V-BID X

A NEW PLAN OPTION FOR THE INDIVIDUAL HEALTH INSURANCE MARKET

#VBiD
Moderator

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V-BID X

A New Plan Option for the Individual Health Insurance Market

Webinar Agenda:

• Welcome and Background
• Panelist Introduction
• Presentation
• Panel Reaction
• Question and Answers
  • Please ask questions via the question box throughout the program
Moving V-BID Forward

Despite the promise of V-BID to increase the utilization of high-value services, implementation has slowed:

- Lack of a ‘standard’ V-BID plan
- Concerns regarding the cost impact of increased utilization of high-value services (i.e. actuarial value)
Moving V-BID Forward

- Benefit designs incorporating clinically nuanced cost-sharing approaches should be particularly attractive in exchanges, given the lack of flexibility concerning premiums and plan deductibles

- **Goal:** build a V-BID plan for individual market that does not increase premiums or deductibles – V-BID X
Michael Chernew, PhD
Healthcare Markets and Regulation Lab
Harvard Medical University
V-BID X: Guiding Principles

• Make concrete recommendations
• This is NOT a theory or conceptual exercise
  • Anticipate and address barriers
    • Insurers must be able to take what we develop to design a V-BID product
• The best must not be the enemy of the good
• Output would be publically available
V-BID X: Project Members

- Research supported by Arnold Ventures
- Oliver Wyman provided actuarial estimates
V-BID X: Approach

• Pick a ‘Base Plan’

• Identify high- and low-value services

• Refine base plan to have same AV but:
  • Lower cost sharing for high-value services
  • Higher cost sharing for low-value services
  • No increase premiums or deductibles
V-BID X: Process

4 meetings

1: Discuss issues/ ground-rules/ process

2: Define high-value services
   • Scored by Oliver Wyman

3: Define low-value services
   • Scored by Oliver Wyman

4: Combine high and low value to create plan
V-BID X: Selection of Services

1. Favor services with the strongest evidence-base and external validation
2. Favor services that are more responsive to cost-sharing
3. Favor services with a high likelihood to be high- or low-value, independent of the clinical context (minimal nuance)
4. Consider equity, adverse selection, impact on special populations, and the risk pool
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<tr>
<th>High-Value Services and Drugs with Highly Reduced or Eliminated Cost-Sharing</th>
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<td>Glucometers and testing strips</td>
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<td>LDL testing (hyperlipidemia)</td>
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<td>Hemoglobin A1C testing (diabetes)</td>
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<td>Cardiac rehabilitation</td>
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<td>INR testing (hypercoagulability)</td>
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<td>Pulmonary rehabilitation</td>
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<td>Peak flow meters (asthma)</td>
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<td>High-Value Branded Drug Classes with Reduced Cost-Sharing</td>
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<td>Pre-exposure prophylaxis for HIV</td>
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<td>Low-Value Services with No Coverage</td>
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<td>Vitamin D testing</td>
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<td>Proton beam therapy for prostate cancer</td>
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<td>Commonly Used Services with Limited Value and Increased Cost-Sharing</td>
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<td><strong>Outpatient specialist services</strong></td>
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<td><strong>High-cost imaging</strong></td>
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V-BID X: Plan Flexibility

The list of services and service categories used in this first iteration of V-BID X represents just one version of what such a plan design could look like.

Payers have significant flexibility regarding how to design a version of V-BID X. Key parameters include:

- Selection of high-value services for reduced cost-sharing
- Level of cost-sharing reduction for high-value services
- Selection of low-value services for increased cost sharing
- Level of cost-sharing increase for low-value services
- Determination of the actuarial value of the plan
V-BID X: Key Takeaways

- Cost neutral V-BID designs are feasible. Coverage can be enhanced for targeted high-value services, **without** raising premiums and deductibles.

- There are a large number of plausible combinations of services or cost-sharing changes that could fit different needs and goals, depending on the carrier and market.
Lourdes Grindal-Miller
Director of Marketplace Plan Management Group | CMS
Peter Lee
Executive Director | Covered California
Q & A

Please ask questions through the question box.
Thank you for participating!

A recording of this webinar will be available

More information about V-BID X can be found at

vbidcenter.org/initiatives/vbid-x/

For additional questions, please email

vbidcenter@umich.edu

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