

Michigan group stresses value-based priorities for health care reform

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With millions of Americans uninsured and health care costs escalating, health care is a priority for the new Congress and Obama administration. Most health care reform discussions focus on rising medical costs. Yet value — the clinical benefit achieved for the money spent — is not always part of the debate.

Responding to the need to address value in health care, Michigan Sen. Debbie Stabenow and Congressman John Dingell hosted a briefing Feb. 6 in the newly opened U.S. Capitol Visitor Center. The talk was titled "Value-Based Insurance Design: Restoring Health to the Health Care Reform Debate."

More than 75 Capitol Hill staff members attended presentations by Dr. A. Mark Fendrick, co-director of the Center for Value-Based Insurance Design and professor of internal medicine and health management and policy, and Dr. Jan Berger, former medical director of CVS/Caremark, one of the country's largest pharmacy benefit managers.

Fendrick warned the audience that reform proposals that aim only to control health care costs will lead to reduced use of high value medical services, and ultimately worsen the health of Americans. Instead of "one size fits all" benefit designs that do not distinguish between high and low-value services, Fendrick advocated that programs be developed to openly address cost growth, yet explicitly aim to optimize the health of Americans.

Value-based insurance design (V-BID) is a concept introduced by Fendrick and Harvard Medical School economist Michael Chernew, formerly of U-M and the founding director of the U-M V-BID Center. V-BID programs adjust patients' out-of-pocket costs for health services based on the clinical benefit to the individual patient. The basic V-BID premise is that patient copayments for high-value services should remain low, mitigating the concern that higher patient out-of-pocket costs will lead to adverse clinical outcomes.

The V-BID approach, such as the award-winning Focus on Diabetes Program at U-M, aligns financial incentives to encourage the use of essential care, and ultimately produce more health at any level of health care expenditure, he said.

Berger gave several other examples of V-BID programs implemented by several private and non-for profit organizations.

A question-and-answer session addressed a number of issues surrounding the implementation of V-BID in the Medicare population.

"Health is the real motivation behind medical benefits," Fendrick said. "Efforts to control costs should not reduce quality of care. "