Is There a Practical Role for Value-Based Insurance (V-BID) Design in Cancer Care?

A. Mark Fendrick, MD
University of Michigan Center for Value-Based Insurance Design

www.vbidcenter.org

@um_vbid

V-BID
Promoting Value. Inspiring Innovation.

VIRTUAL
PAYER EXCHANGE SUMMIT
ONCOLOGY PAYMENT REFORM

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

- Innovations to prevent, diagnose and treat cancer have led to impressive reductions in morbidity and mortality
- Irrespective of remarkable these clinical advances, cutting health care spending is the main focus of health reform discussions
- Underutilization of high-value services and pervasive use of unnecessary care persists across the entire spectrum of cancer care leading to poor health outcomes, worsening disparities and inefficient spending
- The tension between the conflicting goals of improved patient-centered outcomes and cost containment will only intensify given the rapid pace of oncological advances

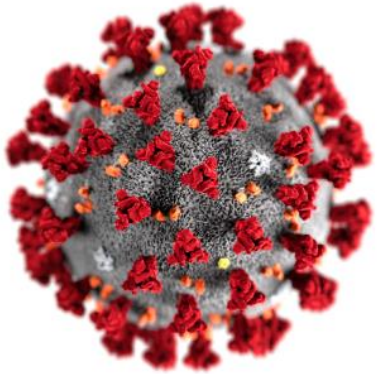
Differences in Access to Care Drives Disparities in Cancer-related Outcomes

Communities of color have lower access to evidence-based clinician visits, diagnostic tests, and prescription medicines that can play a critical role in preventing and managing disease, **leading to higher morbidity and mortality rates.**

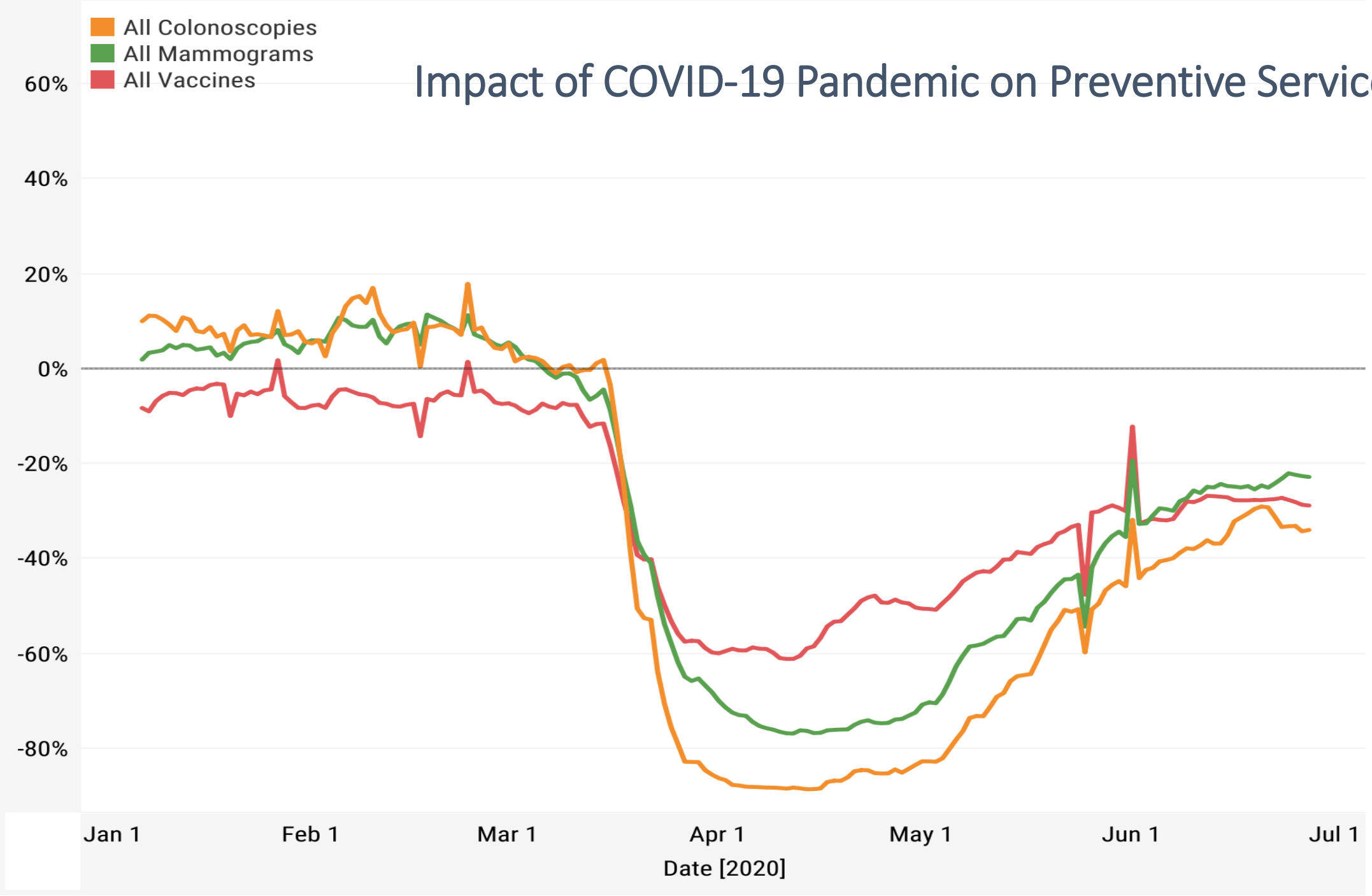
Clinically Driven Solutions are Needed to Improve Patient-centered Outcomes, Enhance Equity and Increase Efficiency

