

V-BID PREMIUM PLAN TEMPLATE

This template provides recommendations for a comprehensive V-BID benefit plan design to be implemented by employers. It includes core benefits (in yellow) and additional benefits (in grey) that may be implemented as part of a V-BID plan. This template is recommended for implementation by mid-sized and large, self-insured employers who have flexibility to modify plan designs to incorporate Value-Based Insurance Design options. Although these are the recommended employer types, any interested employer may use this template if applicable.*

APPLICABLE EMPLOYER TYPES:

- Self-insured Employers
 - Employers with traditional copayment or coinsurance cost-sharing plans
 - Employers with Health Reimbursement Account-eligible High Deductible Health Plans (HRA-HDHP)
 - Mid-sized and large employers

RECOMMENDED INCENTIVE MECHANISM(S)

Incentive mechanisms refer to the method of changing cost sharing for your employees. This could be through changes in copayments, changes in premium rates, bonus payments, contributions to Health Reimbursement Accounts, among others. Each employer should choose a method appropriate to the structure of the health plan offered. This table provides guidance on the mechanisms that work best for different plan types:

Plan Type	Incentive Mechanisms	Recommended for:
All plans	<ul style="list-style-type: none"> ○ Bonus payment for complying with recommended services ○ Reduced premium for complying with recommended services 	V-BID Component 1
Plans with copayment or coinsurance cost-sharing	<ul style="list-style-type: none"> ○ Waived or reduced copayment or coinsurance for recommended services and drugs or visit to high value provider 	V-BID Component 2 and 3
Health Reimbursement Account-eligible High Deductible Health Plan (HRA-HDHP)*	<ul style="list-style-type: none"> ○ Contribution to HRA for recommended services and drugs ○ Contribution to HRA for visit to high value provider ○ Exclusion of recommended services and drugs from deductible 	V-BID Component 2 and 3

**Please note: For HSA-HDHPs interested in implementing this template: According to IRS guidance, coverage does not include “any service or benefit intended to treat an existing illness, injury, or condition, including drugs or medications” until the deductible is met. Employers should seek legal guidance on approaches that incentivize drugs and services based on clinical condition.*

V-BID COMPONENT 1: CHANGE INCENTIVES FOR SPECIFIC SERVICES FOR ALL APPLICABLE MEMBERS TARGETED BY AGE AND GENDER

Below is a recommended core benefit plan design. In addition to the services below, all plans are mandated by the ACA to cover specific preventive visits and screenings at no cost to the patient. Refer to the appendix for a list of services that are mandated by the ACA. **It is recommended that employers encourage use of specific high value services for all applicable members.**

	Services	Demographic*
Core Benefit Plan Design	Health Maintenance Exams	Adults at recommended frequency for age and gender
	Well Child Visits	Children at recommended frequency for age and gender
	Adolescent Care Visits	Adolescents at recommended frequency for age and gender
	Blood Pressure Screenings	All members at recommended frequency for age and gender
	Cholesterol Screenings	All members at recommended frequency for age and gender
	Breast Cancer Screenings	Women at recommended frequency for age group
	Cervical Cancer Screenings	Women over age 21 every three years
	Colorectal Cancer Screenings	Applicable members depending on age group and gender
	Behavioral health screening – includes substance use screening	All members
	Beta-blockers	All members prescribed drug for any indication
	ACE inhibitors and ARBs	All members prescribed drug for any indication
Statins	All members prescribed drug for any indication	
Additional Benefits	Gym membership	All members
	Smoking cessation program	All members (as applicable)
	Vision screening	All children

*For recommended frequency of visits and screenings depending on age group and gender, visit <http://www.uspreventiveservicestaskforce.org/Page/Name/recommendations>

ADDITIONAL V-BID COMPONENT 1 OPTION: DISCOURAGE USE OF LOW VALUE SERVICES

Employers may choose to increase cost sharing for certain low value services (e.g. through higher copayments) to discourage their use. It is recommended that employers determine which low value services are contributing to the most waste in their employee population before disincenting any low value services. Employers may also consider if these services should be targeted through consumer incentives or provider incentives. For tools employers can use to measure waste, refer to the Employer Resources section.

