again his latest company offers only one insurance option which is an HDHP with a $4000 deductible. Because of this and our financial situation I am for the first time in my forty eight years of diabetes reusing needles up to four times, limiting the number of test strips to one or two, cutting back on insulin and I have not had an appointment with my endocrinologist in well over a year and have no idea where my A1c is at.

Longitudinal Before-After Study Design



Sample drawn from 45 Million members across US in 2003-2012 Optum data

Intervention: ↑↑ Out-of-pocket Costs

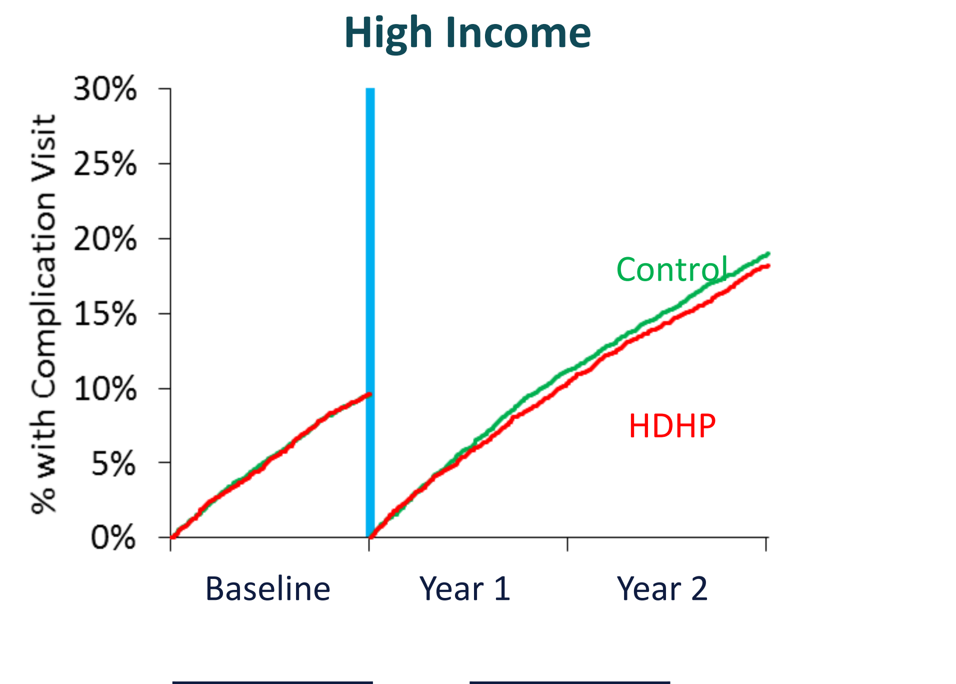


Increase of ~$409 (27%)

Care without Value-based Cost-sharing Reductions

What happens to high-value high-acuity care when diabetes patients in HDHPs face high out-of-pocket costs for the care?

Low-income Diabetes Patients in HDHPs Delay Outpatient Complication Visits & …



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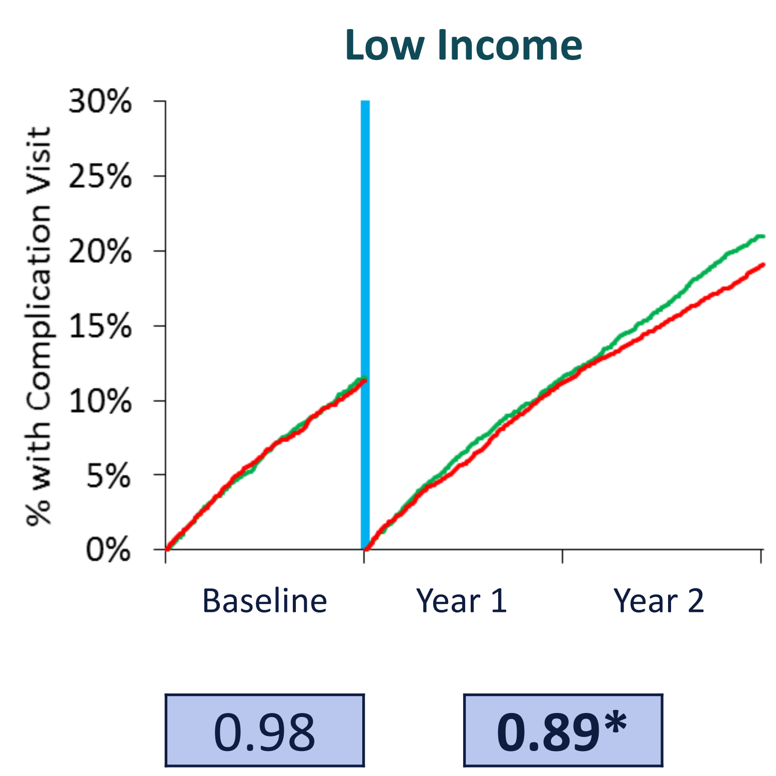
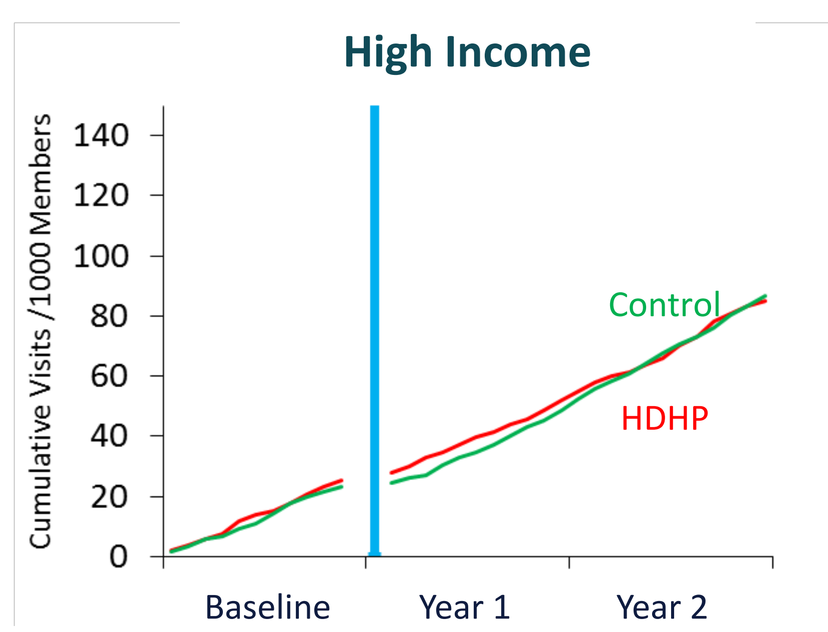