- Everyone (almost) agrees there is enough money in the US health care system; we just spend it on the wrong services and in the wrong places
- 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

Then Came Coronavirus…



Impact of COVID-19 Pandemic on Preventive Services



News

Cancer treatments fall as referrals are slow to recover, show figures

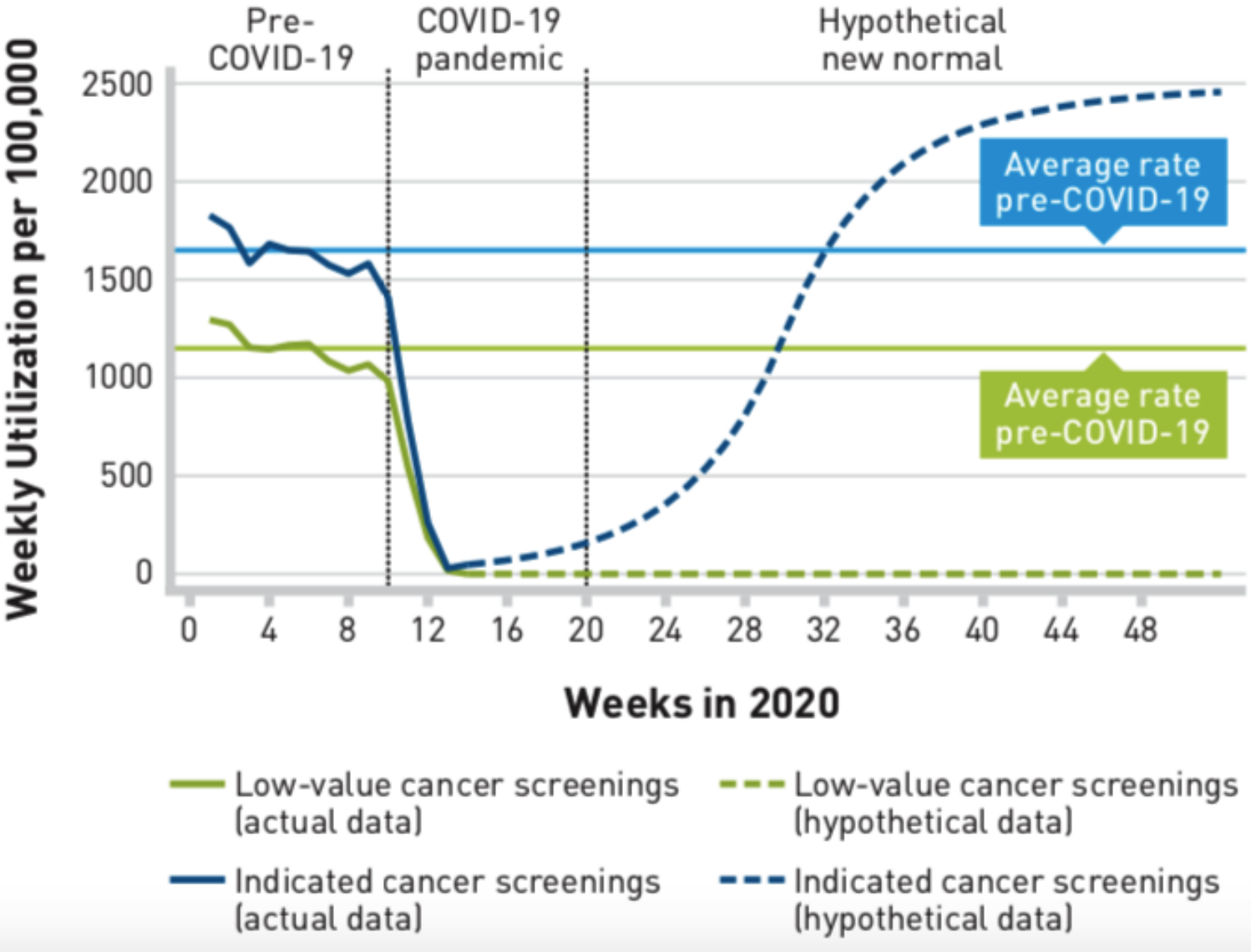
BMJ 2020 ; 371 doi: https://doi.org/10.1136/bmj.m3958 (Published 13 October 2020)

