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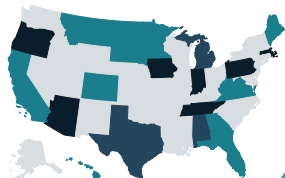
**#VBID2019**

# **M | V-BID** **SUMMIT 2019**

Lower Premiums, Better Coverage

**March 12-13, 2019**

**V-BID 2.0**



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# WELCOME

On behalf of the University of Michigan Center for Value-Based Insurance Design, we welcome you to Ann Arbor and the 2019 V-BID Summit: Lower Premiums, Better Coverage.

Since the launch of the V-BID Center in 2005, our research, education, and policy efforts have made significant strides in advancing our mission to implement clinical nuanced V-BID principles into payment reform initiatives and health plan benefit designs, so that consumers, providers, and payers are able to achieve the best patient-centered outcomes for the money spent.

Determining and enhancing value have become a centerpiece of health care reform discussions. Today, a broad range of healthcare stakeholders from across the nation have come together to address the opportunities and challenges of aligning payment reform and consumer engagement initiatives, confront the growing problem of underinsurance, examine the role of V-BID in public and private payers, and tackle the need to identify and reduce the use of low-value care. Your diverse expertise will drive the discussion as we pursue the improved quality, enhanced patient experience, and cost-containment. The resulting information gleaned from this engaging dialogue promises to shape our work moving forward.

We are gratified by your participation and commitment to changing the health care cost discussion from “how much” to “how well.” As always, we hope today’s conversation promotes innovative ideas and establishes new and productive relationships.

Enjoy your time at the Big House,



A. Mark Fendrick, M.D.

# AGENDA

Wednesday, March 13, 2019

7:30-8:15 am | **Continental Breakfast**

8:15-8:30 am | **Welcome & Opening Remarks**

8:30-10:00 am

## Session 1: Expanded Role of V-BID in Medicare Advantage and Commercial Plans

### Speakers:

- Mark Atalla, Center for Medicare and Medicaid Innovation
- Melanie Egorin, U.S. House Ways and Means Committee
- Stephen Parente, University of Minnesota

**Moderator:** Cliff Goodman, Lewin Group

10:00-10:15 am | **Break**

10:15-11:45 am

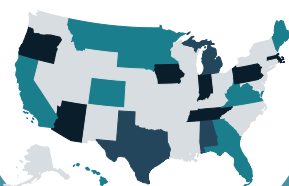
## Session 2: Removing Low-Value Services to Create 'Headroom' for High-Value Care

### Speakers:

- Daniel Carey, Commonwealth of Virginia
- Gwen Darien, National Patient Advocate Foundation
- John Keats, Cigna

**Moderator:** Cliff Goodman, Lewin Group

V-BID 2.0



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# AGENDA

**Wednesday, March 13, 2019 Continued**

11:45-1:00 pm | **Networking Lunch/Break**

12:00-12:45 pm | **Stadium Tours Available**

1:00-2:30 pm

## Session 3: Innovative Approaches to Finance High-Cost, High-Value Services



### **Speakers:**

- Daniel Klein, Patient Access Network
- Ted Okon, Community Oncology Alliance

**Moderator:** Cliff Goodman, Lewin Group

2:30-2:45 pm | **Break**

2:45-4:15 pm

## Session 4: V-BID X - A Novel Plan Design to Lower Premiums and Improve Coverage of High-Value Care



### **Speakers:**

- Michael Chernew, Harvard Medical School
- Greg Gierer, America's Health Insurance Plans (AHIP)
- Lourdes Grindal Miller, Centers for Medicare and Medicaid Services

**Moderator:** Cliff Goodman, Lewin Group

4:15-4:30 pm | **Closing Remarks**

## Meet the Speakers

### Opening Remarks:



#### **A. Mark Fendrick, MD**, Center for Value-Based Insurance Design

Mark Fendrick is a Professor of Internal Medicine and a Professor of Health Management and Policy at the University of Michigan. Dr. Fendrick conceptualized and coined the term **Value-Based Insurance Design (V-BID)** and currently directs the V-BID Center at the University of Michigan, the leading advocate for development, implementation, and evaluation of innovative health benefit plans. His research focuses on how clinician payment and consumer engagement initiatives impact access to care, quality of care, health care disparities, and health care costs.