0.89*

Wharam *et al. JAMA-IM*. 2017. *$p<0.05$

… Experience Increased Complication Visits to the Emergency Department, …



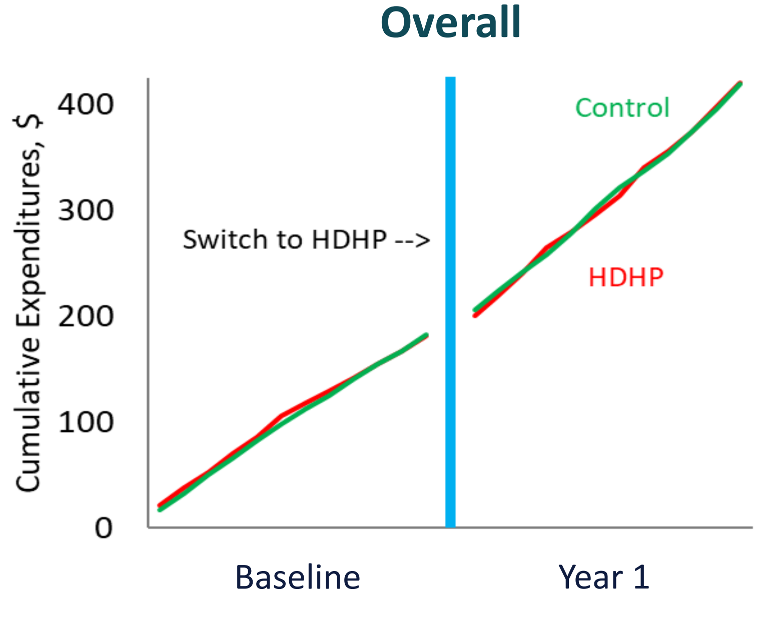
Relative Annual Δ:

