



SCHOOL OF PUBLIC HEALTH

CENTER FOR VALUE-BASED INSURANCE DESIGN

UNIVERSITY OF MICHIGAN

Women's Health and the Affordable Care Act

Potential Role for Value-Based Insurance Design in Women's Health

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Table 1: Risk factors for nodding off at lectures

Factor	Odds ratio (and 95% CI)
Environmental	
Dim lighting	1.6 (0.8–2.5)
Warm room temperature	1.4 (0.9–1.6)
Comfortable seating	1.0 (0.7–1.3)
Audiovisual	
Poor slides	1.8 (1.3–2.0)
Failure to speak into microphone	1.7 (1.3–2.1)
Circadian	
Early morning	1.3 (0.9–1.8)
Post prandial	1.7 (0.9–2.3)
Speaker-related	
Monotonous tone	6.8 (5.4–8.0)
Tweed jacket	2.1 (1.7–3.0)
Losing place in lecture	2.0 (1.5–2.6)

Note: CI = confidence interval.

Women's Health in Value-Based Insurance Design and the Affordable Care Act

- **Background on Value-Based Insurance Design**
- **Role of V-BID in State and Federal Policy Efforts**
- **Women's Health in ACA**
- **Lots of Discussion**

Improving Care and Bending the Cost Curve

Shifting the discussion from “How much” to “How well”

- The past several decades have produced remarkable innovations for the prevention and treatment of common clinical conditions impacting women, resulting in impressive reductions in morbidity and mortality
- Regardless of these clinical advances, cost growth remains the principle focus of health care reform discussions
- Despite unequivocal evidence of clinical benefit, substantial underutilization of high-value women’s health services persists across the spectrum of clinical care
- Given that there is no disagreement that there is enough money in the current system, stakeholders should shift the focus from *how much* - to *how well* - we spend

Dealing with the Health Care Cost Crisis

Interventions to Control Costs

- **Information Technology**
- **Payment Reform**
- **Make Beneficiaries Pay More**
 - **For today's discussion, it is important to distinguish between the total cost of care and the portion of costs of care paid by the consumer**

The Problem: "One Size Fits All" Cost Sharing

Cost sharing for medical services and providers are the same for...



- + Strong evidence base
- + Enhance clinical outcomes
- + Increase efficiency

&



- Weak evidence base
- Minimal or no clinical benefit
- Increase inefficiency

...despite evidence-based differences in value.

Value-Based Insurance Design: Improving Care and Bending the Cost Curve

- **Ideally, patient copayments would be used to encourage the use of high-value services and discourage the use of low-value services**
- **A growing body of evidence demonstrates that increases in patient cost-sharing leads to decreases in non-essential and essential care which, in some cases, leads to greater overall costs**

Value-Based Insurance Design 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)