### Moderator:



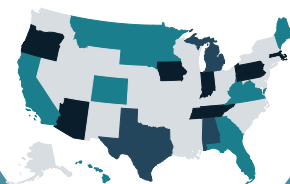
#### **Clifford Goodman, PhD**, Lewin Group

Clifford Goodman is a Senior Vice President at The Lewin Group, a health care policy consulting firm based in Falls Church, Virginia. Dr. Goodman has 30 years of experience in such areas as health technology assessment, evidence-based health care, comparative effectiveness research, and payment. He directs studies and projects for an international range of government agencies; pharmaceutical, biotechnology, and medical device companies; health care provider institutions; and professional, industry, and patient advocacy groups.

Dr. Goodman is an internationally recognized health policy issues moderator and facilitator of expert panels, health industry advisory boards, and workshops. Dr. Goodman served as Chair of the Medicare Evidence Development & Coverage Advisory Committee (MEDPAC, 2009-12) for the US Centers for Medicare and Medicaid Services. He served as President of the professional society Health Technology Assessment international (HTAi, 2001-13). He received a Ph.D. from The Wharton School of the University of Pennsylvania, a Master of Science from The Georgia Institute of Technology, and a Bachelor of Arts from Cornell University.



## Session 1: Expanded Role of V-BID in Medicare Advantage and Commercial Plans

**V-BID 2.0**

### Panelists:



#### **Mark Atalla, Center for Medicare & Medicaid Innovation**

Mark Atalla leads the Medicare Advantage Value-Based Insurance Design Model and Part D Payment Modernization Model at the Center for Medicare and Medicaid Innovation (CMMI) at the Centers for Medicare and Medicaid Services (CMS). At CMMI, Mark has led Medicare Advantage and Part D innovation, and has supported the Enhanced Medication Therapy Management and Next Generation Accountable Care Organization models. Prior to coming to CMMI, Mark was the Director of Pharmacy at Fresenius Medical Care and a managing pharmacist at the pharmacy benefit managers Medco and Express Scripts. Mark has a Doctor of Pharmacy from the University of Florida and a Master of Business Administration from Yale University.



#### **Melanie Egorin, U.S. House Ways and Means Committee**

Melanie Anne Egorin has over 20 years of health policy experience with 15 years in the federal government. Melanie is the Deputy Staff Director for the Health Subcommittee of the Committee on Ways and Means in the U.S. House of Representatives. She is the lead staff person for Affordable Care Act policy as well as Medicare Advantage, dual-eligible beneficiaries, end-stage renal disease, women's health, and health tax issues. Prior to joining Ways and Means, Melanie worked for the U.S. Government Accountability Office (GAO). Melanie went to Emory University for her undergraduate and master's degree and University of California San Francisco for her Ph.D.

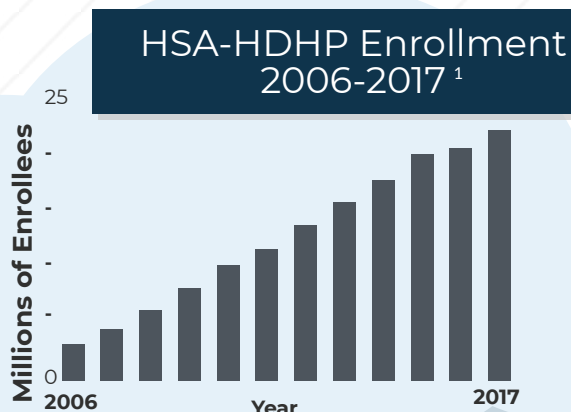


#### **Stephen Parente, PhD, MPH, MS, University of Minnesota**

Stephen T. Parente, PhD, MPH, MS is the Minnesota Insurance Industry Chair of Health Finance in Carlson School of Management and the Director of the Global Medical Valuation Laboratory at the University of Minnesota. His academic and policy work specializes in health economics, health information technology, and health insurance. In Washington DC, he served as the Governing Chair of the Health Care Cost Institute, an Adjunct Scholar of the American Enterprise Institute and a health policy adviser to the American Action Forum. He has a doctorate from Johns Hopkins University and both a Masters of Public Health and a Masters of Public Policy Analysis from the University of Rochester.