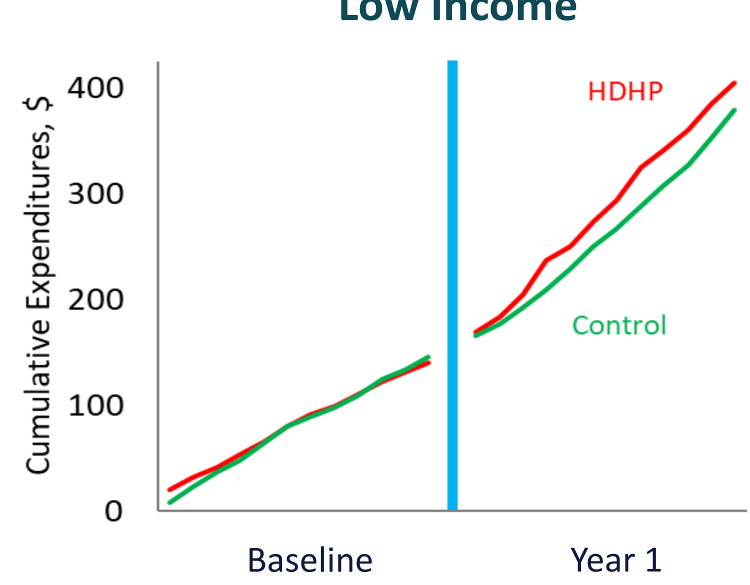
-7.3%*

21.7%*

Wharam *et al. JAMA-IM*. 2017. *p<0.05

… Higher Total Costs of High-severity Emergency Department Visits, …



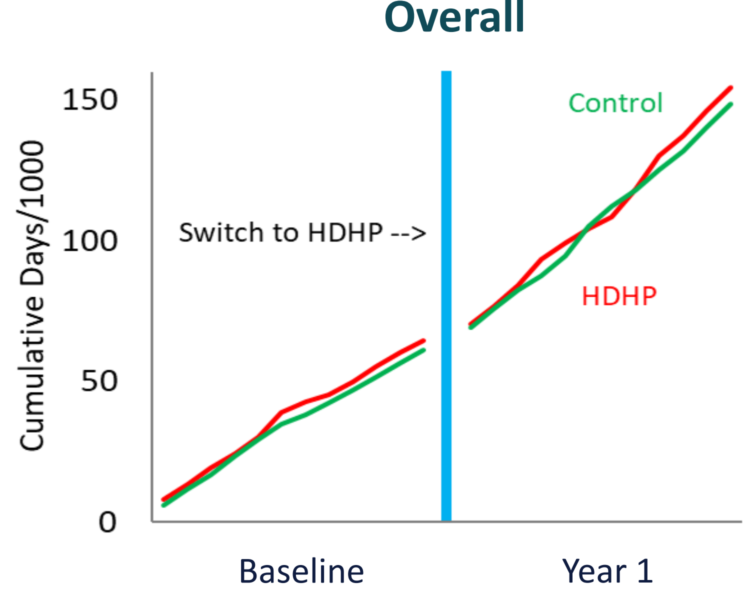


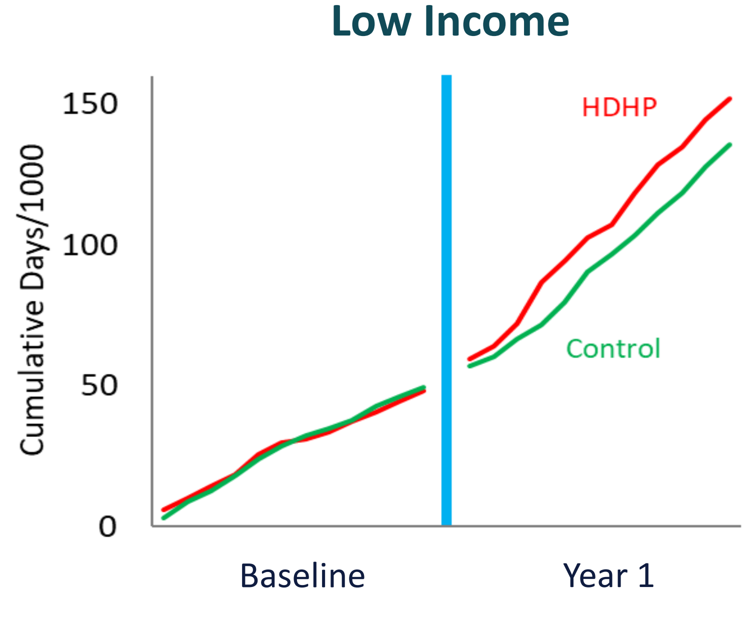
Relative Annual Δ:

Overall	Low Income
ND	**23.5%***

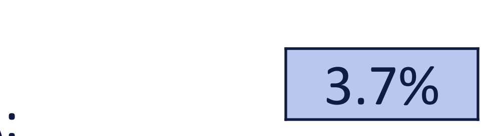
Wharam *et al. Diabetes Care*. 2018. *p<0.05

… and More High-severity Hospitalization Days.





Relative Annual Δ:



27.4%*

Wharam *et al. Diabetes Care*. 2018. *p<0.05

Discussion

- High out-of-pocket costs for acutely needed services among low-income diabetes patients associated with:
  - Delayed care
  - Increased adverse outcomes and related costs
  - (*High-income diabetes patients unaffected*)
- Policy opportunity
  - "Population-tailored health insurance designs," e.g. differential HSA contributions to protect at-risk patients

Wharam *et al. NEJM*. 2013.

Mark Fendrick, MD

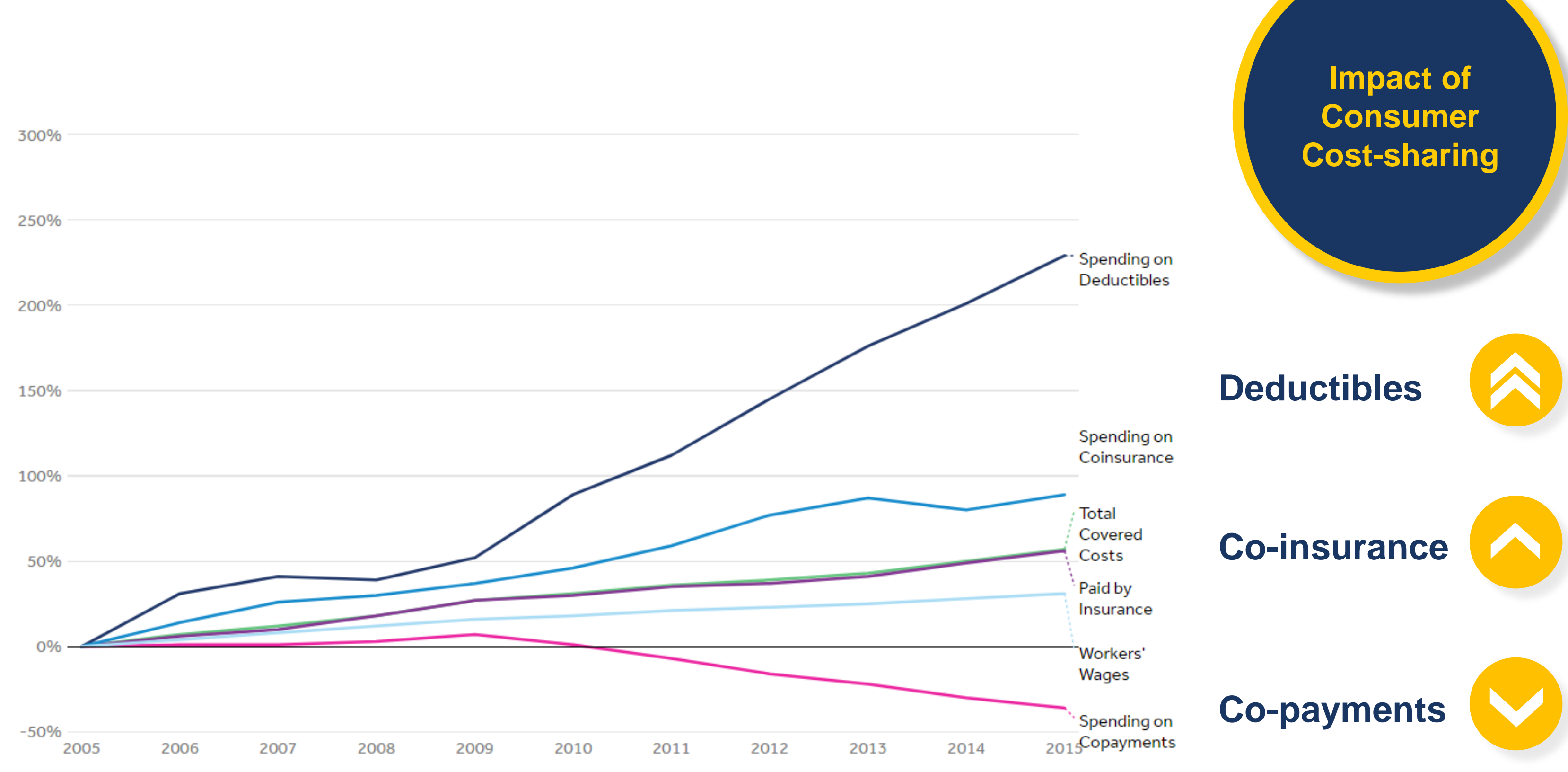
V-BID Center Director

V-BID Insurance Design in Diabetes

Making Diabetes Care Great … Again ;) Change the discussion from "How much" to "How well"

