



SCHOOL OF PUBLIC HEALTH

CENTER FOR VALUE-BASED INSURANCE DESIGN
UNIVERSITY OF MICHIGAN

Value-Based Insurance Design:
Enhancing Access and Affordability to Essential
Cardiovascular Services

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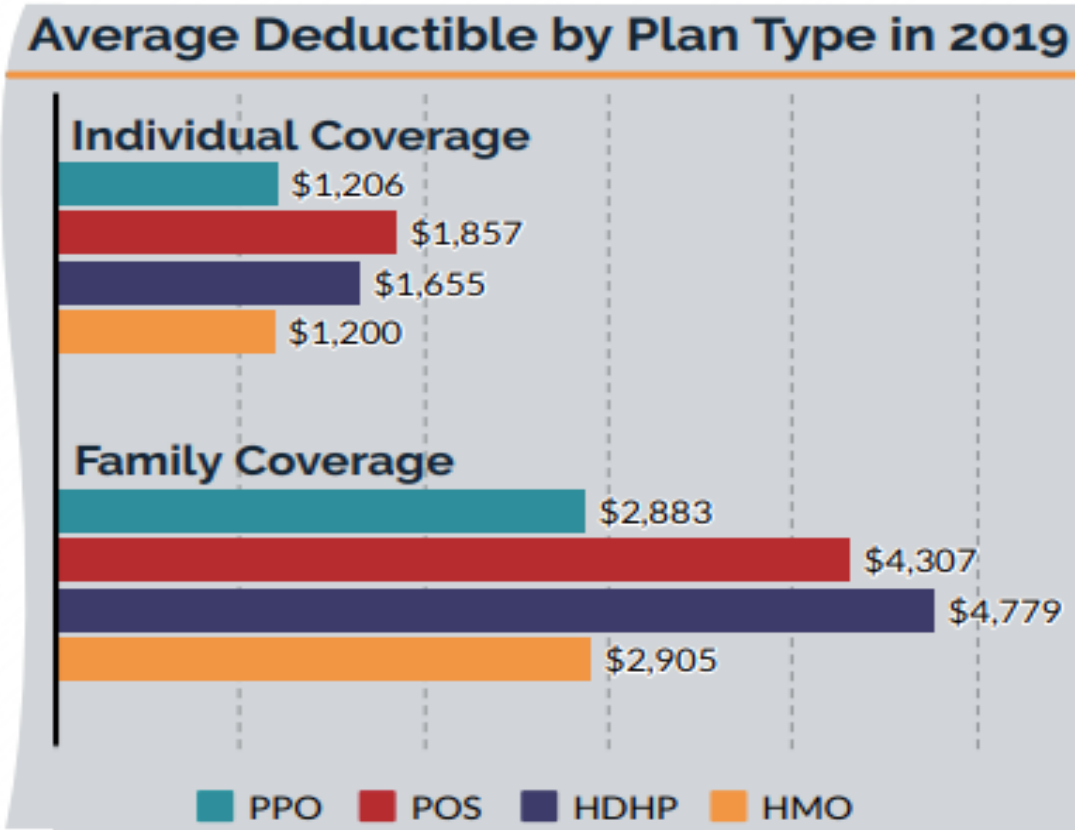
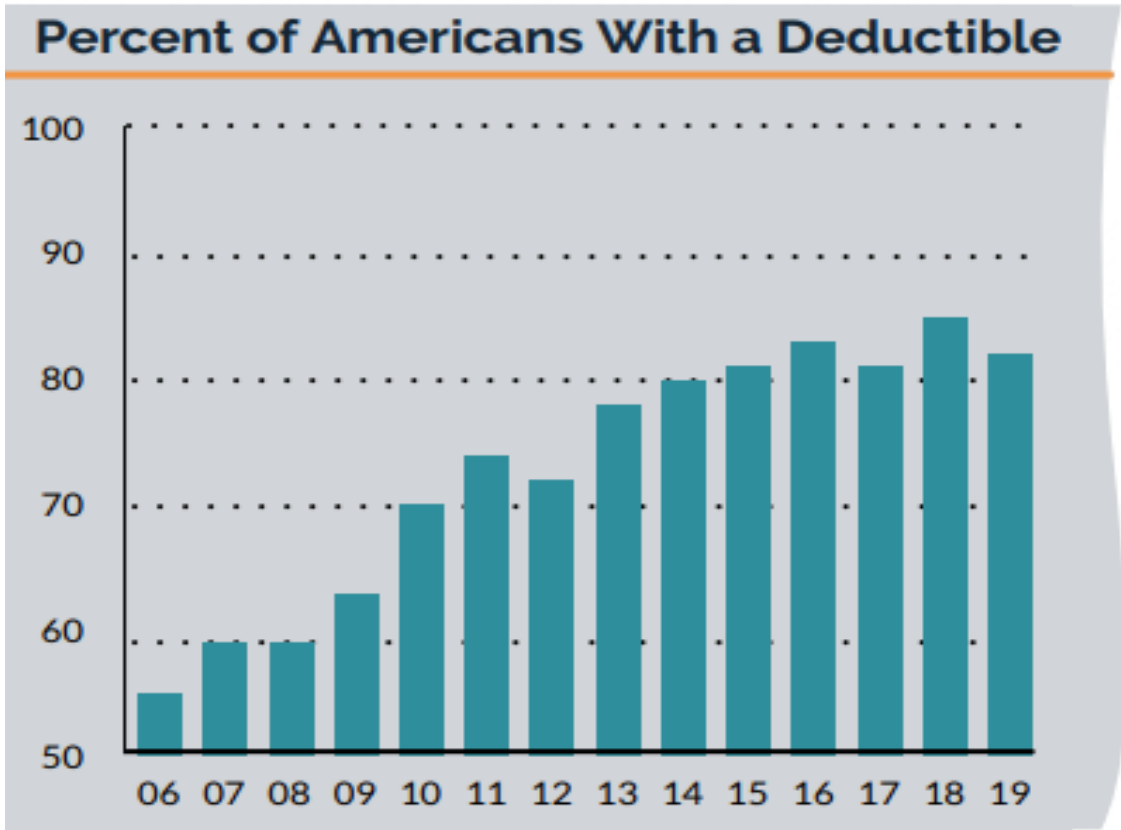
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Health Care Costs Are a Top Issue For Purchasers and Policymakers: Solutions must protect consumers, reward providers and preserve innovation

