



SCHOOL OF PUBLIC HEALTH

CENTER FOR VALUE-BASED INSURANCE DESIGN

UNIVERSITY OF MICHIGAN

**Medicare Advantage
Value-Based Insurance Design Model Test:
Making MA Great (Again ;)**

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Getting to Health Care Value

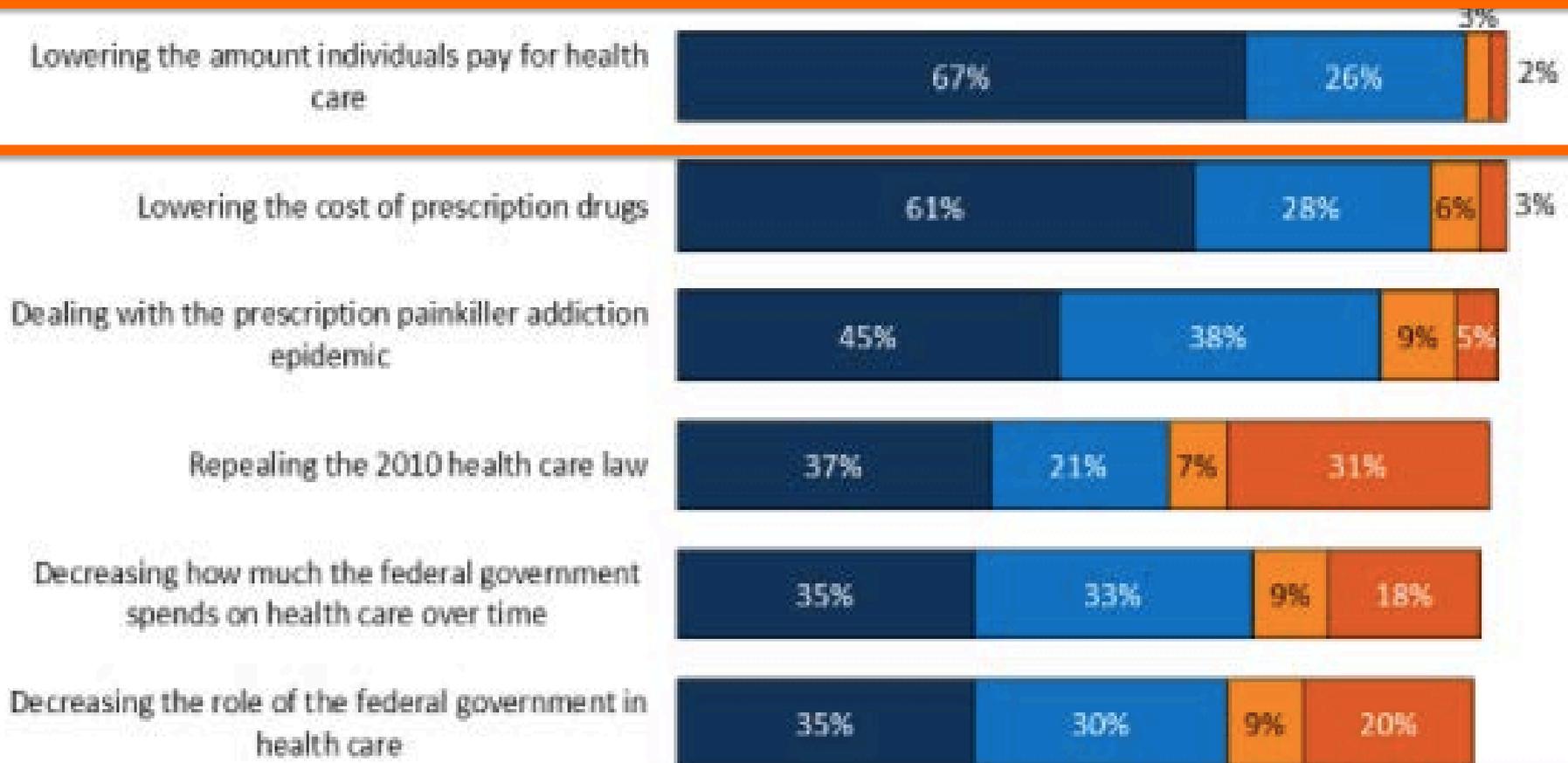
Shifting the discussion from “How much” to “How well”

- **Cutting spending is the principle focus of health care reform discussions**
- **Despite evidence of clinical benefit, substantial underutilization of high-value services persists**
- **Consumer cost sharing is a common and important policy lever in the Medicare program**
- **Rising cost sharing worsens disparities and adversely affects health, particularly among economically vulnerable individuals and those with chronic conditions**
- **Americans do not care about health care costs, they care about what it costs them**

Lowering Out-of-Pocket Costs Is Top Health Care Priority

Should each of the following things Donald Trump and the next Congress might do when it comes to health care be a top priority, an important but not a top priority, not too important, or should it not be done?