- Three-quarters of Americans feel that our country doesn't get good value from its healthcare spending
- Innovations to prevent and treat diabetes have led to impressive reductions in morbidity and mortality
- Policy discussions focus primarily on payment reforms aimed to slow the rate of spending growth
- Moving to value-based system requires a change in how we pay for care and how we engage consumers
- Making patients pay more for all services - "skin in the game" - is the most common approach to change consumer behavior

Consumer Cost-Sharing:
Paying More for ALL Care Regardless of Value



Inspiration

I can’t believe you had to spend a million dollars to show that if you make people pay more for something, they will buy less of it.

Barbara Fendrick (my mother)

One in Four Patients Have Difficulty Affording Their Prescription Medicines

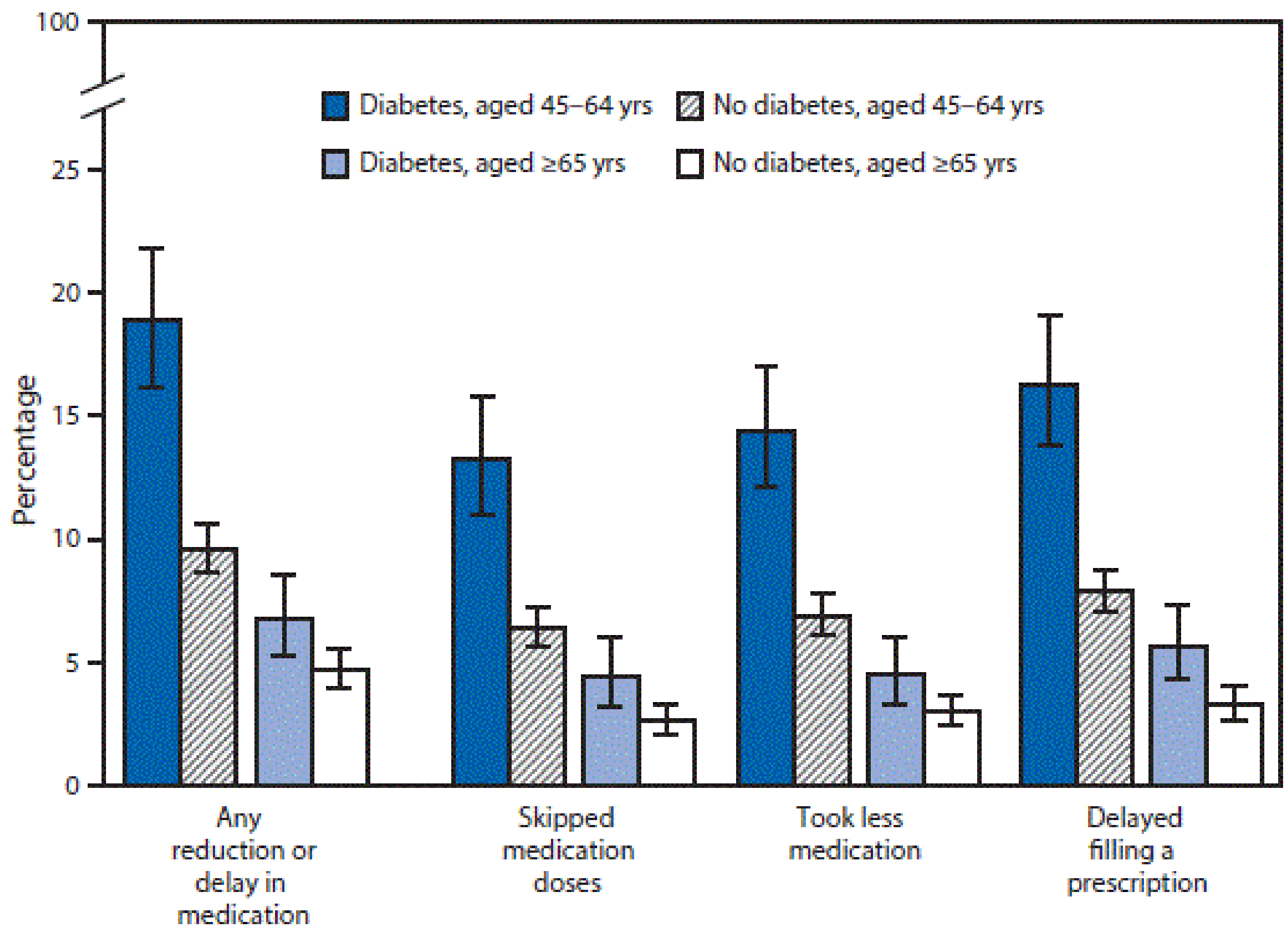
Kaiser Family Foundation Tracker Sept 2016

Impact of Cost-Sharing on Health Care Disparities

- **Rising copayments worsen disparities and adversely affect health, particularly among economically vulnerable individuals and those with chronic conditions**

Chernew M. J Gen Intern Med 23(8):1131–6.