- Irrespective of remarkable clinical advances, cutting health care spending is the main focus of reform discussions
- Everyone (almost) agrees there is enough money in the US health care system; we just spend it on the wrong services
- Policy deliberations focus primarily on alternative payment and pricing models
- Moving from a volume-driven to value-based system requires a change in both how we pay for care and how we engage consumers to seek care
- Americans do not care about health care costs;
they care about what it costs them

Services such as Cardiac Rehabilitation Improve Health, But ‘Blunt’ Cost-Sharing Strategies Like Deductibles Deter Access





“

I can't believe you had to spend a million dollars to show that if you make people pay more for something, they will buy less of it.

”

- Barbara Fendrick (my mother)

High Out of Pocket Costs are an Important Policy Issue for Medicare Beneficiaries



COVID-19 impacted the health and financial decisions of many seniors on Medicare

A majority of seniors on Medicare say COVID-19 impacted their healthcare decisions in the following ways:



58%

Avoided or delayed seeing their health care provider



56%

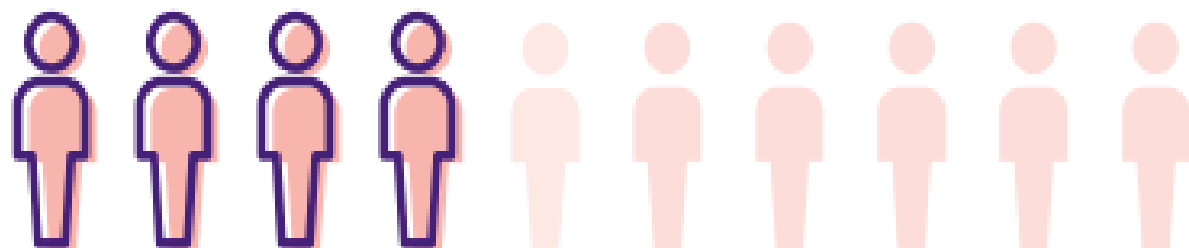
Delayed starting or did not start a treatment for a chronic condition