■ Top priority ■ Important but not a top priority ■ Not too important ■ Should not be done



NOTE: Question wording abbreviated. See topline for full question wording. Don't know/Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted December 13-19, 2016)

“Far Better, Far Less Expensive” Next Generation Plan “Clinically Nuanced” Cost-Sharing

A “smarter**” cost-sharing approach that encourages consumers to use more high value services and providers, but discourages the use of low value ones**

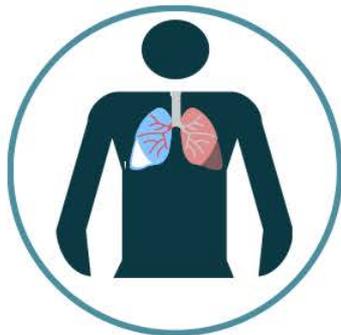
Understanding CLINICAL NUANCE

#1

Clinical Services Differ
in the Benefit Produced



Office
Visits



Diagnostic
Tests



Prescription
Drugs

#2

The Clinical Benefit Derived From a Service Depends On...



Who
receives it



Who
provides it



Where
it's provided

Clinical Nuance: Key Takeaway



What benefits one person...



...may harm another

Implementing Clinical Nuance

Value-Based Insurance Design

Sets cost-sharing to encourage greater utilization of high-value services and providers and discourage use of low-value care

- **Bipartisan Political Support**
- **Successfully implemented by hundreds of public and private payers**
- **TRICARE**
- **Medicare Advantage**



THE WALL STREET JOURNAL
ONLINE

June 16, 2004

FOLLOW THE MONEY

**From 'One Size Fits All'
To Tailored Co-Payments**

June 16, 2004

University of Michigan researchers say a patient drug should depend on how much he or she will pay. The researchers say a move that would likely lower co-

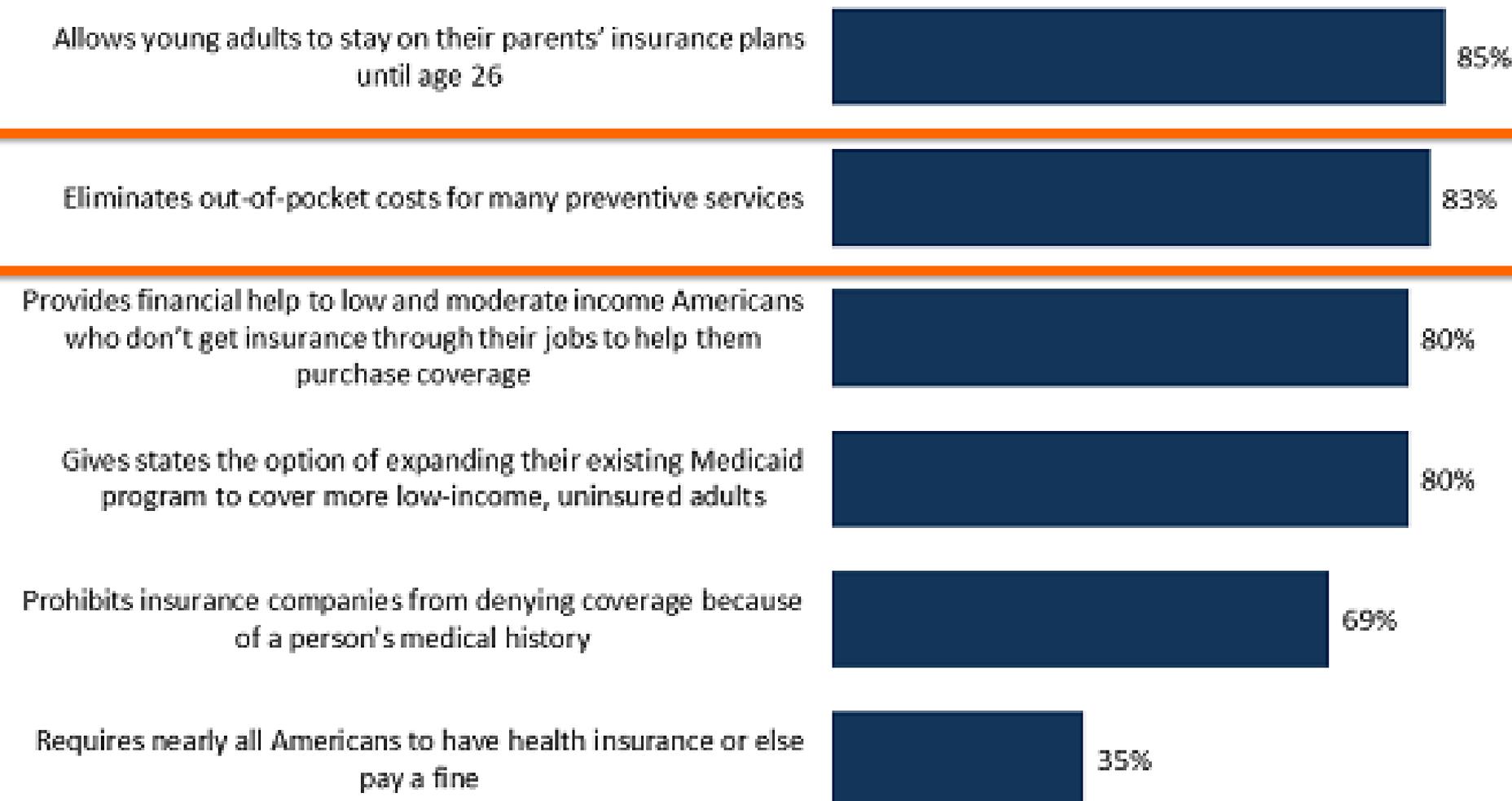
ACA Sec 2713: Selected Preventive Services be Provided without Cost-Sharing