Increased Ambulatory Copayments for the Elderly: Making Things Worse

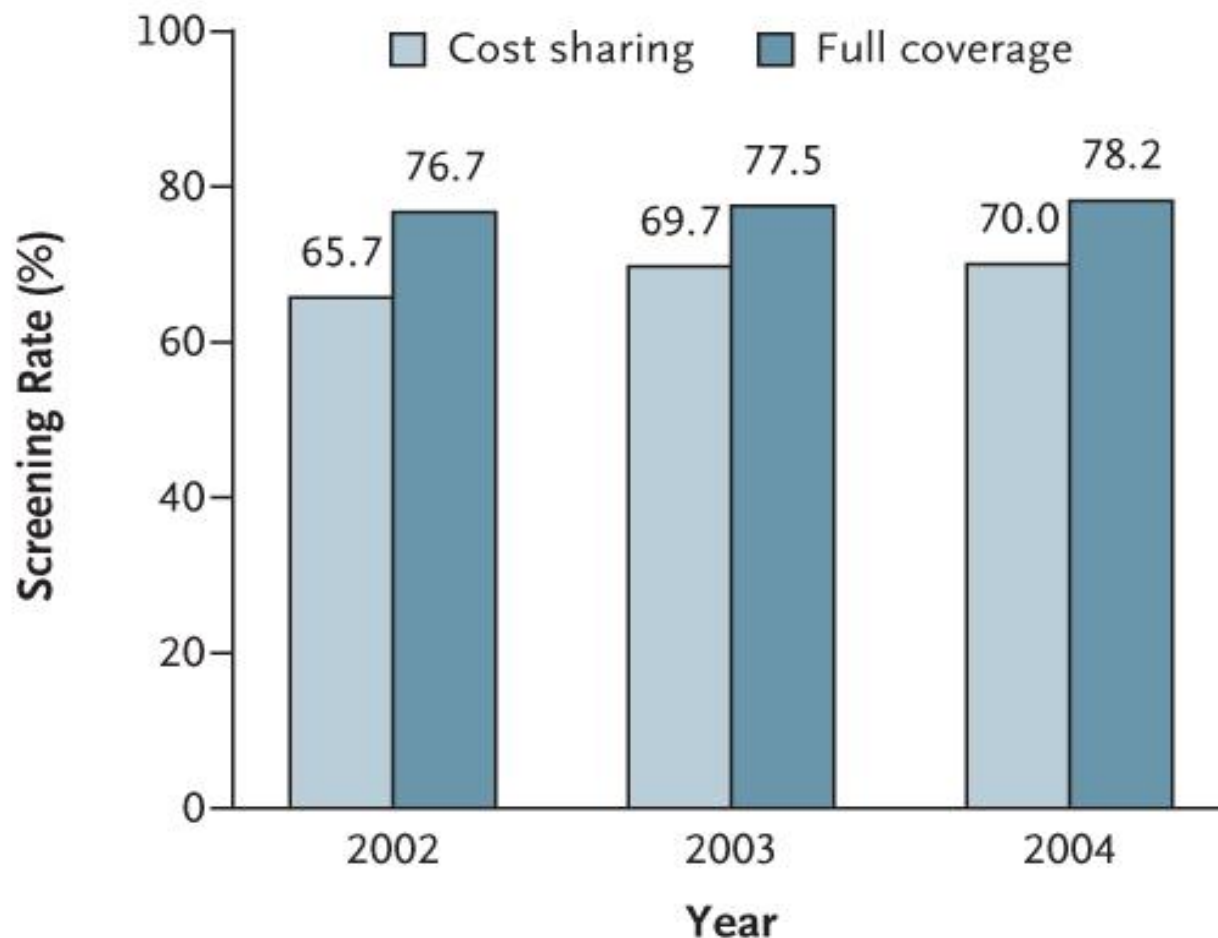
- Copays increased:
 - from **\$7.38** to **\$14.38** for primary care
 - from **\$12.66** to **\$22.05** for specialty care
 - remained unchanged at **\$8.33** and **\$11.38** in controls
-
- In the year after increases:
 - **19.8 fewer** annual outpatient visits per 100 enrollees
 - **2.2 additional** hospital admissions per 100 enrollees
 - Effects worse in low income and patients with chronic illness

Cost-related non-adherence is particularly problematic in women's health

The Impact of Out-of-Pocket Costs on the Use of Intrauterine Contraception Among Women With Employer-sponsored Insurance

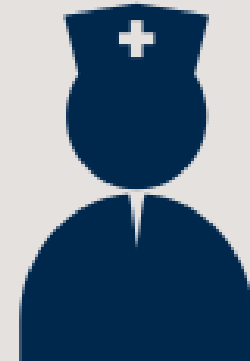
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Nancy L. Keating, MD, MPH,¶# and Vanessa K. Dalton, MD, MPH***

Cost-sharing Affects Adherence to Screening: Mammography Use in Medicare Beneficiaries



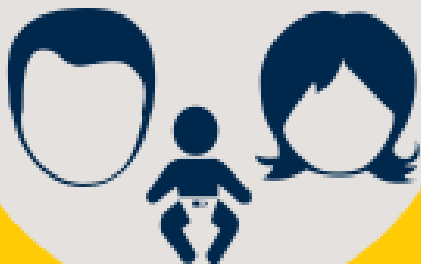
A New Approach: Clinical Nuance

1. Services differ in clinical benefit produced

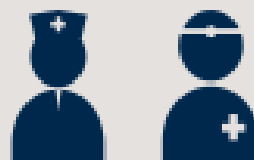


2. Clinical benefits from a specific service depend on:

Who
receives it



Who
provides it



Where
it's provided



The Solution: Clinically-Nuanced Cost Sharing

Low

Cost  Sharing

to encourage



High

Cost  Sharing

to discourage



Value Based Insurance Design: “Carrot” Programs Improve Adherence Without Increasing Costs