LOW-VALUE CARE

A silver lining to COVID-19: Fewer low-value elective procedures

Crisis Into Opportunity: Can COVID-19 Help Set a Path to Improved Health Care Efficiency?

Align clinically-driven payment reform, technologies and benefit designs to increase use of high-value services and deter low value care.



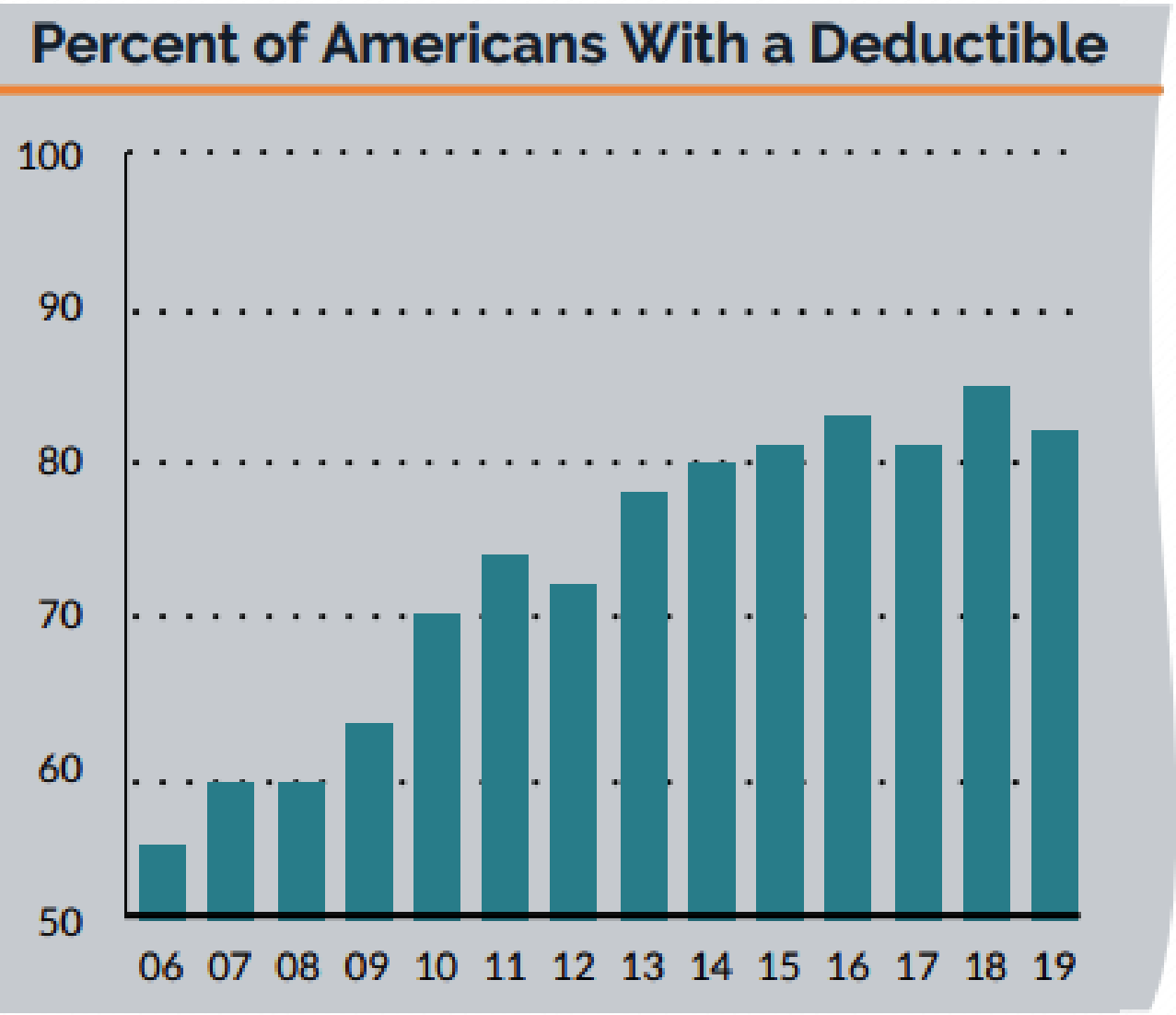
Kim. AJMC. 2020;26(9):369.

