**Value-Based Insurance Design**

**Motivation for Benefit Design Change**
- Align out-of-pocket costs with healthy behaviors
- Address state budget deficits
- Reduce disparities and quality gaps
- Improve individual and population health
- Encourage employee engagement

**Current Plans vs. V-BID Plans**
- Increase out-of-pocket costs
- Offer one-size-fits-all cost-sharing
- Mandate consumer and provider incentives
- Decrease disparities and quality gaps
- Align with provider initiatives
- Address state budget deficits
- Reduce disparities and quality gaps
- Improve individual and population health
- Encourage employee engagement

**Key Features of the HEP**
- Voluntary Enrollment
- Full Preventive Care Coverage
- Reduced cost-sharing for visits & medications to better manage specific clinical conditions
- Increased cost-sharing for non-emergent ED visits

**HEP Impact: 2 Year Results**

<table>
<thead>
<tr>
<th>Service</th>
<th>Year 1 Baseline</th>
<th>Year 1 HEP</th>
<th>Year 2 Baseline</th>
<th>Year 2 HEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Visits</td>
<td>1.6%</td>
<td>1.2%</td>
<td>2.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Office Visit Increases</td>
<td>0.8%</td>
<td>0.6%</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Lipid Screening</td>
<td>25%</td>
<td>45%</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Preventive Care Utilization</td>
<td>50%</td>
<td>70%</td>
<td>60%</td>
<td>90%</td>
</tr>
<tr>
<td>ED Visits per 1,000 enrollees</td>
<td>3.5</td>
<td>3.2</td>
<td>3.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Spending - Full Sample</td>
<td>$1600</td>
<td>$1550</td>
<td>$1700</td>
<td>$1650</td>
</tr>
<tr>
<td>Spending - Chronic Conditions</td>
<td>$2000</td>
<td>$1900</td>
<td>$2200</td>
<td>$2100</td>
</tr>
</tbody>
</table>

**Moving Forward**

- Combining V-BID principles with participation requirements can help payers increase the use of evidence-based services and reduce low-value care
- This novel combination increased the utilization of targeted preventive and chronic disease services, and reduced ED use among HEP enrollees, relative to other state health plans
- Aligning clinically nuanced, provider-facing and consumer engagement initiatives is necessary to improve quality of care, enhance patient experience, and contain cost growth
- As private and public payers transition from a volume-based to a value-based delivery system, V-BID will be an essential component

**Connecticut's Health Enhancement Program**

**Value-Based Insurance Design**
- V-BID sets cost-sharing to encourage use of high-value services and providers and discourage use of low-value care
- Current Plans
  - Increase out-of-pocket costs
  - Offer one-size-fits-all cost-sharing
  - Mandate consumer and provider incentives
- V-BID Plans
  - Lower cost-sharing for high-value services and providers
  - Enhance patient-centered outcomes
  - Align with provider initiatives


Baseline: July 2010 - June 2011; Year 1: July 2011 - June 2012; Year 2: July 2012 - June 2013