- **July 2013 *Health Affairs*:**
 - Systemic review of 13 studies of incentive-only drug programs
 - “consistently associated with improved adherence”
 - Lower patient out of pocket costs
 - No significant increase in total spending by payers

EXHIBIT 1
Descriptions Of Value-Based Insurance Design (VBID) Policies For Prescription Drugs

Policy (year)	Study authors	Drug class targeted	Pre-VBID plan design	Copay description	
CVS Caremark (2007)	Chang et al. (Note 8 in text)	Antidiabetics	3 tiers	Copay reductions for tier 1 and tier 2	5
Marriott (2005)	Chernew et al. (Notes 6 and 9 in text)	Antidiabetics, ACE inhibitors/ARBs, beta-blockers, statins, steroids	3 tiers	Eliminated for tier 1, tier 2 reduced to \$12.50, tier 3 reduced to \$22.50	37
Pitney Bowes (2007)	Choudhry et al. (Notes 10 and 11 in text) Choudhry et al. (Notes 10 and 11 in text)	Statins Clopidogrel	3 tiers 3 tiers	Eliminated for all statins	2.05
Novartis (2005)	Gibson et al. (Note 15 in text), Kelly et al. (Note 20 in text)	Antidiabetics, antihypertensives, bronchodilators	20% coinsurance for retail scripts, 10% coinsurance for mail-order scripts	10% coinsurance for retail scripts, 7.5% coinsurance for mail-order prescriptions	25,784 beneficiaries (Gibson et al.) 9,624 beneficiaries (Kelly et al.)
Florida Health Care Coalition (2006)	Gibson et al. (Note 14 in text)	Antidiabetics	10-35% coinsurance	10% coinsurance	1,876 beneficiaries
Blue Cross Blue Shield of North Carolina (2008)	Maciejewski et al. (Note 16 in text), Farley et al. (Note 12 in text)	Antidiabetics, antihypertensives, cholesterol-lowering medications	10-35% coinsurance 3 tiers	10% coinsurance with disease management	328 employees
State of Colorado (2006)	Nair et al. (Note 17 in text)	Antidiabetics	3 tiers	Eliminated for tier 1 for program participants, reduced for tiers 2 and 3 for all beneficiaries	747,400 beneficiaries of participating employers
Blue Cross Blue	Rodin et al. (Note 18)	Antidiabetics	3 tiers	All drugs and testing supplies reduced to tier 1	589 state workers
				Eliminated for tier 1,	4,654 beneficiaries

IBM to Drop Co-Pay for Primary-Care Visits

Article

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Text



By WILLIAM M. BULKELEY

In an unusual bid to cut health-care costs, International Business Machines Corp. plans to stop requiring \$20 co-payments by employees when they visit primary-care physicians.

The company said it believed the move would save costs by encouraging people to go to primary-care doctors faster, in order to get earlier diagnoses that could save on expensive visits to specialists and emergency rooms.

IBM said that the action applies to the 80% of its workers who are enrolled in plans in which the company self-insures—that is, programs in which it pays the health-care benefits, not insurers. The new policy doesn't cover IBM employees in health-maintenance organizations.

One of the nation's largest employers with 115,000 U.S. workers, IBM spends about \$1.3 billion a year on U.S. health care. Its benefit practices are closely watched in the human-resources community, and its actions are sometimes trend-setters.

Value-Based Insurance Design

Implications for “Clinical Nuance” in Women’s Health

- **Screening**
 - Targeted screening based on individual risks
- **Diagnostics**
 - Molecular diagnostics to determine prognosis or predict response to therapy
- **Treatments**
 - By indication
 - Based on results of diagnostics
- **Providers**
 - Centers of excellence



HEALTH AND FITNESS

Northeast OH Healthy Living and Medical Consumer News

“Lowe's is offering employees incentives in the form of reduced out-of-pocket costs to come to the Cleveland Clinic for heart procedures.”