Percentage of Adults ≥45 Who Reduced Medication to Save Money in the Past 12 Months, by Diabetes Status



National Health Interview Survey, 2015
https://www.cdc.gov/mmwr/volumes/66/wr/mm6625a5.htm?s_cid=mm6625a5_w

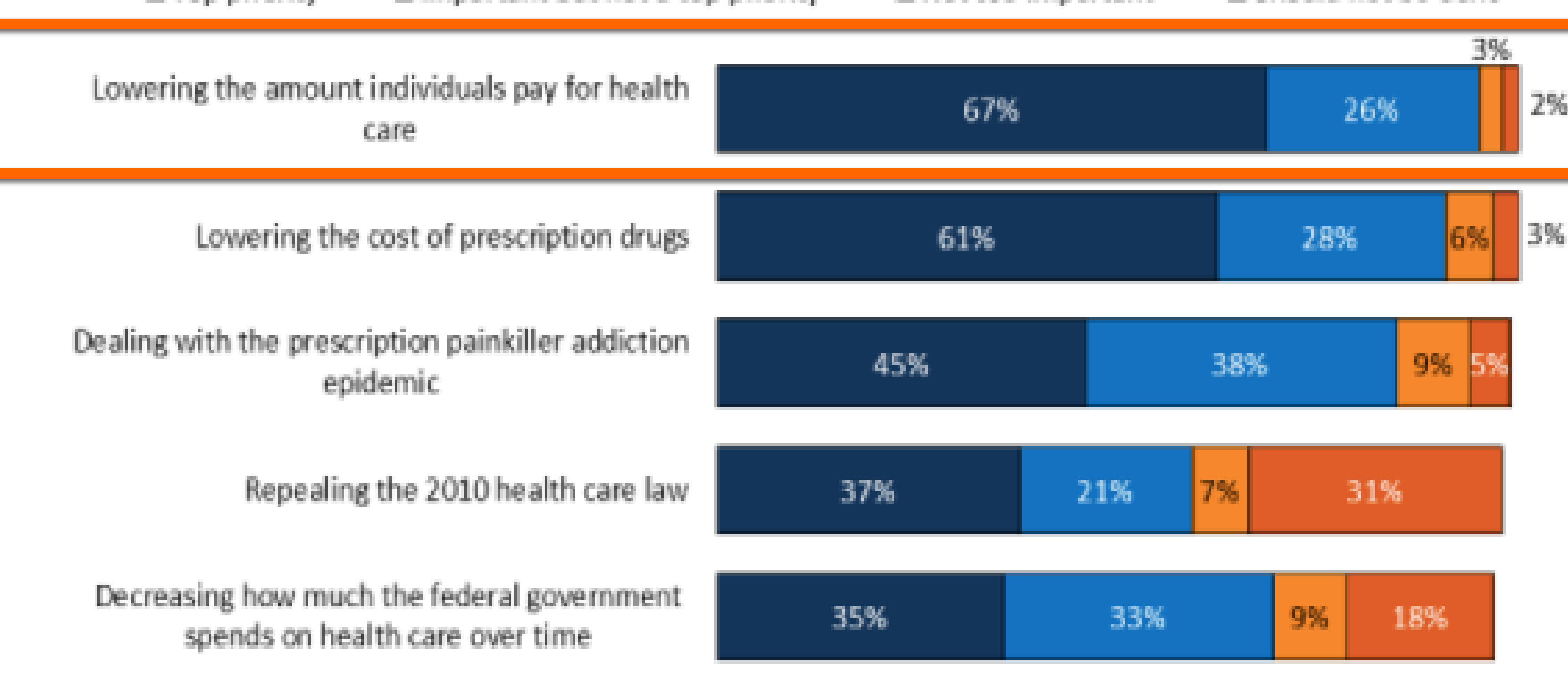
SundayReview | OPINION

Diabetes Shouldn't Bankrupt You

By ELISABETH ROSENTHAL JAN. 6, 2018

Eiko Ojala

Americans Do Not Care About Health Care Costs; They Care About What It Costs Them



Potential Solution for Blunt Consumer Cost-sharing: Value-Based Insurance Design (V-BID)

- Sets consumer cost-sharing on clinical benefit – not price
- Little or no out-of-pocket cost for high value care
- Successfully implemented by hundreds of public and private payers

TheUpshot

Health Plans That Nudge Patients to Do the Right Thing

Austin Frakt
THE NEW HEALTH CARE JULY 10, 2017

V-BID: Bipartisan Political and Broad Multi-Stakeholder Support

- HHS
- CBO
- SEIU
- MedPAC
- Brookings Institution
- Commonwealth Fund
- NBCH
- American Fed Teachers
- Families USA
- AHIP
- AARP
- DOD
- BCBSA
- National Governor's Assoc.
- US Chamber of Commerce
- Bipartisan Policy Center
- Kaiser Family Foundation
- American Benefits Council
- National Coalition on Health Care
- Urban Institute
- RWJF
- IOM
- Smarter Health Care Coalition
- PhRMA
- EBRI
- AMA

Health Affairs

PHARMACEUTICALS & MEDICAL TECHNOLOGY

By Rajender Agarwal, Ashutosh Gupta, and A. Mark Fendrick

Value-Based Insurance Design Improves Medication Adherence Without An Increase In Total Health Care Spending

- **21 studies found improvement (range: 0.1–14.3 percent) in medication adherence**
- **Increase in adherence was associated with no effect on total health care spending**

Putting Innovation into Action: Translating Research into Policy

ACA Sec 2713: Selected Preventive Services be Provided without Cost-Sharing

- Receiving an A or B rating from the United States Preventive Services Taskforce (USPSTF)
- Immunizations recommended by the Advisory Committee on Immunization Practices (ACIP)
- Preventive care and screenings supported by the Health Resources and Services Administration (HRSA)

Over 137 million Americans have received expanded coverage of preventive services; over 76 million have accessed preventive services without cost-sharing

Majorities Favor Many Key ACA Provisions, But Not Its Individual Mandate

Percent who favor each of the following specific elements of the health care law:

Provision	Percent
Allows young adults to stay on their parents' insurance plans until age 26	85%
Eliminates out-of-pocket costs for many preventive services	83%
Provides financial help to low and moderate income Americans who don't get insurance through their jobs to help them purchase coverage	80%
Gives states the option of expanding their existing Medicaid program to cover more low-income, uninsured adults	80%
Prohibits insurance companies from denying coverage because of a person's medical history	69%
Requires nearly all Americans to have health insurance or else pay a fine	35%

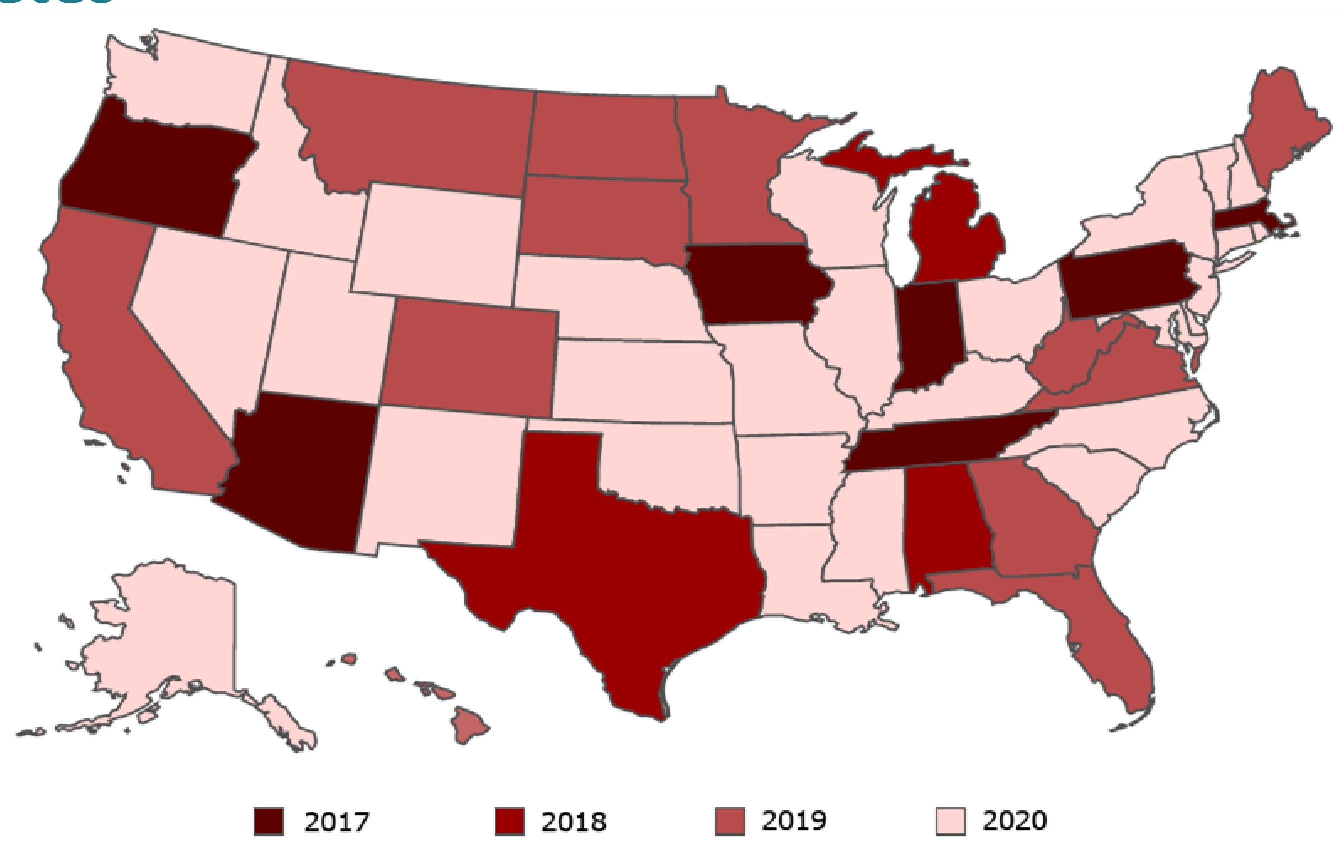
NOTE: Some items asked of half samples. Question wording abbreviated, see topline for full question wording.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted November 15-21, 2016)

THE HENRY J. KAISER FAMILY FOUNDATION

Putting Innovation into Action: Translating Research into Policy

MA V-BID – 1st CMS Demonstration Allowing Cost-Sharing Reductions for Individuals with Specific Clinical Conditions, such as Diabetes