EXAMPLES OF LOW VALUE SERVICES

- Vitamin D screening for patients with no symptoms
- Pap smears for women under age 21

JUSTIFICATION FOR RECOMMENDATION

- Most basic plan design to implement – simplicity was emphasized by stakeholders interviewed and Consortium members.
- Recommended preventive visits/diagnostics align with the Connecticut SIM Quality Council’s Provisional Measure Set for measuring provider performance. Most employers implementing V-BID plans incentivize at least one of these services.
- Evidence from the Connecticut State Employee Health Enhancement Program suggests incentivizing preventive visits/diagnostics increases use of primary care and diagnostic screenings, and decreases use of higher cost services.ⁱ
- Consortium members emphasized the importance of behavioral health and substance use screenings for all members, especially to ensure mental health parity.
- Reducing cost sharing for recommended drugs for all members increases access to drugs for members with conditions for which drugs are evidence-based without needing to identify members with specific conditions.
- Evidence from employers such as Pitney Bowes, Marriott International, and Proctor & Gamble suggests reducing cost sharing for certain drugs for all members prescribed these drugs increases medication adherence and decreases overall medical costs.ⁱⁱ

V-BID COMPONENT 2: CHANGE INCENTIVES FOR SPECIFIC SERVICES BY CLINICAL CONDITION

In this intervention, a member must be diagnosed with a condition to be eligible for an incentive. **It is recommended that employers select conditions that affect your specific employee population.** Some claims analysis is required to determine which conditions are most prevalent, and which employees are eligible for incentives.

	Chronic Conditions	Visits	Diagnostics	Drugs
Core Benefit Plan Design: Employers target at least two of the following conditions	Diabetes	<ul style="list-style-type: none"> Office visits related to condition Nutritional counseling Smoking cessation 	<ul style="list-style-type: none"> HgA1c Eye exams Foot exams 	<ul style="list-style-type: none"> Insulin Diabetic supplies ACE inhibitors/ARBs
	Asthma/COPD	<ul style="list-style-type: none"> Office visits related to condition Smoking cessation Home visits 	Spirometry	<ul style="list-style-type: none"> Long-acting inhalers Inhaled corticosteroids Oxygen
	Hypertension	<ul style="list-style-type: none"> Office visits related to condition Smoking cessation Nutritional counseling 	Blood pressure testing	<ul style="list-style-type: none"> Anti-hypertensives ACE inhibitors/ ARBs Statins
	Depression	<ul style="list-style-type: none"> Office visits related to condition Suicide and other risk assessments 		<ul style="list-style-type: none"> Anti-depressants
	Substance Use Disorders	<ul style="list-style-type: none"> Office visits related to condition Risk assessments 		<ul style="list-style-type: none"> Methadone Suboxone
	Pre-diabetes	<ul style="list-style-type: none"> Office visits related to condition Nutritional counseling Health coach 	<ul style="list-style-type: none"> HgA1c Glucose test 	<ul style="list-style-type: none"> Anti-hypertensives Metformin Statins
	Pre-hypertension	<ul style="list-style-type: none"> Office visits related to condition Smoking cessation Nutritional counseling Health Coach 	<ul style="list-style-type: none"> Blood pressure testing 	
	Congestive Heart Failure	<ul style="list-style-type: none"> Office visits related to condition Smoking cessation Nutritional counseling 	<ul style="list-style-type: none"> Echocardiogram EKG Potassium and creatinine testing Digoxin level 	<ul style="list-style-type: none"> Beta-blockers ACE inhibitors/ARBs Spironolactone Diuretics Oxygen
	Coronary Artery Disease	<ul style="list-style-type: none"> Office visits related to condition Nutritional counseling Smoking cessation 	<ul style="list-style-type: none"> EKG 	<ul style="list-style-type: none"> Beta-blockers ACE inhibitors/ ARBs

ADDITIONAL V-BID PART 2 OPTION: PROVIDE INCENTIVES FOR MEMBERS WHO PARTICIPATE IN DISEASE MANAGEMENT PROGRAMS

Employers may choose to require participation in a disease management program in order to receive incentives for condition-specific high value services. Employers may also choose to make incentives conditional based on outcomes achieved in the disease management programs.

Please note: According to health care laws, employers that choose an outcomes-based incentive must provide an alternative way to earn incentives for members who are unable to reach required targets.

EXAMPLES OF TYPES OF DISEASE MANAGEMENT PROGRAMS*

- Disease-specific action plan
- Meetings with health coach or health educator for education on condition
- Medication adherence program
- Treatment Decision Support program
- Pharmacist counseling
- Nutritional counseling
- Behavioral health counseling
- Lifestyle change/wellness program specific to condition
- Weight management/weight loss program indicated for condition

Please note: Disease management programs are specific to a person's condition. They are not a general wellness program for all members.