Harlan Spector, Health News, Insurance, Metro, Real-Time News »

Lowe's will bring its workers to Cleveland Clinic for heart surgery

By Harlan Spector, The Plain Dealer
February 17, 2010, 3:58AM



[View full size](#)

Chuck Burton / Associated Press

Lowe's is offering employees nationwide incentives in the form of reduced out-

ACA Sec. 2713c Interim Final Regulation – July 2010

Broad Definition of V-BID

“Value-based insurance designs include the provision of information and incentives for consumers that promote access to and use of higher value providers, treatments, and services.”

Sec 2713: Selected Preventive Services be Provided without Cost Sharing

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



Health Resources and Services Administration

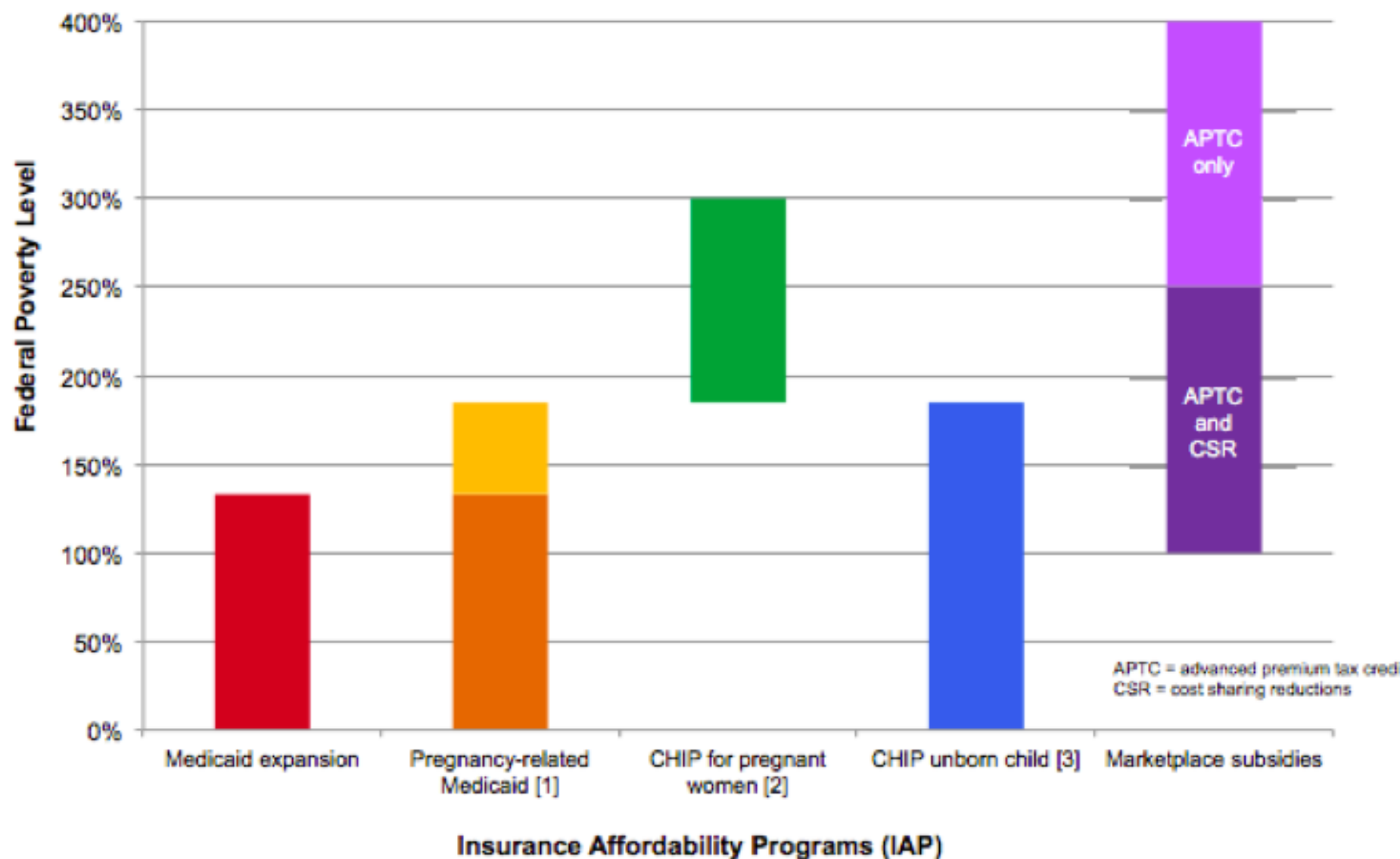
Women's Preventive Services Guidelines

- **Well-woman visits**
- **Screening for gestational diabetes**
- **Human papillomavirus testing**
- **Counseling for sexually transmitted infections**
- **Counseling and screening for HIV**
- **Contraceptive methods and counseling**
- **Breastfeeding support, supplies, and counseling**
- **Screening and counseling for interpersonal and domestic violence**

Approximately **105 million Americans** have received expanded coverage



Figure 1: Potential Coverage Options for Pregnant Women in 2014 and Future Years



V-BID in Medicaid

CMS Regulatory Guidance Permits “Clinical Nuance”

- **The CMS recently finalized rules (CMS-2334-F) giving Medicaid programs greater flexibility to vary cost-sharing for drugs as well as certain outpatient, emergency department, and inpatient visits**
- **States may vary cost-sharing for a particular outpatient service in accordance with who provides the service and/or where it is delivered**
- **States may target cost-sharing to specific groups of individuals based on clinical information (e.g., diagnosis, risk factors)**

V-BID in Healthy Michigan Legislation

Health plans permitted to:

- Reduce required contributions to an individuals health savings account if “healthy behaviors are being addressed, as based on uniform standards developed by DCH in consultation with health plans.”
- Waive co-pays “to promote greater access to services that prevent the progression and complications related to chronic diseases.”

[Section 105D(1)(e)]

Department of Community Health to “design and implement a co-pay structure that encourages the use of high-value services, while discouraging low-value services such as non-urgent Emergency Department utilization.”

[Section 105D(1)(f)]