# VALUE-BASED INSURANCE DESIGN IN COMMERCIAL PLANS

## HSA-HDHP enrollment and out-of-pocket expenses continue to grow for employer-based plans



**Maximum Out-Of-Pocket Expense 2006-2018<sup>2</sup>**

**Individual:**  
\$5,000 to \$6,650

**Family:**  
\$10,000 to \$13,300

<sup>1</sup> <https://www.ahip.org/2017-survey-of-health-savings-accounts/>

<sup>2</sup> <https://www.kff.org/report-section/2018-employer-health-benefits-survey-section-8-high-deductible-health-plans-with-savings-option/>

Current IRS guidance allows pre-deductible coverage for primary preventive services **but not chronic disease services**

## Potential Solution:

### *High-Value Health Plan*

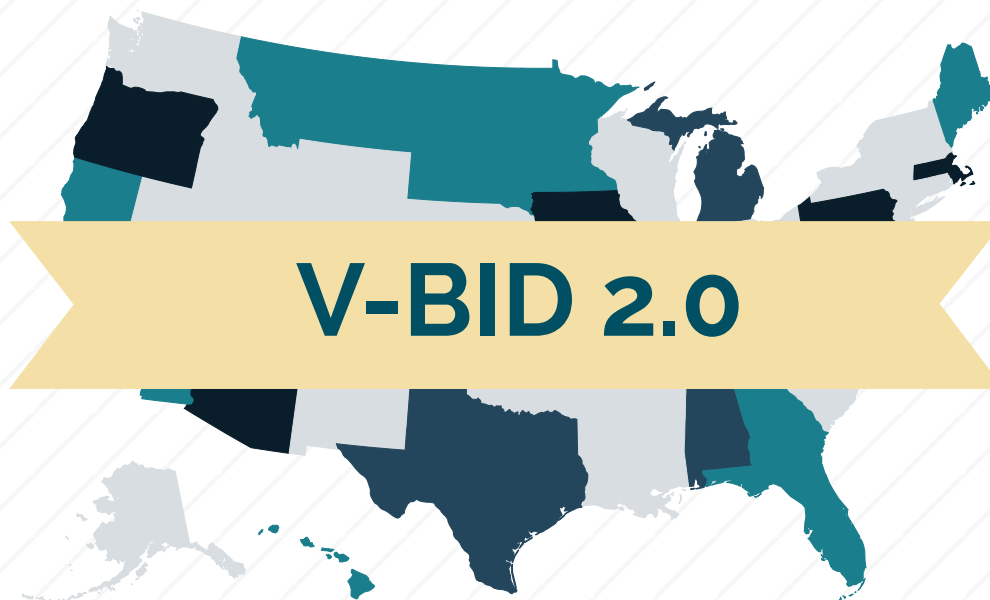
**Amends IRS "Safe Harbor" to allow health plans the flexibility to cover high-value chronic disease services prior to meeting the plan deductible**

- Provides millions of Americans a plan option that better meets their clinical and financial needs
- Aligns with provider payment reform incentives
- Offers lower premiums than most PPO and HMO plans
- Substantially reduces aggregate health care expenditures





# THE EXPANDED ROLE OF V-BID IN MEDICARE ADVANTAGE



CMS announced transformative updates to the **Medicare Advantage Value-Based Insurance Design model**, including its expansion to all 50 states

## V-BID 2.0 allows MA plans to...

- ✓ Provide reduced cost-sharing and supplemental benefits in a more targeted fashion
- ✓ Increase access to new interventions like telehealth services, and wellness and healthcare planning
- ✓ Expand eligibility to include Dual Eligible SNPs, Institutional SNPs, and Regional PPOs
- ✓ Broaden rewards programs that improve beneficiaries' health

## Session 2: Removing Low-Value Services to Create 'Headroom' for High-Value Care



### Panelists:



#### **Daniel Carey, MD, Commonwealth of Virginia**

Daniel Carey was appointed Secretary of Health and Human Resources by Governor Ralph Northam in January 2018. Prior to his appointment, Dr. Carey worked for over 20 years as a cardiologist in Lynchburg and served as Senior Vice President and Chief Medical Officer of Centra, where his responsibilities included information technology services, patient quality and safety efforts, performance improvement initiatives, and functions of the medical staff at Centra's 3 acute care facilities.



#### **Gwen Darien, National Patient Advocate Foundation**

Gwen Darien is a longtime patient advocate who has played leadership roles in some of the country's preeminent nonprofit organizations. As executive vice president for patient advocacy and engagement at the National Patient Advocate Foundation and the Patient Advocate Foundation, Gwen leads programs that link PAF's patient service programs to NPAF initiatives, with the goal of improving access to equitable, affordable, quality health care. As a three-time cancer survivor herself, Gwen came into cancer advocacy expressly to change the experiences and outcomes for the patients who came after her and to change the public dialogue about cancer and other life-threatening illnesses. Gwen is a graduate of Sarah Lawrence College, where she also served as an advisor for their Health Advocacy program.