JUSTIFICATION FOR RECOMMENDATION

- Over 57%, or two million, Connecticut residents have one or more chronic diseases, which drives healthcare spending and results in lost productivity.
- Evaluations have demonstrated that reducing cost sharing for high value services such as chronic disease medications, increases medication adherence, resulting in better management of chronic conditions.ⁱⁱⁱ
- Several employers, such as Hannaford Brothers, Wellpoint, Inc. and Caterpillar, Inc., among many others have reduced cost sharing for services and drugs related to chronic conditions as part of a V-BID plan and found this reduced overall spending.^{iv}

- Studies have reported that as copays increase, adherence to chronic disease medications, such as diabetes, decreases.^v Evidence from United Healthcare's "Diabetics health Plan", Midwest Business Group on Health and other employers suggests that reducing cost sharing for medications increases medication adherence, improves health and results in overall net savings.^{vi}

V-BID COMPONENT 3: CHANGE INCENTIVES FOR VISITS TO HIGH VALUE PROVIDERS

This component recommends that employers provide incentives for visits to high value providers, such that the measures of “value” are transparent, and are defined by both cost and quality metrics. The SIM Quality Council Provisional Measure Set (see Appendix []) is recommended for measuring provider quality.

	Provider Type
Core Benefit Plan Design: Employers choose to incentivize visits to at least one of the following provider types	Preferred network of providers who have agreed to be paid based on performance on quality metrics
	Provider who is part of an ACO identified as high performing based on cost and quality metrics
	First tier provider in tiered networks, when providers are assigned to tiers based on transparent cost and quality metrics

Please note: For guidance and recommendations on how value should be defined for providers, please see the V-BID Plan Guiding Principles on pg.[]

JUSTIFICATION FOR RECOMMENDATION

- Approach aligns consumer incentives with provider incentives, which experts and stakeholders agreed was essential.
- Consortium members emphasized that while important, value cannot be defined solely in terms of cost but should also include quality measures, and that measures need to be transparent. Other dimensions, such as patient accessibility, credentials, etc. may be incorporated into future V-BID templates.
- Quality measures align with SIM Quality Council initiative, which is developing a Provisional Core Measure set to propose tying provider payment to selected quality metrics.
- According to stakeholders, many health plans in Connecticut have established incentive structures to drive consumers towards high value providers. Stakeholders suggested building/improving upon these models and ensuring transparency in defining value.
- Health plans such as Anthem’s Patient Centered Primary Care Program and Aetna Whole Health - Hartford HealthCare & Value Care Alliance that reduce cost sharing for providers who are being paid for performance have seen success with these programs.^{vii}

OPTIONAL V-BID COMPONENTS:

V-BID COMPONENT 4: CHANGE INCENTIVES FOR SPECIFIC SERVICES ONLY IF DELIVERED BY HIGH VALUE PROVIDER

This component would provide incentives for specific services when delivered by a high value provider.

	Provider Type	Conditions	Services
Additional Benefits	Center of Excellence	<ul style="list-style-type: none"> • Transplant surgery • Knee or hip replacement • Heart surgery • Obesity surgery • Substance use 	<ul style="list-style-type: none"> • Transportation to appointment(s) • All care for specific condition • Medications for specific condition
	Narrow network of high performing providers for specific chronic conditions	<ul style="list-style-type: none"> • Coronary Artery Disease • Congestive Heart Failure • Diabetes • Hypertension • Cancer 	<ul style="list-style-type: none"> • Office visits for condition • Medications for condition

*See V-BID Plan Guiding Principles for additional recommendations on how value should be defined for providers.

