

Value Based Insurance: practical considerations

Ed Pezalla, MD, MPH

**National Medical Director for Pharmacy
Policy and Strategy**

Aetna



Will VBID be the answer?

- Depends on the question
 - Manage medical cost?
 - Improve compliance?

 - Will vary with other benefit design questions

 - Will vary according to plan sponsor
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When considering VBID...

- ❑ Is compliance with medications the biggest issue?
 - ❑ Do I know how my members use the pharmacy benefit now?
 - ❑ What therapeutic areas have the biggest potential?
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Beyond pharmaceuticals

- What other areas are right for VBID?
 - Am I willing to change benefit designs?
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Barriers

- Easier to implement in ERISA plans
 - Difficult to convince state insurance regulators to accept new designs
 - Employers are concerned with equity and fairness
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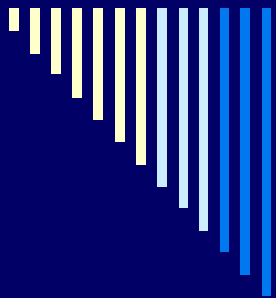
Context

- VBID for pharmacy benefits is implemented primarily to address adherence
 - Need to address other adherence issues
 - Inadequate explanation of need for drug
 - Fears regarding safety and pill burden
 - Difficulty in working adherence into daily routine
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Does VBID work

- Will not make money but can break even
 - This is a win for employers and members because the unmeasured benefit is better health
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Thank you