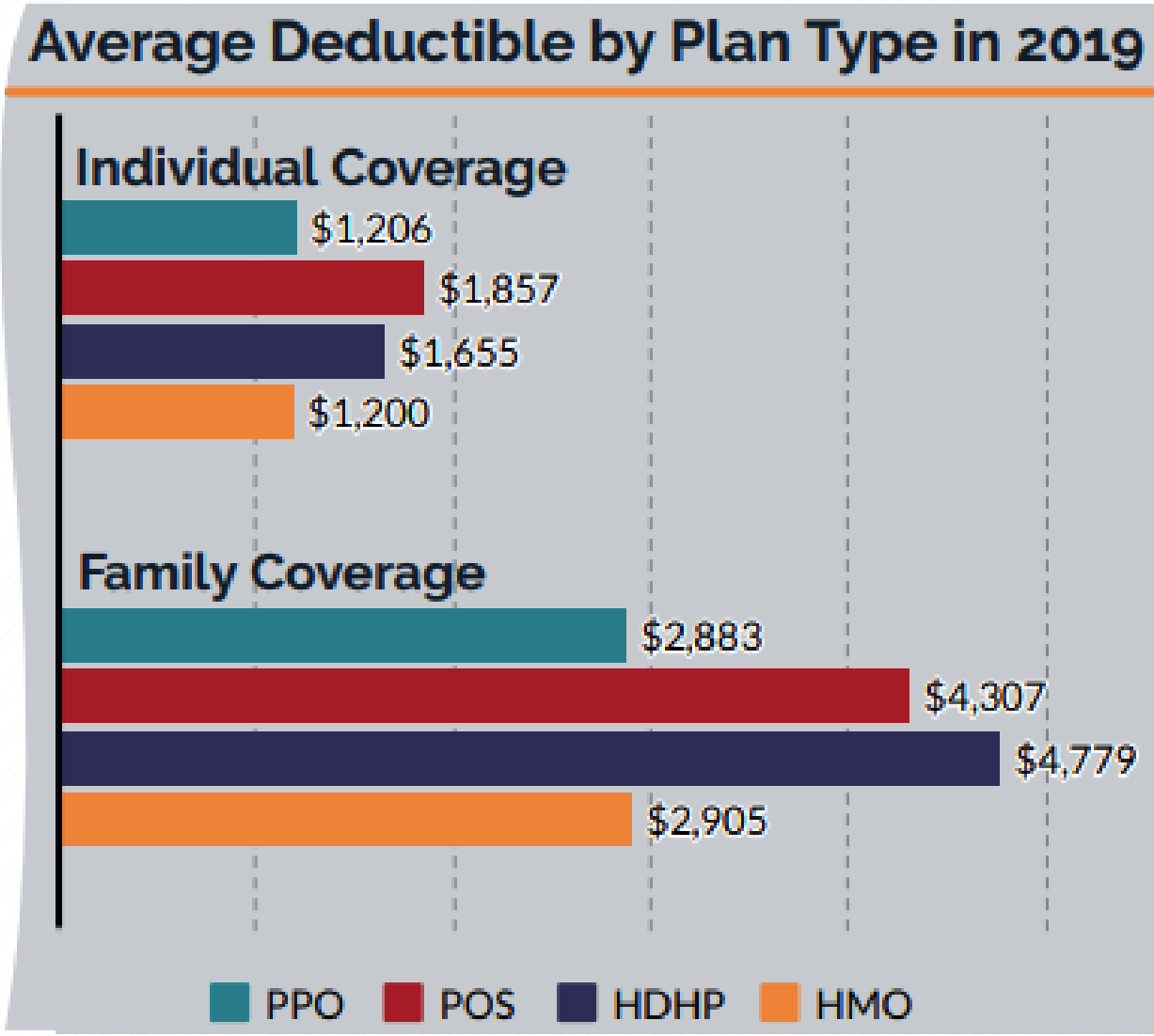
Americans Do Not Care About Health Care Costs; They Care About What It Costs Them