54%

Prioritized taking a prescription drug for one condition over another

High Out of Pocket Costs are Common and Impactful for Medicare Beneficiaries



4 in 10

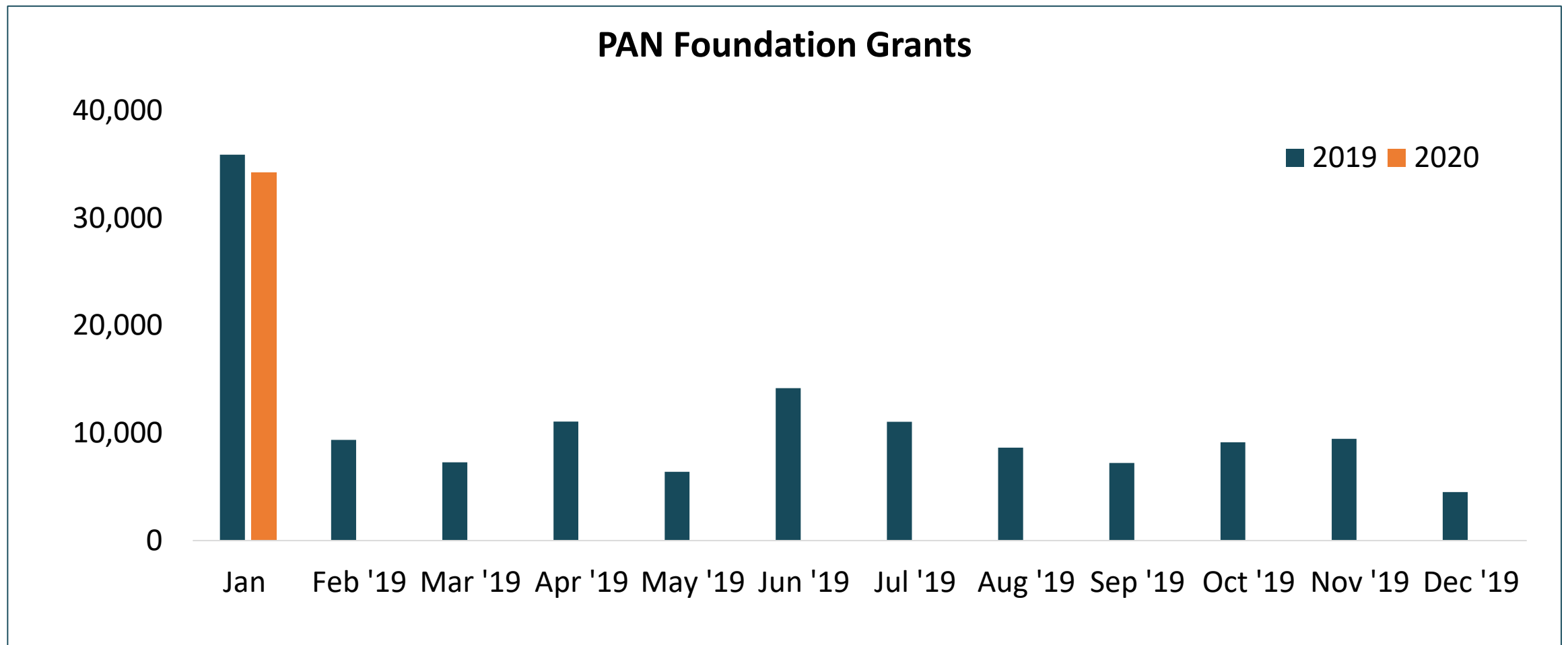
Paid over \$200

34%

of seniors on Medicare with high out-of-pocket costs reduced other spending in order to afford their prescription drugs



The 'January Effect' for Medicare Part D Beneficiaries



Alternative to “Blunt” Consumer Cost Sharing: Value-Based Insurance Design (V-BID)

- Sets consumer cost-sharing on clinical benefit – not price
- Little or no out-of-pocket cost for high value care; high cost share for low value care
- Successfully implemented by hundreds of public and private payers