DCH to implement a pharmaceutical benefit that utilizes co-pays at appropriate levels allowable by CMS to encourage the use of high-value, low-cost prescriptions.

[Section 105D(1)(5)]

Massachusetts V-BID Legislation

Section 226 (a) The commissioner shall by regulation determine which medical services, treatments and prescription drugs shall be deemed high-value cost-effective services for the purposes of this section. The determination of high-value cost-effective services shall rely on the recommendations of the Barrier-Free Care Expert Panel established by subsection (c). Any service, treatment or prescription drug determined by the commissioner to be a high-value cost-effective service by regulation promulgated prior to July 1 of a year shall be deemed a high-value cost-effective service for the purposes of subsection (b) effective on January 1 of the following year. In determining medical services, treatments and prescription drugs to be deemed high-value cost-effective services, the commissioner may limit the effect of the determination to people with one or more specific diagnoses or risk factors for a disease or condition.

Implementing V-BID in Medicare: Inclusion in “Better Care, Lower Cost Act” of 2014

“(D) CHANGES IN COVERAGE.—The Secretary, in consultation with experts in the field, shall establish a process for qualified BCPs to submit value-based Medicare coverage changes that encourage and incentivize the use of evidence-based practices that will drive better outcomes while ensuring patient protections and access are maintained.

Women's Health and the Affordable Care Act: High Hopes versus Harsh Realities?

- **2,520 women surveyed, 1,078 (43 %) responded**
- **81% of respondents had heard of the ACA, but only 24% expected insurance coverage to change**
- **“Do not know” was a common response for specific coverage changes, including**
 - **preventive health (61%),**
 - **women’s health (i.e. gynecological) exam (62%),**
 - **breast exam (66%),**
 - **contraception (65%), and**
 - **mental health (76%) services**

Women's Health and the Health Policy Landscape

- **Federal, state and private policy initiatives are increasingly adoption clinically nuanced approaches to health insurance coverage**
- **Despite these important innovations gaps in knowledge and care persist**
- **Multi-factorial interventions are necessary if we are to enhance the utilization of evidence-based clinical services for women**
- **Rigorous evaluations are essential**

Discussion

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