Patient Worry About Out-of-Pocket Healthcare Costs at All-Time High

A report from the Commonwealth Fund noted that patients are not confident they can afford high out-of-pocket healthcare costs.

Americans are Being Asked to Pay More for Care Regardless of Clinical Benefit





Inspiration (Still)

> 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)

“Blunt” Cost-Sharing Worsens Health Care Disparities

Effects of Increased Patient Cost Sharing on Socioeconomic Disparities in Health Care

Michael Chernew, PhD[1] Teresa B. Gibson, PhD[2] Kristina Yu-Isenberg, PhD, RPh[3]
Michael C. Sokol, MD, MS[4] Allison B. Rosen, MD, ScD[5], and A. Mark Fendrick, MD[5]

- Cost-sharing worsens disparities and adversely affect health, particularly among economically vulnerable individuals and those with chronic conditions

Chernew M. *J Gen Intern Med* 23(8):1131–6.

Value-Based Insurance Design:
Alternative to "Blunt" Consumer Cost Sharing:

- 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

The Upshot

Health Plans That Nudge Patients to Do the Right Thing

Austin Frakt
THE NEW HEALTH CARE JULY 10, 2017

RELATED COVERAGE

DISPARITIES

By Niteesh K. Choudhry, Katsiaryna Bykov, William H. Shrank, Michele Toscano, Wayne S. Rawlins, Lonny Reisman, Troyen A. Brennan, and Jessica M. Franklin

Eliminating Medication Copayments Reduces Disparities In Cardiovascular Care

DOI: 10.1377/hlthaff.201
HEALTH AFFAIRS 33,
NO. 5 (2014): 863-870

ACA Sec 2713: Selected Preventive Services be Provided without Cost-Sharing

- Receiving an A or B rating from the United States Preventive Services Taskforce (USPSTF); includes breast, cervical, colorectal and lung cancer screening
- Immunizations recommended by the Advisory Committee on Immunization Practices (ACIP)
- Preventive care and screenings supported by the Health Resources and Services Administration (HRSA)

ACA Sec 2713: Selected Preventive Services be Provided without Cost-Sharing

- Receiving an A or B rating from the United States Preventive Services Taskforce (USPSTF); includes breast, cervical, colorectal and lung cancer screening
- Immunizations recommended by the Advisory Committee on Immunization Practices (ACIP)
- Preventive care and screenings supported by the Health Resources and Services Administration (HRSA)