#### **John Keats, MD, Cigna**

John Keats, MD serves as Cigna's National Medical Senior Director for Enterprise Trend Analysis and Specialty Society Relationships. A practicing Obstetrician and Fellow of the American College of Obstetricians and Gynecologists (ACOG), Dr. Keats is the course director for ACOG's post-graduate course entitled Quality and Safety for Leaders in Women's Health Care. In addition, he serves as a site reviewer for ACOG's Voluntary Review of Quality of Care program and is a member of that program's national steering committee. Dr. Keats is an ex-officio member of ACOG's national Patient Safety and Quality Improvement Committee. He received his MD from Brown University and completed a residency in Obstetrics and Gynecology at UCLA Medical Center.

# REDUCING LOW-VALUE CARE



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Low-value care (LVC) costs stakeholders more than **\$340 billion** annually while offering little to no patient benefit



Vitamin D screening tests

Diagnostic tests before low-risk surgery

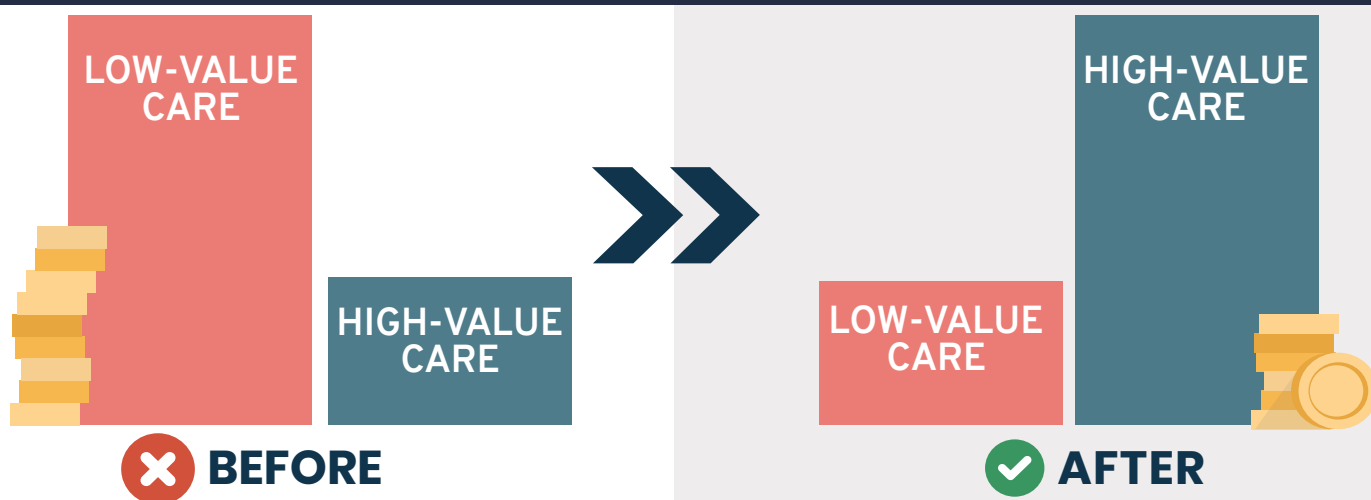


PSA screening for men 70 and older

Branded drugs over chemically equivalent generics



Reduced spending on **low-value care** creates headroom for more spending on high-value services



Implementing a multi-step approach to reduce the use of **low-value care** will allow increased spending on services that improve population health

## Session 3: Innovative Approaches to Finance High-Cost, High-Value Services



### Panelists:



#### **Daniel Klein**, Patient Access Network

Dan Klein brings over 35 years of executive leadership in healthcare and information technology services to the PAN Foundation. His mission at PAN is twofold—1) to help seriously ill people get access to the care they need by providing grants to pay for their deductibles, copayments and coinsurance; and 2) to advocate for more systemic and sustainable ways to reduce out-of-pocket costs and make treatment more affordable for people with life-threatening, chronic and rare diseases. In addition to his leadership in patient assistance, Mr. Klein has served as Senior Vice President for the Cystic Fibrosis, Chairman and Chief Executive Officer of Panurgy Corporation, and as a consultant to the U.S. Department of Health and Human Services and the Pan American Health Organization.

