

10th Anniversary V-BID Summit 2015

A Decade of Transforming The Health Care Cost Discussion from 'How Much' to 'How Well'

JCPH has been following, with great interest, the work of A. Mark Fendrick, MD and his colleagues at the [University of Michigan's Center for Value-Based Insurance Design \(VBID\)](#). The passage and implementation of the Affordable Care Act has hastened the move away from fee for service reimbursement and toward basing payment on high-value services that improve the quality of care and provide better outcomes.

Since its founding in 2005, the VBID Center has been actively engaged with stakeholders across the spectrum to support policy changes and demonstration projects. The Center convenes an annual summit to share ideas, discuss progress and make recommendations for future action. I had the pleasure of participating in the 10th Anniversary program this past October.

The invitation-only program was designed to provide diverse stakeholders (government, payers, academics, industry, policymakers) from across the country with the opportunity to learn about the Center's initiatives, network with one another, and engage them in meaningful dialogue to help shape future work.

More than 100 attendees from 24 states were present at the Summit, where they were treated to an excellent discussion and exchange of ideas during four expert panel sessions. The program was organized in an informal "fireside chat" type of setting, with Clifford Goodman of the [Lewin Group](#) serving as the moderator and facilitating the audience Q&A.

The program was organized into 90-minute sessions, each featuring a panel of 3 or 4 experts who offered brief remarks (5 -10 minutes each, no PowerPoint) and

then were engaged in discussion with the moderator. Below are some highlights from each of the sessions, along with links to infographics that summarize key takeaways.

Session 1 – Incorporating Clinical Nuance into Medicare Advantage

<http://vbidcenter.org/wp-content/uploads/2015/10/0-MA-Infographic-CMMI-Announcement.pdf>

The first panel covered the issues and challenges around cost-related non-adherence for Medicare Advantage (MA) beneficiaries. [The Center for Medicare and Medicaid Innovation \(CMMI\)](#) is undertaking a 5-year Medicare Advantage VBID demonstration project in 7 states. Stacy Sanders, from the Medicare Rights Center, shared that there is bipartisan support in Congress to incorporate VBID into the MA program and significant interest in the project. She offered some specific recommendations regarding the design to optimize the outcomes for MA beneficiaries:

1. Incorporate lower cost sharing for high value services to encourage their use;
2. There must be transparency around criteria and the evidence base for identifying high-value services;
3. Offer complementary education for beneficiaries and health care providers;
4. Rigorous monitoring and evaluation will avoid discrimination in design
5. Ensure beneficiary protections by providing the proper tools and using appropriate channels to disseminate information when marketing, providing notices regarding benefits, and answering questions

Session 2 – Creating Consumer Directed Plans with Smarter Deductibles

<http://vbidcenter.org/wp-content/uploads/2015/10/0-HSA-HDHP-Infographic.pdf>

There has been an increase in consumer directed health plans (CDHPs) over the past 5 years. In exchange for higher deductibles, the premiums are lower. Sara Collins, of the [Commonwealth Fund](#), reported that consumers, particularly those with low incomes, have been cutting back on spending in general; they will frequently forego needed care or skip preventive care because of the high out of pocket cost until they reach their deductible. Premium matters the most in their decision-making regarding a health plan, and more than half are choosing narrow networks.

Lydia Mitts, of [Families USA](#), noted the need for flexible benefit designs that include assistance with deductibles and cost sharing. Plans that cover a broad scope of services, *pre-deductible*, (especially for those with chronic diseases) can help to protect low-to-moderate income families from undue financial exposure. There is a need to calibrate subsidies so that the need to meet a deductible won't prevent access to needed medical care. Significant issues remain regarding unaffordable medical expenses and medical debt.

Session 3 – Moving States from Volume to Value

<http://vbidcenter.org/wp-content/uploads/2015/08/SIM-Infographic-8-5-15.png>

Frances Jensen, Deputy Director of the State Innovations Group at CMMI, encouraged the states to leverage their opportunity to influence change and adopt the philosophy of "health in all things." Pennsylvania is one of the states

CONTINUED ON PAGE 2

participating in the MA VBID demonstration project, which is working to integrate behavioral health and social supports into the model. Karen Murphy, Pennsylvania's Secretary of Health, has created a Department of Innovation to help support the project and create new models and redesign care processes. Key takeaways from this panel:

1. Multiple payers must align on measures.
The state can convene commercial payers without encountering antitrust issues.
2. States must move toward development and use of a single common report, in a common format and portal
3. Without line-of-sight data, physicians won't know what they need to do

Session 4 – Aligning Payment Reform and Consumer Engagement

<http://vbidcenter.org/wp-content/uploads/2012/07/V-BID-Infographic-PDF.pdf>

The current one-size-fits-all model of cost-sharing does not differentiate between low-value services and high-value services based on the evidence. Higher deductibles and increased out-of-pocket costs are driving consumers away from using services that they may need to enjoy optimal health outcomes. Clinically nuanced cost-sharing through a value-based insurance design has been proposed as a solution to improve access, reduce waste and encourage appropriate utilization.

Although the sessions were not audio or video recorded, photos and social media exchanges at the VBID Summit are documented on Storify.

https://storify.com/UM_VBID/vbidsummit

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