EXAMPLES OF EMPLOYERS IMPLEMENTING V-BID PLANS

	Employer Type	Employer	V-BID Strategies	Program Results
V-BID Component 1: Change Incentives for Specific Services for <i>All Applicable Members</i> Targeted by Age and Gender	National	Employment Benefit Management Services (EBMS), Inc.	<ul style="list-style-type: none"> • Incentivized individuals to use preventative services by depositing money into employees' HRAs • Eliminated costs for certain generic prescriptions 	<ul style="list-style-type: none"> • Decreased their overall medical costs All care for specific condition • Reported improvements in employee productivity and decreased absenteeism.
	Publicly funded Connecticut- based	Connecticut State Employee Health Enhancement Program	<ul style="list-style-type: none"> • Reduces premiums and cost-sharing for enrollees who participate in yearly physicals, age and gender-appropriate health risk assessments and evidence-based screenings, vision exams and dental cleanings. 	<ul style="list-style-type: none"> • Primary care visits increased by 75% • Preventive diagnostic visits increased over 10%, and • Specialty visits decreased by 21% in the first year
V-BID Component 2: Change Incentives for Specific Services by Clinical Condition	National	Lafarge North America "Building a Better You"	<ul style="list-style-type: none"> • Reduced copays (\$5) for diabetes, asthma and hypertension medications 	<ul style="list-style-type: none"> • Saved \$30M in medical and Rx costs over 3 years • Doubled percent of patients adherent to meds • Decreased ER visits and inpatient visits and days
	Connecticut	United Healthcare "Diabetics Health Plan"	<ul style="list-style-type: none"> • Eliminated payments for diabetes-related supplies and Rx drugs for participation in routine disease maintenance exams • Provided free access to online health educators and disease monitoring systems 	<ul style="list-style-type: none"> • After one year of implementation reduced total net cost by 9%, saving about \$3 million
V-BID Component 3: Change Incentives for	Publicly funded	New York City Employees	<ul style="list-style-type: none"> • Will eliminate copayment for primary and specialty care visits at one of 36 sites in which providers are part of specified pay for performance contracts 	<ul style="list-style-type: none"> • Program implemented in 2016 – anticipated savings of \$150M

Visits to High Value Providers	National - Connecticut based	Pitney Bowes	<ul style="list-style-type: none"> • Incentivizes use of high performing physicians through tiered network • Transplants and infertility treatment is permitted at COEs only 	<ul style="list-style-type: none"> • Increased cost savings as result of incentive program
V-BID Component 4: Change	National	Lowe's	<ul style="list-style-type: none"> • Covers medical cost and travel cost for patient and one relative for employees who have cardiac procedures performed at Cleveland Clinic 	<ul style="list-style-type: none"> • Anticipates reduced costs, lower readmissions, lower mortality
Incentives for Specific Services Only If Delivered by High Value Provider	National – Connecticut based	General Electric	<ul style="list-style-type: none"> • Covers 100% of medical cost and up to \$2,000 of travel costs for employees who get hip and knee replacements at one of four COEs • Incentivizes employees to use obesity surgery, organ transplant, and substance abuse COEs 	<ul style="list-style-type: none"> • Anticipates reduced costs, lower readmissions, lower mortality

These plans were identified through materials from the V-BIID Center as well as discussions with employers.^{viii}

ⁱ <http://vbidcenter.org/wp-content/uploads/2016/03/CT-HEP-infographic-3-30-16.pdf>

ⁱⁱ Fendrick, M., MD. "Value-Based Insurance Design Landscape Digest". *National Pharmaceutical Council*. July, 2009. Retrieved from < http://vbidcenter.org/wp-content/uploads/2014/08/NPC_VBIDreport_7-22-09.pdf>

ⁱⁱⁱ <http://vbidcenter.org/wp-content/uploads/2014/10/HA2008impactdecreasingcopays.pdf>

^{iv} Fendrick, M., MD. "Value-Based Insurance Design Landscape Digest". *National Pharmaceutical Council*. July, 2009. Retrieved from < http://vbidcenter.org/wp-content/uploads/2014/08/NPC_VBIDreport_7-22-09.pdf>

^v <http://vbidcenter.org/wp-content/uploads/2014/10/vbid-diabetes-drug-therapy-RR12-01-08.pdf>

^{vi} Fendrick, M., MD. "Value-Based Insurance Design Landscape Digest". *National Pharmaceutical Council*. July, 2009. Retrieved from < http://vbidcenter.org/wp-content/uploads/2014/08/NPC_VBIDreport_7-22-09.pdf>

^{vii} "2015 Connecticut Plan Guide for Businesses with 51-100 eligible employees." *Employer Plans*. Aetna. Web. March 11, 2016. < <https://www.aetna.com/employers-organizations.html>> and <https://www.anthem.com/health-insurance/about-us/pressreleasedetails/VA/2012/939/anthem-blue-cross-and-blue-shield-launches-innovative-program-to-enhance-primary-care-by-paying-physicians-more-for-quality-and-cost-improvements>

^{viii} Fendrick, M., MD. "Value-Based Insurance Design Landscape Digest". *National Pharmaceutical Council*. July, 2009. Retrieved from < http://vbidcenter.org/wp-content/uploads/2014/08/NPC_VBIDreport_7-22-09.pdf> and http://www.crainsnewyork.com/article/20160226/HEALTH_CARE/160229902/city-overhauls-health-plans-for-municipal-workers-in-shift-toward-preventive-care