- **Receiving an A or B rating from the United States Preventive Services Taskforce (USPSTF)**
- **Immunizations recommended by the Advisory Committee on Immunization Practices (ACIP)**
- **Preventive care and screenings supported by the Health Resources and Services Administration (HRSA)**

Over 137 million Americans have received expanded coverage of preventive services; over 76 million have accessed preventive services without cost-sharing

Majorities Favor Many Key ACA Provisions, But Not Its Individual Mandate

Percent who favor each of the following specific elements of the health care law:



NOTE: Some items asked of half samples. Question wording abbreviated, see topline for full question wording.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted November 15-21, 2016)

Translating Research into Policy: Implementing V-BID in Medicare

Why not lower cost-sharing on high-value services?



The anti-discrimination clause of the Social Security Act does not allow clinically nuanced consumer cost-sharing.

"providers may not deny, limit, or condition the coverage or provision of benefits"

H.R.2570/S.1396: Bipartisan “Strengthening Medicare Advantage Through Innovation and Transparency”

- **Directs HHS to establish a V-BID demonstration for MA beneficiaries with chronic conditions**
- **Passed US House with strong bipartisan support in June 2015**

HR 2570: Strengthening Medicare Advantage Through Innovation and Transparency

114TH CONGRESS
1ST SESSION

H. R. 2570

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2015

Received; read twice and referred to the Committee on Finance

AN ACT

To amend title XVIII of the Social Security Act with respect to the treatment of patient encounters in ambulatory surgical centers in determining meaningful EHR use, establish a demonstration program requiring the utilization of Value-Based Insurance Design to demonstrate that reducing the copayments or coinsurance charged to Medicare beneficiaries for selected high-value prescription medications and clinical services can increase their utilization and ultimately improve clinical outcomes and lower health care expenditures, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Strengthening Medicare Advantage through Innovation and Transparency for Seniors Act of 2015”.

SEC. 2. TREATMENT OF PATIENT ENCOUNTERS IN AMBULATORY SURGICAL CENTERS IN DETERMINING MEANINGFUL EHR USE.



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

Incorporating Value-Based Insurance Design to Improve Chronic Disease Management in the Medicare Advantage Program

Actuarial modeling estimated the financial impact of V-BID on consumer, plan, and societal costs for three common conditions: diabetes mellitus (DM), chronic obstructive pulmonary disease (COPD), and congestive heart failure (CHF)