MA V-BID Model Test Expands to all 50 States by 2020



Putting Innovation into Action: Translating Research into Policy

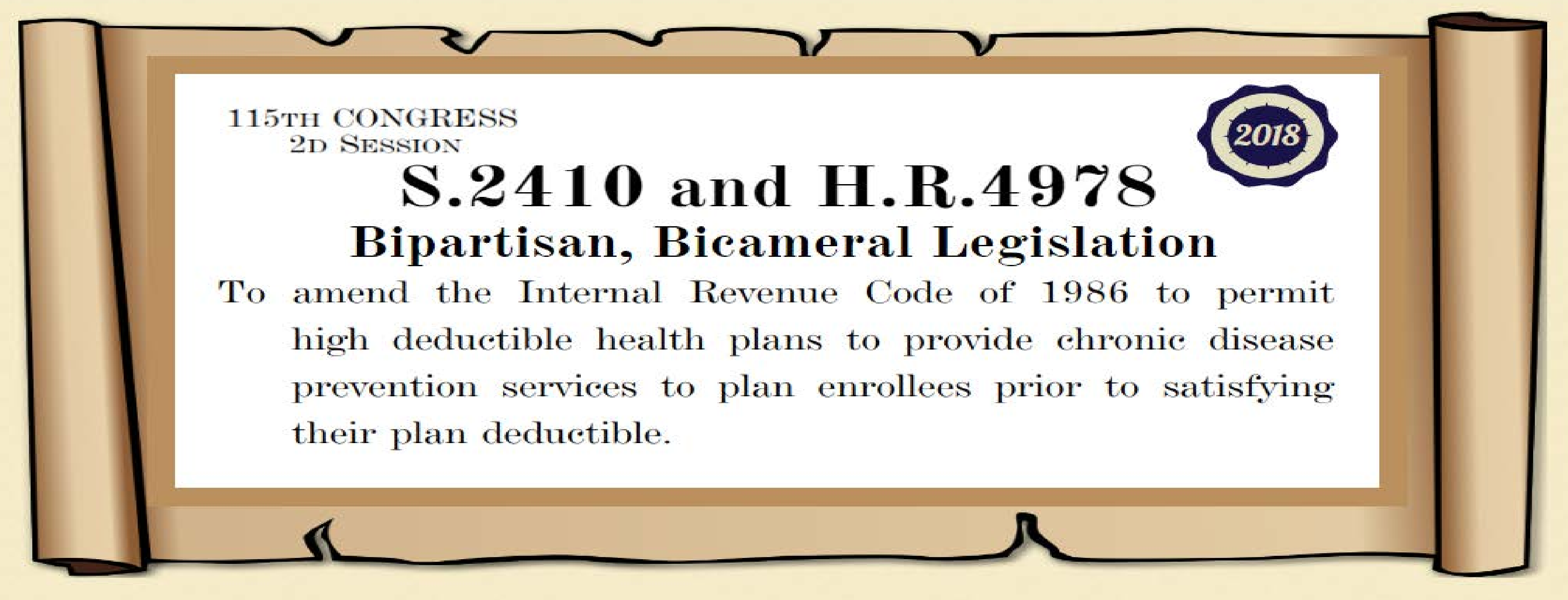
Value-based insurance coming to millions of people in Tricare

- **2017 NDAA: Obama Administration - reduce or eliminate co-pays and other cost sharing for certain high services and providers**
- **2018 NDAA: Trump Administration – reduce cost sharing for high value drugs on the uniform formulary**

Putting Innovation into Action: Translating Research into Policy

HSA QUALIFIED HDHPS

Chronic Disease Management Act of 2018



Aligning Provider and Consumer Incentives: As Easy as Peanut Butter and Jelly

Many "supply side" initiatives are restructuring provider incentives to move diabetes care from volume to value:

- Medical Homes
- Electronic Medical Records
- Accountable Care Organizations
- Bundled Payments/Reference Pricing
- Global Budgets
- High Performing Networks

Aligning Provider and Consumer Incentives: As Easy as Peanut Butter and Jelly

Unfortunately, some “demand-side” initiatives – including consumer cost sharing - discourage consumers from pursuing the “Triple Aim”

Aligning Provider and Consumer Incentives: As Easy as Peanut Butter and Jelly

The alignment of clinically driven, provider-facing and consumer engagement initiatives is a necessary and critical step to improve quality of care, enhance patient experience, and contain cost growth

"If we don't succeed then we will fail."
Dan Quayle
MICHIGAN
MICHIGAN

Josh Fangmeier

Research Director

State Employee Group Insurance Program (SEGIP)

Diabetes and Value-Based Insurance Design: Perspectives from the State of Minnesota

Background on SEGIP

- Largest employer purchaser of health care in Minnesota (129,000 covered lives)
  - Active workers, dependents, COBRA, and early incentive retirees
  - Traditional retirees (age 65+) in separate pool
  - Self-insured with 3 medical TPAs and 1 PBM
  - More than 8 in 10 employees represented by a union
- Tiered network based on total cost of care since 2002: Minnesota Advantage Health Plan
- Cover approximately 6,000 adults with diabetes

SEGIP Diabetes Programming

2013

- Diabetes Medication Therapy Management (MTM) program
- Pharmacist consults and drug co-pay discounts

2015

- Diabetes Prevention Program: Omada

2017-

- Designed new VBID program: Advantage Value for Diabetes
- Launched as pilot program on January 1, 2018 and replaced MTM program

Advantage Value for Diabetes – eligibility

- Adults (age 18+) with Type 1 or Type 2 diabetes
- Fully integrated into the Minnesota Advantage Health Plan
  - No enrollment requirement
- Qualifying medical services must be paired with diabetes diagnosis
  (ICD 10: E08 – E13)
- Qualifying prescription drugs must be paired with prior medical diagnosis or fill of antidiabetic medication

Advantage Value for Diabetes – medical benefits

Cost Level	Deductible (single/ family)	Office visits (PCP, Specialists, Dieticians)	Lab Tests (LDL, Kidney, Glucose, HbA1C)	Supplies via PBM (Test strips)
1	$150/$300	$30 co-pay ↓ **$0 co-pay***	5% coinsurance ↓ **0% coinsurance***	20% coinsurance ↓ **0% coinsurance***
2	$250/$500	$35 co-pay ↓ **$0 co-pay***	5% coinsurance ↓ **0% coinsurance***	20% coinsurance ↓ **0% coinsurance***
3	$550/$1100	$65 co-pay ↓ **$30 co-pay***	20% coinsurance ↓ **0% coinsurance***	20% coinsurance ↓ **0% coinsurance***
4	$1250/$2500	$85 co-pay ↓ **$50 co-pay***	25% coinsurance ↓ **0% coinsurance***	25% coinsurance ↓ **0% coinsurance***

≈90% of members (Cost Levels 1 and 2)

*Deductible waived

Advantage Value for Diabetes – drug benefits

Drug Tier	Prescription Drugs (Diabetes, Cholesterol, Hypertension, and Depression)
Generic	$14 co-pay ↓ **$0 co-pay**
Preferred Brand	$25 co-pay ↓ **$15 co-pay**
Non-preferred Brand	$50 co-pay ↓ **$30 co-pay**

