

V-BID Concepts included in new Medicare Legislation to Improve Care and Lower Costs

January 15, 2014

WASHINGTON - Today, U.S. Senators Ron Wyden, D-OR, and Johnny Isakson, R-GA, and U.S. Representatives Erik Paulsen, R-MN, and Peter Welch, D-VT, introduced legislation to improve care coordination for the millions of Medicare beneficiaries with multiple chronic conditions and to expand the use of multi-disciplinary health teams to keep patients as healthy as possible in their homes and communities.

[The Better Care, Lower Cost Act of 2014](#) creates the voluntary "Better Care Program" (BCP) that is open to Medicare enrollees suffering from chronic conditions. BCPs have the ability to lower cost-sharing on services and provider visits that provide the most value for an enrollee's chronic conditions, the basic premise of Value-Based Insurance Design ([V-BID](#)). Participating plans and practices would receive newly calculated risk-adjusted, capitated payments rewarding better health outcomes for enrolled beneficiaries. A [press packet](#) and [summary](#) of the bill are also available.

The University of Michigan Center for Value-Based Insurance Design supports this critical measure to improve chronic condition service coordination for Medicare beneficiaries. Center Director, A. Mark Fendrick, MD, notes:

"The Better Care Program's emphasis on care integration and provision of clinically nuanced incentives to both patients and providers will improve the health of the most vulnerable Medicare beneficiaries and bend the health care cost curve."

For more information about how V-BID aligns with this legislation, please contact V-BID Center Director, A. Mark Fendrick, MD, at amfen@umich.edu or 734-647-9688.

To learn more about V-BID, please see our [infographic](#), visit our [website](#), and [sign up](#) to receive our newsletter.

The University of Michigan Center for Value-Based Insurance Design leads in research, development, and advocacy for innovative health benefit plans.