Projected Financial Impact of MA V-BID Program, Year 1

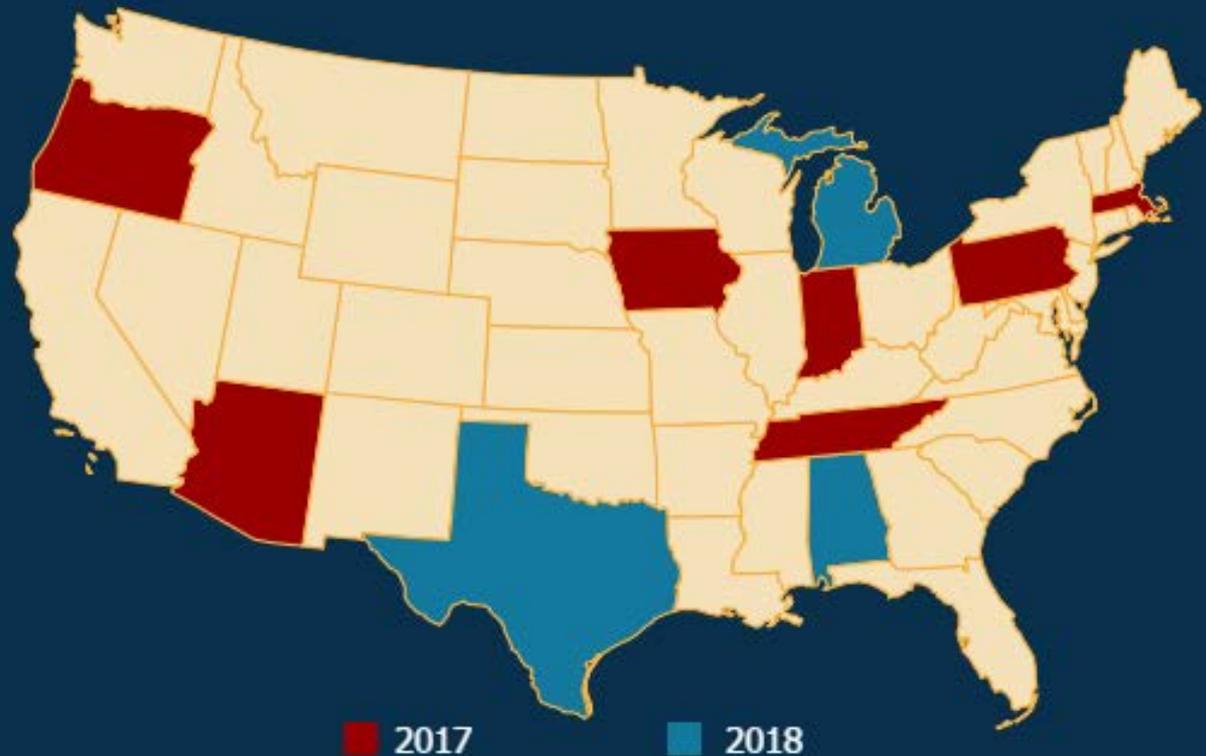
		Diabetes Mellitus	COPD	CHF
Cost Paid per Month (\$)	Member Cost Share	↓ \$21.64	↓ \$17.63	↓ \$12.73
	Plan Paid Amount	↑ \$24.56	↑ \$14.36	↓ \$0.56
	Total Societal Costs	↑ \$2.94	↓ \$3.27	↓ \$13.29

MA V-BID Model Test Plans Participating in Year 1

State	Plan	Clinical Condition(s)
Indiana	IUHP	CHF
Massachusetts	BCBS	Hypertension
	Fallon	Diabetes
	Tufts	COPD and/or CHF
Pennsylvania	Aetna	CHF
	Geisinger	COPD
	Highmark	Diabetes and/or COPD
	IBX	Diabetes & CHF
	UPMC	CHF & COPD or CHF & Diabetes

CMS Expands Medicare Advantage Value-Based Insurance Design Model Test

- Diabetes
- Congestive Heart Failure
- COPD
- Past Stroke
- Hypertension
- Coronary Artery Disease
- Mood Disorders
- Dementia
- Rheumatoid Arthritis



US House and Senate call for Expansion of MA VBID Demonstration to all 50 States

UNITED STATES SENATE
COMMITTEE ON FINANCE

[ABOUT](#) [HEARINGS](#) [LEGISLA](#)

Hatch, Wyden, Isakson, Warner Release Proposals to Improve Treatment for Chronic Illness

Finance Committee Members Offer Bipartisan Legislative Language to Improve Chronic Care Outcomes in Medicare



A BETTER WAY
OUR VISION FOR A CONFIDENT AMERICA

115TH CONGRESS
1ST SESSION

H. R. _____

A BILL

To amend title XVIII of the Social Security to provide for national testing of a model of Medicare Advantage value-based insurance design to meet the needs of chronically ill Medicare Advantage enrollees.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

7 “(h) NATIONAL TESTING OF MODEL FOR MEDICARE
8 ADVANTAGE VALUE-BASED INSURANCE DESIGN.—

9 “(1) IN GENERAL.—In implementing the model
10 described in paragraph (2) proposed to be tested
11 under section 1115A(b), the Secretary shall revise
12 the testing of the model under such section to cover,
13 effective not later than January 1, 2019, all States.

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