2020 CARES Act: Section 2713 amended to provide COVID-19 Testing and Vaccines without Cost-sharing

ACA Preventive Care Mandate
Impact

- A 2021 systematic reported that the ACA preventive care mandate increased the use of fully covered services following the elimination of cost-sharing
- Results varied widely depending on the specific services
- Studies that included socioeconomic status reported more substantial increases in utilization of preventive services in financially vulnerable patients as compared to those with higher income, suggesting that the policy reduced disparities in the delivery of preventive care

Norris et al. Medical Care Research and Review 2021. https://doi.org/10.1177/10775587211027372

Final Recommendation Statement

Colorectal Cancer: Screening

May 18, 2021

Recommendation Summary

Population	Recommendation	Grade
Adults aged 50 to 75 years	The USPSTF recommends screening for colorectal cancer in all adults aged 50 to 75 years. See the "Practice Considerations" section and Table 1 for details about screening strategies.	A
Adults aged 45 to 49 years	The USPSTF recommends screening for colorectal cancer in adults aged 45 to 49 years. See the "Practice Considerations" section and Table 1 for details about screening strategies.	B
Adults aged 76 to 85 years	The USPSTF recommends that clinicians selectively offer screening for colorectal cancer in adults aged 76 to 85 years. Evidence indicates that the net benefit of screening all persons in this age group is small. In determining whether this service is appropriate in individual cases, patients and clinicians should consider the patient's overall health, prior screening history, and preferences.	C

Your Free Cancer Screen Shows Trouble: What If You Can't Afford the Follow-Up?

- New research shows that out-of-pocket costs are common and non-trivial for necessary follow-up testing after initial no-cost cancer screening test.
  - Breast[1]
  - Cervical[2]
  - Colorectal[3]
  - Lung[4]

JAMA Network Open. 2021;4(8):e2121347
Obstetrics & Gynecology. E-pub ahead of print. 2021. doi:10.1097/AOG.0000000000004582
JAMA Network Open. Accepted for publication
JACR E-pub ahead of print. 2021.DOI:https://doi.org/10.1016/j.jacr.2021.09.015

Medicare Advantage V-BID Model Test: Customized Benefits

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)

In 2022, CMS projects 3.7 million Medicare beneficiaries will receive customized benefits designed to better manage their diseases and address social needs from food insecurity to social isolation

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

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

CMS anticipates that over 2,000 prescription drug plans will participate in the voluntary Senior Savings Plan Model in 2022, enhancing access and affordability for millions of Medicare Beneficiaries who require insulin therapy

IRS Rules Prohibit Coverage of Chronic Disease Care Until HSA-HDHP Deductible is Met