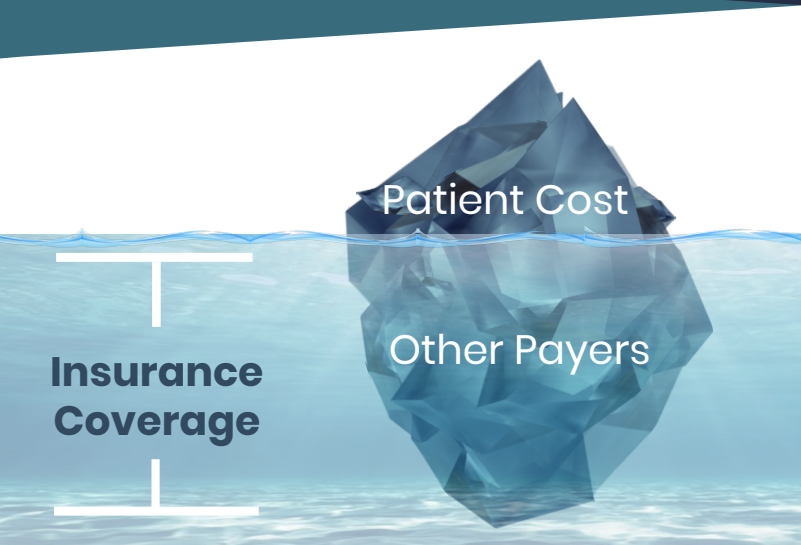


#### **Ted Okon**, Community Oncology Alliance

Ted Okon is the executive director of the Community Oncology Alliance (COA). In that role, Ted oversees the strategic direction of this non-profit organization dedicated to patients and providers in the community cancer care setting, under the direction of a dedicated board of oncologists and practice administrators. Ted also travels the country speaking to state oncology societies, professional organizations, and companies about the challenges facing the nation's cancer care delivery system. He has authored numerous articles and studies relating to cancer care policy and politics, reimbursement, and clinical issues. Ted holds a BS degree from Fairfield University and an MBA from the Carnegie-Mellon University Tepper School of Business. His wife is a full-time practicing oncology nurse.

# THE DRUG PRICE ICEBERG:

More Than Meets the Eye



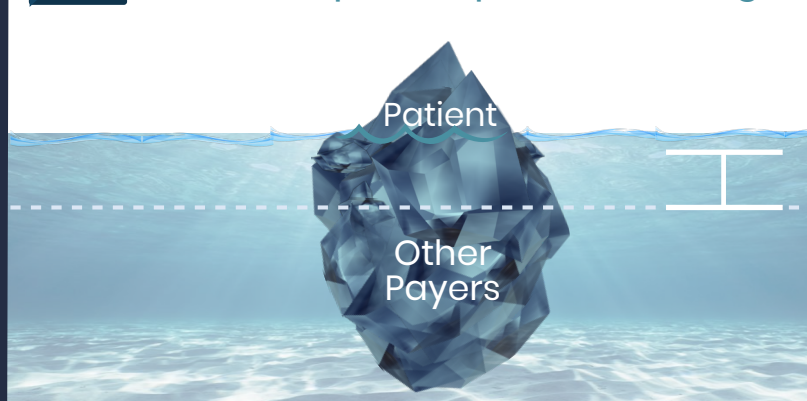
**The Drug Price Iceberg**  
illustrates the two  
components of drug  
pricing

2 approaches to lower patient out-of-pocket spending:

**1** **MELT THE ICEBERG**  
Lower total drug price



**2** **RAISE THE WATER LINE**  
Enhance prescription coverage



## *The 'True Value' Iceberg*

The total drug price is determined by the clinical benefit to patients as compared to available alternatives.

Under this scenario, the patient pays close to zero.





## Session 4: V-BID X - A Novel Plan Design to Lower Premiums and Improve Coverage of High-Value Care



### Panelists:



#### **Michael Chernew**, Harvard Medical School

Michael Chernew, PhD, is the Leonard D. Schaeffer Professor of Health Care Policy and the Director of the Healthcare Markets and Regulation (HMR) Lab in the Department of Health Care Policy at Harvard Medical School. Dr. Chernew's research activities focus on innovations in payment reform and benefit design. Dr. Chernew is the former Vice Chair of the Medicare Payment Advisory Commission. Dr. Chernew serves as Co-Editor of the American Journal of Managed Care and Editor for the Journal of Health Economics. In 2010, he was elected to the Institute of Medicine of the National Academy of Sciences. Dr. Chernew earned his undergraduate degree from the University of Pennsylvania and a doctorate in economics from Stanford University.



