



Interview with a V-BID Implementer

Attorney Robert Krzys recently offered to share his experiences implementing a value-based insurance design (V-BID) program in Connecticut to help answer questions others may have about the process. In 2011, the State of Connecticut ratified an agreement with a coalition of unions, the State Employees Bargaining Agent Coalition (SEBAC), targeting health savings using V-BID. By late 2011, over 95 percent of eligible employees and their dependents had switched from their existing plans into V-BID plans.

For 25 years, Krzys has been the chief spokesperson for SEBAC, representing approximately 50,000 employees of the State of Connecticut. He co-chairs a joint Labor Management Committee that oversees and administers a self-insured health care plan for active and retired Connecticut State Employees with 225,000 covered lives. He recently [presented](#) his work at the 2011 V-BID Symposium as part of the [Implementation Session](#).

Phillip Stadler is a policy analyst at the V-BID Center. He interviewed Mr. Krzys shortly after the 2011 Symposium.

Mr. Stadler: Thank you, Mr. Krzys, for joining us.

Could you provide some background information on why SEBAC was interested in offering its employees a value-based insurance option?

Mr. Krzys: The State Employees Bargaining Agent Coalition has long been interested in improving the health of its members. It has been frustrated by years of opposition to wellness initiatives and the lack of incentives in the health plan design to help influence utilization of the most valuable services and benefits of the plan.

The State, as employer, recently became convinced to implement the V-BID concept partly because we were able to find some “sticks” to go along with the Coalition’s “carrots.” It was extremely helpful to have a brand new administration with an open mind to solutions.

The 2011 negotiations were propelled forward by a fiscal crisis common to all States. It was the crisis that motivated the opportunity to find fresh approaches to [control its] health care costs.

Mr. Stadler: How is the State of Connecticut implementing its value-based plan, known as the Health Enhancement Program (HEP)? As part of the program, the State requires that individuals commit to yearly physicals, dental cleanings, and age-appropriate diagnostic tests—how will Connecticut track and enforce this agreement?

Mr. Krzys: It is being implemented in a variety of ways.

First, the Office of the State Comptroller and its dedicated, but under-resourced, staff is leading the implementation of our Health Enhancement Program as well as other health care changes such as a mandatory mail order program for maintenance drugs for active employees and under-65 retirees.

Secondly, [the consulting firm] Milliman [and] the Comptroller's health care actuaries are formulating the metrics to measure the implementation of the program and to establish a baseline of prior experience.

All of this activity runs through the joint labor-management committee known as the Health Care Cost Containment Committee that meets monthly and is staffed by the Comptroller's office of health policy.

The Union side of the committee is attempting to use the HEP to identify particular classifications of employees such as Department of Transportation drivers or Correctional officers to see which groups have more or less of the chronic conditions the program is designed to address.

Lastly, the two medical carriers and the [state's] Pharmacy Benefits Manager are working together to provide consistent messages to the employees about the program. Most importantly, the two health plans will [be] providing the disease management counseling programs, which are a part of the program.

The health insurers will also be tracking the claims of our self-insured plan to oversee compliance with the program. Workplace meetings are planned as well as a more robust plan to drive employee engagement through workplace wellness and health promotion committees.

Mr. Stadler: Are there particular health issues that the State of Connecticut hopes that V-BID will help to remediate? Could you please describe a particular health metric and how your V-BID plan is set up to diagnose, test, or care for this issue?

Mr. Krzys: The HEP is designed to address a few specific chronic conditions. The annual physical schedule is designed to detect these conditions and lead to further tests. So, the annual physical is a type of screening itself.

One example is the screening for colonoscopies. We have the data for active colon cancer cases from 2005 and the number of deaths in that population from colon cancer in 2010. We will compare the level of screenings by gender from 2005 to 2010 and the level achieved by the HEP requirements. It is our goal to see if the enhanced screening level led to more early detection and therefore, less costly interventions for those diagnosed with the condition.

Mr. Stadler: What about the incentive structure of your plan encouraged a greater-than-95-percent enrollment rate?

Mr. Krzys: There is much debate about our enrollment figures. In my opinion, it occurred because the \$100 per month premium differential was a large amount and because it was instituted during a time frame when state employees had agreed to a wage freeze. HEP was a way to keep money in your pocket. Additionally, a part of me believes workers are ready to engage more profoundly with caring for themselves and their families. They want a plan and a workplace that allows for this.

Mr. Stadler: What impact would you like to see resulting from the transition to HEP?

Mr. Krzys: My hoped for impact is simple—better health, better families, better community.