

INTRODUCTION

VALUE-BASED INSURANCE DESIGN

Value-based insurance design is an innovative insurance strategy that seeks to improve health and control rising health care costs by promoting the use of high value services and providers through consumer incentives. High-value services are those that have a strong evidence-base, enhance clinical outcomes, and increase efficiency. V-BID plans utilize “clinical nuance”, a concept that recognizes that medical services differ in the benefit provided, and that the clinical benefit derived from a specific service depends on the patient using it, as well as when, where, and by whom the service is provided. The aim of V-BID is to increase healthcare quality and use healthcare dollars more effectively by implementing differential cost sharing for consumers to promote use of high value services and providers, and decrease use of low value services.

V-BID has received national attention and has been implemented by several major employers, such as Marriott International, Lowes, and Pitney Bowes, as well as various city and state governments, who have found the plans to be successful in improving health outcomes and providing higher quality, more cost-effective healthcare for their employees. More recently, the Centers for Medicare & Medicaid Services (CMS) announced an initiative to pilot V-BID in Medicare Advantage plans in seven states, beginning in January 2017. Notably, Connecticut has led the nation in value-based insurance design since its successful 2011 implementation of the Health Enhancement Program (HEP), a V-BID plan offered to state employees that has improved the use of preventive care services and reduced the use of expensive emergency and specialty care among employees. Increasing the number of employers using V-BID strategies in their health plans shows promise for providing more effective and efficient care, and improving the health of Connecticut employees and residents.

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CONNECTICUT SIM V-BID INITIATIVE

As part of its State Innovation Model (SIM) program, the Connecticut SIM Program Management Office (PMO), in partnership with the Connecticut Office of the State Comptroller (OSC), has launched an ambitious V-BID initiative to expand V-BID plan offerings across the state. The aim of the initiative is to significantly increase uptake of V-BID among Connecticut employers by 2020.

To that end, this Employer Manual offers self-funded employers a customizable template for creating a Value-Based Insurance Design plan. The template includes a set of recommended core benefits and additional benefit options, as well as guidance for implementing the plan components and justifications for the recommendations. The Manual also provides employers with implementation and communication strategies, best practices from employers currently using V-BID plans, and resources and tools to assist employers and health plan administrators with implementation. This initiative has been guided by the V-BID Consortium, an advisory workgroup comprised of various stakeholder groups that provided input on the template and recommendations included in this Manual.