#### **Greg Gierer**, America's Health Insurance Plans (AHIP)

Gregory Gierer is the Senior Vice President for Policy at America's Health Insurance Plans (AHIP) where he leads policy development work on legislative and regulatory policy issues—with a primary focus on health reform implementation and private insurance market reforms. Mr. Gierer has over 15 years of experience with health care policy and analysis. Prior to joining AHIP, he served as a Senior Director for Policy at the Pharmaceutical Research and Manufacturers of America (PhRMA) where he worked on developing and managing public policy issues related to comprehensive health care reform, health-system and delivery reforms, and public programs such as Medicaid and the Children's Health Insurance Program (CHIP). He previously served as a Senior Policy Consultant at the Blue Cross and Blue Shield Association (BCBSA) and a Policy Analyst at America's Health Insurance Plans (AHIP).



#### **Lourdes Grindal-Miller**, Centers for Medicare & Medicaid Services

Lourdes Grindal Miller is the Director of the Marketplace Plan Management Group at the Centers for Medicare & Medicaid Services (CMS). She has been with CMS since 2002. Leading up to the ACA, Lourdes worked 8 years in CMS in the area of fraud, waste and abuse in Medicare and Medicaid. Prior to CMS, Ms. Grindal Miller spent two years in Honduras as a Peace Corps Volunteer.

# V-BID X

*Lower premiums,  
better coverage*

Current health plans do not meet the needs of many Americans...



*Premiums* and *out-of-pocket costs* are rapidly increasing, contributing to underuse of high-value services



Patients receive care that offers little to no clinical value

We need to design a better health plan to help contain costs and make high-value services more affordable

*The  
Solution?*

# V-BID X

Increased cost-sharing on low-value services reduces spending...

Spinal Fusions



Vitamin D Screening



Proton beam for prostate cancer



High-cost diagnostic imaging



...and allows for lower cost-sharing and increased spending on high-value services

Hemoglobin A1c tests



Blood pressure monitors



Pulmonary rehabilitation



High-value prescription drugs



## Who benefits?



**CONSUMERS**



- Better coverage of high-value services
- Reduced use of harmful care
- More plan options

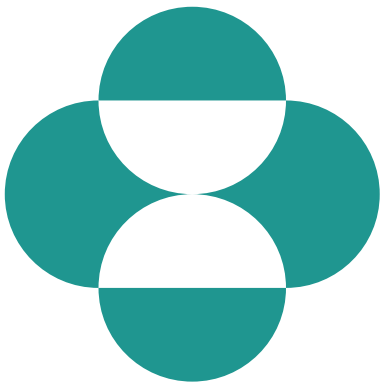


- Lowers premiums
- Promotes efficient expenditures
- Creates opportunity for further innovation



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## NOTES

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## POLICY IMPACT

- CMS announces V-BID 2.0, a nationwide expansion of the MA V-BID model test that includes telemedicine and health care planning, reduces cost-sharing based on socioeconomic status, and broadens non-medical benefits and rewards programs
- Trump Administration recommends expanding IRS "safe harbor", allowing HSA-HDHPs to cover services used to manage chronic diseases on a pre-deductible basis
- CMS reinterprets the Medicare Uniformity rule, allowing Medicare Advantage plans to incorporate V-BID principles in 2020

## RESEARCH

**\$450K** in grant funding  
**6** peer-reviewed publications  
**32** national presentations

## STUDENT INVOLVEMENT

Medical School  
Ross School of Business  
Ford School of Public Policy  
College of Pharmacy  
Literature, Science and the Arts  
School of Public Health

## RESOURCES

### Infographics

- Reducing the Use of Low-Value Services
- V-BID in Action: The Case of Diabetes
- Precision Outcomes-Based Contracting
- Drug Pricing Iceberg: More Than Meets the Eye
- Helping States Reduce Low-Value Care

### Videos

- Precision Outcomes-Based Contracting
- V-BID in Action: V-BID X
- Precision Co-Pay Assistance Programs

### Briefs

- Outcomes-Based Contracting with V-BID

### Webinars

- V-BID in Action: The Case of Diabetes
- Low-Value Care 101



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