Health Solutions

Health and Wellbeing

Omada

Work Well

StayWell

LifeMatters Employee Assistance Program (EAP)

Diabetes Management

New Advantage Value for Diabetes

Frequently Ask Questions

Diabetic MTM Employee and Dependent Program

Flu Campaign

Health Conditions

Workplace Performance and Culture

New Advantage Value for Diabetes

Updated: February 15, 2018

Notice for SEGIP Minnesota Advantage Health Plan Members Diagnosed with Diabetes: Beginning January 1, 2018, this benefit reduces member out-of-pocket costs (copays and coinsurance) for high-value medical services that are primarily for diabetes, as well as for certain prescription drugs and testing supplies. High-value services reduce the progression of diabetes and the risk of costly complications. Advantage Value for Diabetes is a pilot program developed jointly by MMB and the state's participating labor unions.

Eligibility

Adult (18+) SEGIP Advantage Plan members (whether active participant, dependent, early retiree, or former employee who has continued coverage (FEWD, COBRA)) are eligible if they have been diagnosed with Type I or Type II diabetes. Advantage Consumer Directed Health Plan (High-Deductible) members are not eligible.

Benefits

Waived or reduced out-of-pocket member costs for eligible medical services primarily for diabetes, diabetic testing supplies, drugs, and medication therapy management. Please read the **Advantage Value for Diabetes benefit description** to learn more. Please see the **Advantage Value for Diabetes Eligible Drug List** that contains all eligible medications and diabetic testing supplies beginning January 1, 2018.

More Information

Learn more about Advantage Value for Diabetes in the **Frequently Asked Questions**. Want to help improve our FAQ content? **Suggest a frequently asked question**.

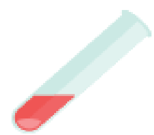
Advantage Value for Diabetes – next steps

- Evaluation
  - Improved use of high-value medical services
  - Improved drug adherence
  - Reduced adverse events: ED visits and admissions from diabetic complications
  - Cost trends
- Consideration of other chronic conditions and populations
- Connection to provider quality

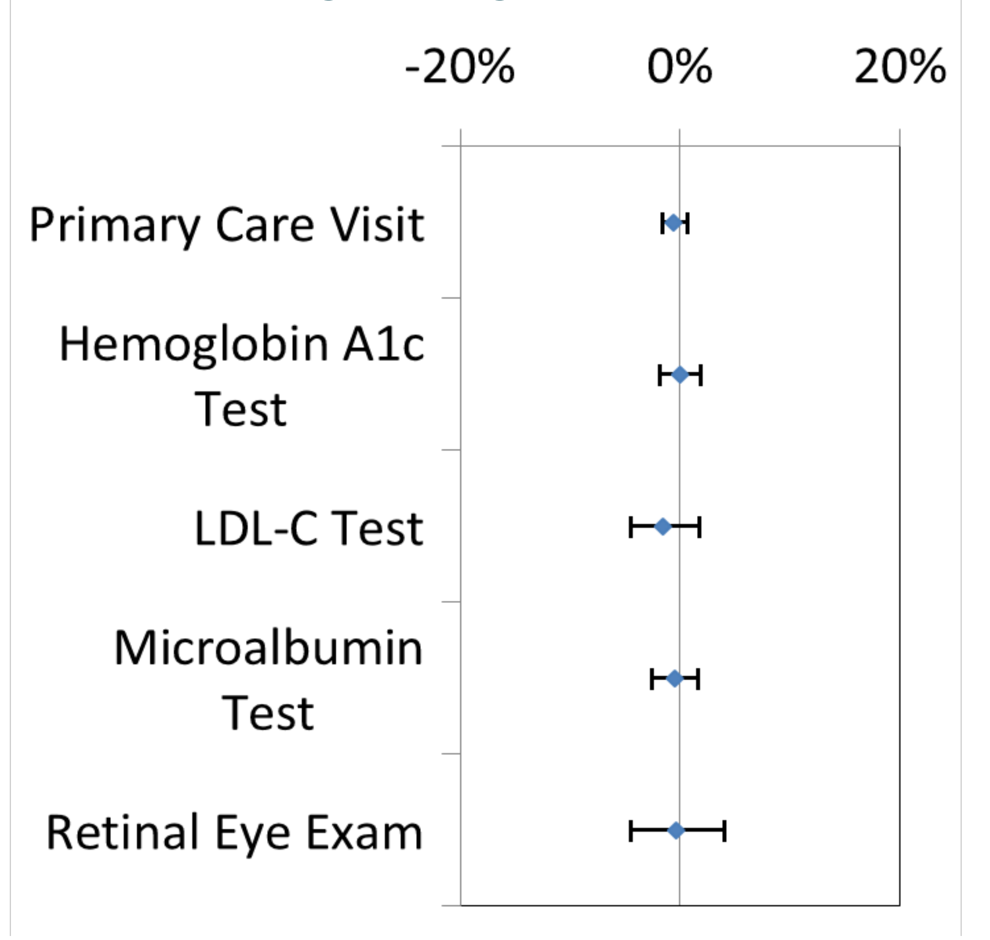
Considerations for employers

- Identify opportunities to close gaps and boost adherence
- Determine how much to discount cost-sharing
- Flexibility of designing yourself vs. buying a VBID product
- Enrollment process: separate plan design (State of CT) or auto enrollment
- Vendor capabilities and integrating with existing programs
- Communicate, communicate, communicate

Q & A



Disease Monitoring Unchanged among Diabetes Patients in HDHPs



Wharam *et al. JAMA-IM*. 2017. *p<0.05

Thank you for participating!

A recording of this webinar will be made available

More information about V-BID in Diabetes can be found at vbidcenter.org/via-diabetes

#VBIDinDiabetes