PREVENTIVE CARE COVERED

Dollar one

CHRONIC DISEASE CARE

NOT covered until deductible is met

U.S. DEPARTMENT OF THE TREASURY

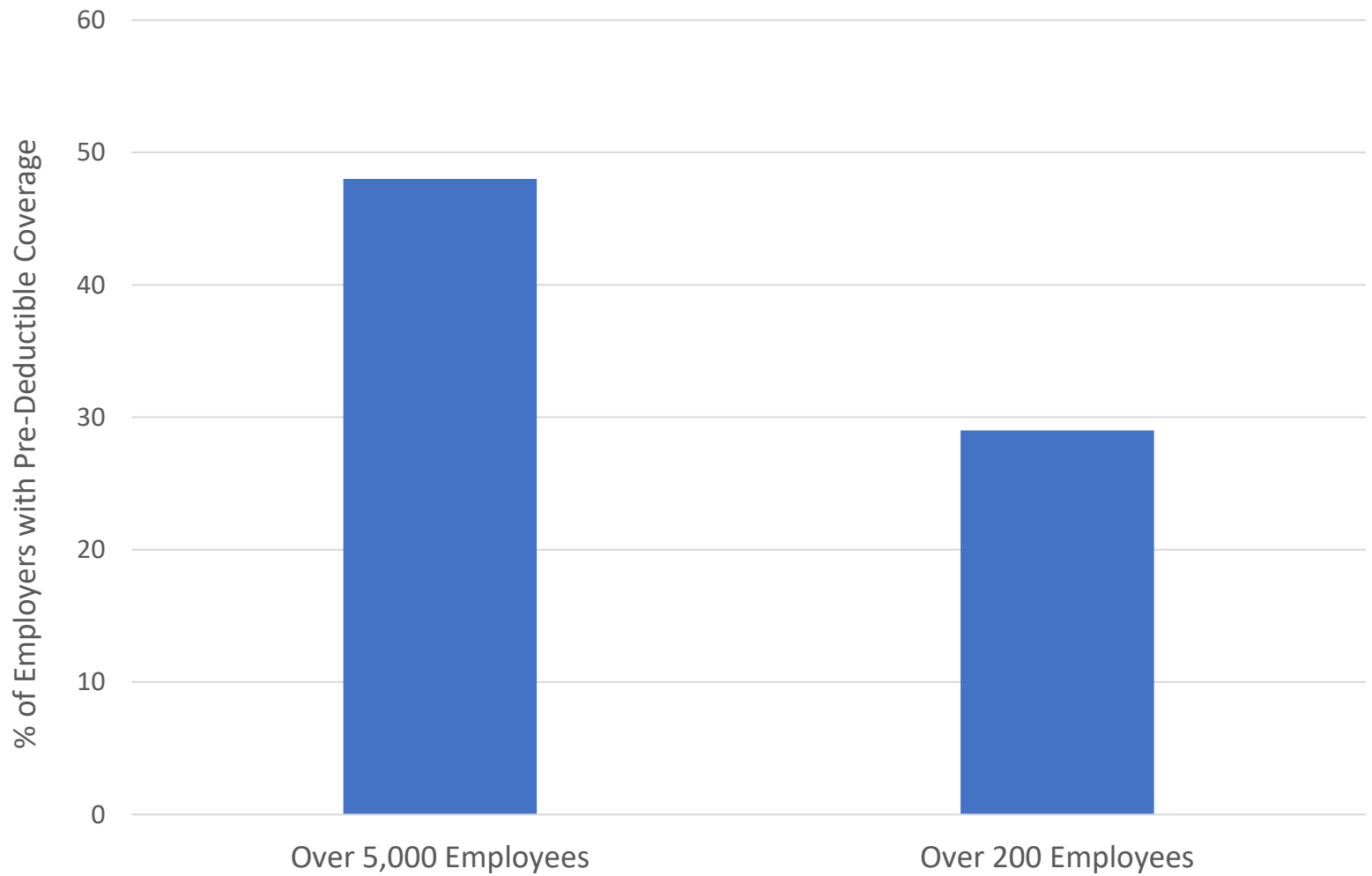
PRESS RELEASES

Treasury Expands Health Savings Account Benefits for Individuals Suffering from Chronic Conditions

List of services and drugs for certain chronic conditions that will be classified as preventive care under Notice 2019-45

Preventive Care for Specified Conditions	For Individuals Diagnosed with
Angiotensin Converting Enzyme (ACE) inhibitors	Congestive heart failure, diabetes, and/or coronary artery disease
Anti-resorptive therapy	Osteoporosis and/or osteopenia
Beta-blockers	Congestive heart failure and/or coronary artery disease
Blood pressure monitor	Hypertension
Inhaled corticosteroids	Asthma
Insulin and other glucose lowering agents	Diabetes
Retinopathy screening	Diabetes
Peak flow meter	Asthma
Glucometer	Diabetes
Hemoglobin A1c testing	Diabetes
International Normalized Ratio (INR) testing	Liver disease and/or bleeding disorders
Low-density Lipoprotein (LDL) testing	Heart disease
Selective Serotonin Reuptake Inhibitors (SSRIs)	Depression
Statins	Heart disease and/or diabetes

Significant Uptake of IRS Rule Expanding Pre-Deductible Coverage of Chronic Disease Services



Source: Kaiser Family Foundation 2020 Employer Health Benefits Survey. Accessed at: http://files.kff.org/attachment/Report-Employer-Health-Benefits-2020-Annual-Survey.pdf

Chronic Disease Management Act of 2021
Cancer Care Potentially Covered Prior to Meeting Health Plan Deductible

117TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to permit high deductible health plans to provide chronic disease prevention services to plan enrollees prior to satisfying their plan deductible.