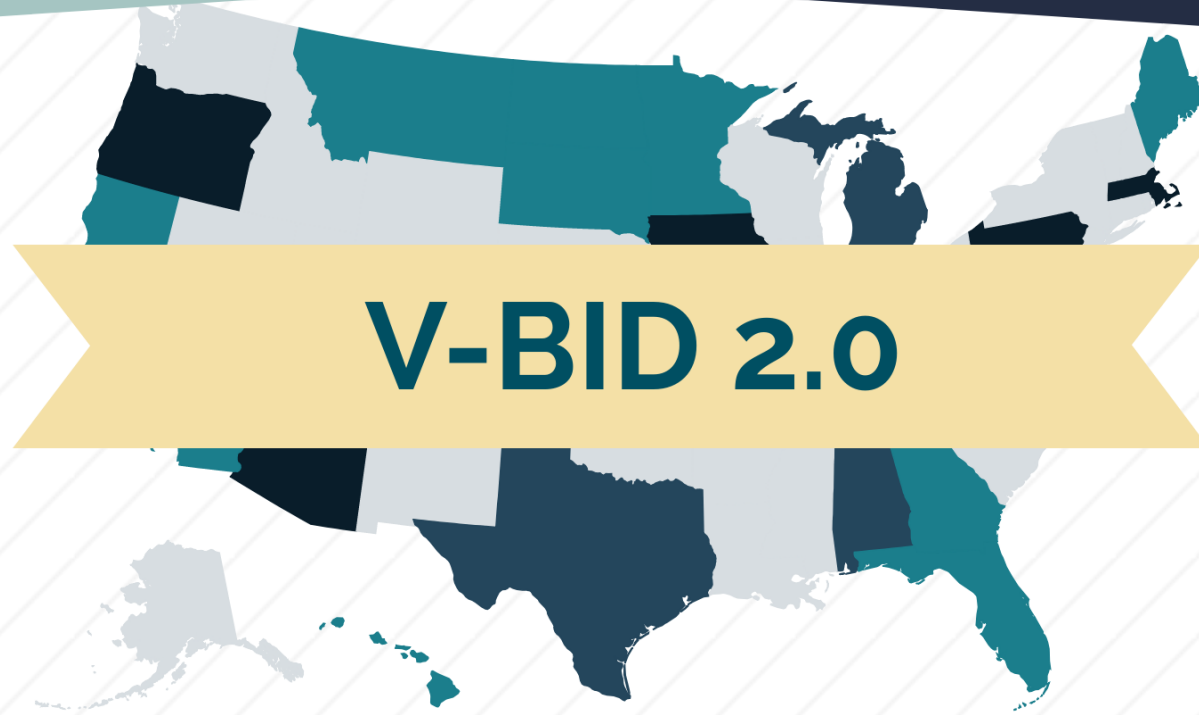
CMS Announces Medicare Advantage Value-Based Insurance Design Model Test

A 5-year demonstration program will test the utility of structuring consumer cost-sharing and other health plan design elements to encourage patients to use high-value clinical services and providers.



*Red denotes states included in V-BID model test

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

Medicare Advantage V-BID Model Test: Expanded Opportunities

Reduced cost-sharing permissible for:

- high-value services
- high-value providers
- enrollees participating in disease management or related programs
- additional supplemental benefits (non-health related)

Wellness and Health Care Planning

Advanced care planning/Hospice

Incentivize better health behaviors

Targeting Socioeconomic Status

Low-income subsidy

Improve quality, decrease costs

Rewards and Incentives

\$600 annual limit

Increase participation

Available for Part D

Non-Medical Services

Transportation

Nutrition Support

Pest Control

Press release

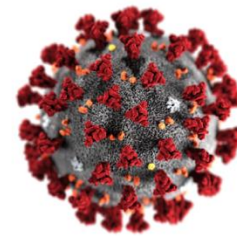
CMS Launches Groundbreaking Model to Lower Out of Pocket Expenses for Insulin

Mar 11, 2020 | Coverage, Innovation models, Medicare Part D, Prescription drugs, Quality

Share



V-BID and the COVID-19 Response



- March 18: Families First Coronavirus Response Act
 - Eliminated cost-sharing for COVID-19 testing
 - Eliminated cost-sharing for any in-person or telehealth provider visit that results in a COVID-19 test
- March 27 - Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - Allows HDHPs to cover Telehealth (not just COVID-19 related) on a pre-deductible basis
 - Mandates coverage of COVID-19 diagnostic testing without cost sharing by all plans
 - Amends Public Health Service Act Section 2713, requiring all plans to cover coronavirus vaccine without consumer cost-sharing
- October 27: HHS announces that coronavirus vaccines will be covered without cost-sharing under Medicare and Medicaid

MAY 08 | MORE ON MEDICARE & MEDICAID

CMS promotes value-based insurance design in final payment notice for 2021

V-BID X: Enhancing Access and Affordability to Essential Clinical Services in Addition to COVID-19 Related Care

TABLE 5—HIGH AND LOW VALUE SERVICES AND DRUG CLASSES

High Value Services with Zero Cost Sharing

Blood pressure monitors (hypertension)
Cardiac rehabilitation
Glucometers and testing strips (diabetes)
Hemoglobin a1c testing (diabetes)
INR testing (hypercoagulability)
LDL testing (hyperlipidemia)
Peak flow meters (asthma)
Pulmonary rehabilitation

Enhancing Access and Affordability to Essential Cardiovascular Services

- Build on existing alternative payment models that increase reimbursement for high-value services and lower payment for known low-value care
- Leverage the widespread adoption of telemedicine and other technologies to make it easier to use high-value care and deter the use of low-value care
- Align patient cost-sharing with the value of the underlying services; reduce out of pocket cost on high value services and increase patient cost on low value care