Changing the Health Care Cost Discussion from ‘How Much’ to ‘How Well’

THE PROBLEM:
Consumers pay the same for all medical services and providers... despite evidence-based differences in value

HIGH-VALUE SERVICES
+ Strong evidence base
+ Enhance clinical outcomes
+ Increase efficiency

LOW-VALUE SERVICES
- Weak evidence base
- Minimal or no clinical benefit
- Decrease efficiency

As out-of-pocket costs continue to rise...

\[ \text{Avg. Employee Out-of-Pocket Spending for Family of Four with PPO} \]

$3,005 in 2010

$3,600 in 2013

$4,534 in 2017

Source: https://www.nihcm.org/categories/the-burden-of-rising-health-spending

...utilization of high-value services is reduced, which:

adversely affects health

potentially increases costs

worsens disparities

A Potential Solution to Cost-Related Non-Adherence:

Clinically Nuanced Cost-Sharing

Clinical Nuance states that a service differs in clinical benefit produced, depending on Who receives it, Who provides it, Where it’s provided

IMPLEMENTING CLINICAL NUANCE:

Value-Based Insurance Design

Reduces cost-sharing to encourage greater adherence to high-value services and providers

V-BID: Who benefits and how?

Consumers

- Improves access
- Lowers out-of-pocket costs

Payers

- Promotes efficient expenditures
- Reduces unnecessary spending

Providers

- Enhances patient-centered outcomes
- Aligns with provider incentives

CENTER FOR VALUE-BASED INSURANCE DESIGN

Bipartisan political support

Implemented by hundreds of public and private organizations

Enhances access to preventive care for 137 million Americans

Reduces health care disparities

V-BID model test in TRICARE and Medicare Advantage

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