



Medicare Advantage Value-Based Insurance Design Model Test

Center for Medicare and Medicaid
Innovation

[Innovation.cms.gov/initiatives/VBID](https://innovation.cms.gov/initiatives/VBID)

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The CMS Innovation Center

“The purpose of the [Center] is to **test** innovative payment and service delivery models to **reduce program expenditures...while preserving or enhancing the quality of care** furnished to individuals under such titles”

**Section 3021 of
Affordable Care Act**

Three scenarios for success

- 1. Quality improves; cost neutral**
- 2. Quality neutral; cost reduced**
- 3. Quality improves; cost reduced (best case)**

If a model meets one of these three criteria and other statutory prerequisites, the statute allows the Secretary to expand the duration and scope of a model through rulemaking

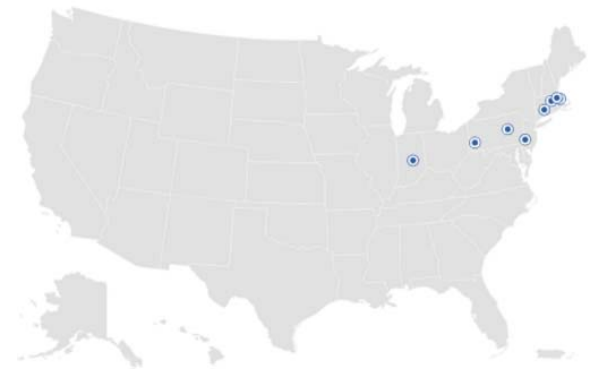


What is Value-Based Insurance Design?

- Insurance benefit and cost sharing design that encourages enrollees to use the services that have the greatest potential to positively impact their health.
- Clinically nuanced – the design can differ based on an enrollee's health: Each condition has different needs.
- Using VBID may improve quality of care and save costs.

Medicare Advantage Value Based Insurance Design Model

- Allows MA plans to **structure enrollee cost-sharing and other health plan design elements to encourage enrollees to use clinical services that have the greatest potential to positively impact on enrollee health**
- **Began on January 1, 2017 and run for 5 years**
- Plans in **10 states** will be eligible to participate
 - Arizona, Indiana, Iowa, Massachusetts, Oregon, Pennsylvania, and Tennessee
 - Starting in 2018: Alabama, Michigan and Texas
- Eligible Medicare Advantage plans in these states, upon approval from CMS, **can offer varied plan benefit design for enrollees who fall into certain clinical categories** identified and defined by CMS



VBID Intervention Types and Examples

1. *Reduced Cost Sharing for High-Value Services, Supplies, Part D Drugs*

–\$5 co-pays for eye exams for diabetics; \$0 co-pays for ACE inhibitors for enrollees who have previously experienced an AMI.

2. *Reduced Cost Sharing for High-Value Providers*

–\$0 co-pays for diabetics who visit PCP's with track record of controlling Hba1c levels; \$0 co-pays for non-emergency surgeries at cardiac centers of excellence.

3. *Reduced Cost Sharing for Disease Management Participation*

–Elimination of primary care co-pays for diabetes patients who meet with a case manager.

4. *Coverage of Extra Supplemental Non-Covered High-Value Benefits*

–Extra coverage of smoking cessation for COPD patients.

Clinical Conditions

| | |
|--|---|
| 1. Diabetes | 6. Coronary Artery Disease |
| 2. Chronic Obstructive Pulmonary Disease (COPD) | 7. Mood disorders |
| 3. Congestive Heart Failure (CHF) | 8. Rheumatoid Arthritis (new for 2018) |
| 4. Patient with Past Stroke | 9. Dementia (new for 2018) |
| 5. Hypertension | |

- Participants select one or more CMS-defined clinical condition groups to receive VBID benefits.
- All eligible enrollees must receive that group's VBID benefit package.
- Clinical condition groups defined by CMS list of ICD-10 codes.

2017 VBID Participants

| Parent Organization | State |
|--------------------------------|-------|
| BCBS of Massachusetts | MA |
| Fallon Community Health Plan | MA |
| Tufts Associated Health Plan | MA |
| Geisinger Health Plan | PA |
| Aetna | PA |
| Independence Blue Cross | PA |
| Highmark | PA |
| UPMC Health Plan | PA |
| Indiana University Health Plan | IN |



Summary of Changes for CY 2018

- Three new states: Alabama, Michigan and Texas.
- Two new targeted clinical conditions:
 - Rheumatoid Arthritis; and
 - Dementia.
- Minimum PBP enrollment size is now 500 enrollees, for organizations participating with another PBP over 2,000 enrollees.

Contact VBID Team

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