Paying for More Generous Coverage of High Value Cancer Care: Reduce Spending on Unnecessary Care

- Increase premiums – politically not feasible
- Raise deductibles and copayments – 'tax on the sick'
- Reduce spending on low value care

$345 BILLION

Examples include:

- Vitamin D screening tests
- Diagnostic tests before low-risk surgery
- PSA screening for men 70 and older
- Branded drugs when identical generics are available
- Low-back pain imaging within 6 weeks of onset

ACA Sec 4105:
No Payment for Selected No-Value Preventive Services For

SEC. 4105. EVIDENCE-BASED COVERAGE OF PREVENTIVE SERVICES IN MEDICARE.

(a) AUTHORITY TO MODIFY OR ELIMINATE COVERAGE OF CERTAIN PREVENTIVE SERVICES.—Section 1834 of the Social Security Act (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(n) AUTHORITY TO MODIFY OR ELIMINATE COVERAGE OF CERTAIN PREVENTIVE SERVICES.—Notwithstanding any other provision of this title, effective beginning on January 1, 2010, if the Secretary determines appropriate, the Secretary may—

"(1) modify—

"(A) the coverage of any preventive service described in subparagraph (A) of section 1861(ddd)(3) to the extent that such modification is consistent with the recommendations of the United States Preventive Services Task Force; and

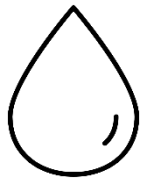
"(B) the services included in the initial preventive physical examination described in subparagraph (B) of such section; and

"(2) provide that no payment shall be made under this title for a preventive service described in subparagraph (A) of such section that has not received a grade of A, B, C, or I by such Task Force.".

(b) CONSTRUCTION.—Nothing in the amendment made by paragraph (1) shall be construed to affect the coverage of diagnostic or treatment services under title XVIII of the Social Security Act.

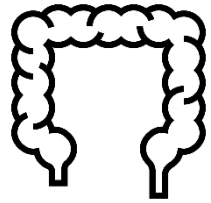
HHS granted authority to not pay for USPSTF 'D' Rated Services

Examples of Frequently Ordered USPSTF Grade D Services



Prostate cancer screening ≥ 70 years

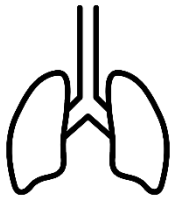
Cervical cancer screening > 65 years



Colon cancer screening >85 years

Cardiovascular screening in low risk patients

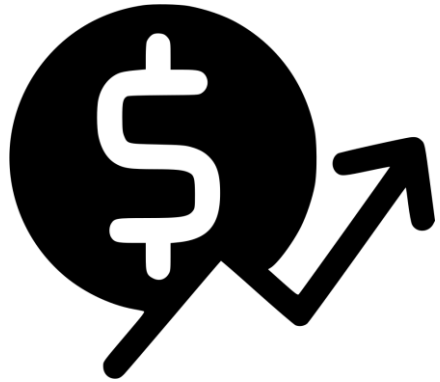
Asymptomatic bacteriuria screening



COPD screening

Vitamin D to prevent falls among older women

Annual Use and Cost of Seven Grade D Services Among Medicare Enrollees



Total Annual Count:

31 million

Total Annual Costs:

$478 million

Oronce CIA, Fendrick AM, Ladapo J, Sarkisian C, Mafi JN. *JGIM 2021.*

V-BID X: Expanding Coverage of Essential Clinical Care Without Increasing Premiums or Deductibles

Clinically driven plan designs, like *V-BID X*, reduce spending on low-value care

...creating headroom to reallocate spending to high-value services without increasing premiums or deductibles

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

Role for Value-Based Insurance (V-BID) Design in Cancer Care: Patients First

- Expand pre-deductible coverage/reduce consumer cost-sharing on high-value clinical cancer-related visits, diagnostics, and therapies
- Encourage MA plans to add cancer care in the nationwide CMMI MA V-BID Model Test
- Advocate that CMS expand the Senior Savings Plan to include cancer therapies
- Identify and reduce the use of low-value services to create ‘headroom’ for additional spending on high value cancer care

Questions?

www.vbidcenter.org

@UM_VBID