

# V-BID X

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A NEW PLAN OPTION FOR THE INDIVIDUAL HEALTH  
INSURANCE MARKET



# Value Based Insurance Design (V-BID)

- **Align cost sharing with value**
  - Lower OOP for high value services
  - Higher OOP for low value services
- **ACA provisions about preventive care (section 2713)**
- **MA Demonstration**
- **DoD initiative**
- **HSA rules**
- **Commercial adoption**

# Moving V-BID Forward

- **Benefit designs incorporating clinically nuanced cost-sharing approaches should be particularly attractive in exchanges, given the lack of flexibility concerning premiums and plan deductibles**
- **Goal: build a V-BID plan for individual market that does not increase premiums or deductibles – V-BID X**

# V-BID X: Guiding Principles

- **Make concrete recommendations**
- **This is NOT a theory or conceptual exercise**
  - **Anticipate and address barriers**
    - **Insurers must be able to take what we develop to design a V-BID product**
- **The best must not be the enemy of the good**
- **Output would be publically available**

# V-BID X: Project Members



- Research supported by Arnold Ventures
- Oliver Wyman provided actuarial estimates

# V-BID X: Approach

- **Pick a 'Base Plan'**
- **Identify high- and low-value services**
- **Refine base plan to have same AV but:**
  - **Lower cost sharing for high-value services**
  - **Higher cost sharing for low-value services**
  - **No increase premiums or deductibles**

# V-BID X: Process

## 4 meetings

**1: Discuss issues/ ground-rules/ process**

**2: Define high-value services**

- Scored by Oliver Wyman

**3: Define low-value services**

- Scored by Oliver Wyman

**4: Combine high and low value to create plan**

## **V-BID X: Selection of Services**

- 1. Favor services with the strongest evidence-base and external validation**
- 2. Favor services that are more responsive to cost-sharing**
- 3. Favor services with a high likelihood to be high- or low-value, independent of the clinical context (minimal nuance)**
- 4. Consider equity, adverse selection, impact on special populations, and the risk pool**



## High-Value Services and Drugs with Highly Reduced or Eliminated Cost-Sharing

Glucometers and testing strips	Anti-thrombotic/anticoagulants
LDL testing (hyperlipidemia)	Anti-depressants
Hemoglobin A1C testing (diabetes)	Statins
Cardiac rehabilitation	Antipsychotics
INR testing (hypercoagulability)	ACE inhibitors and ARBs
Pulmonary rehabilitation	Beta blockers
Peak flow meters (asthma)	Buprenorphine-naloxone
Blood pressure monitors (hypertension)	Anti-resorptive therapy
Glucose lowering agents	Tobacco cessation treatments
Rheumatoid arthritis medications	Naloxone
Inhaled Corticosteroids	Thyroid-related
Antiretrovirals	

## High-Value Branded Drug Classes with Reduced Cost-Sharing

Pre-exposure prophylaxis for HIV

Hepatitis C direct-acting combination

Anti-TNF

## Low-Value Services with No Coverage

Spinal fusions

Vertebroplasty and kyphoplasty

Vitamin D testing

Proton beam therapy for prostate cancer

## Commonly Used Services with Limited Value and Increased Cost-Sharing

Outpatient specialist services	X-rays and other diagnostic imaging
Outpatient labs	Outpatient surgical procedures
High-cost imaging	Non-preferred branded drugs

# V-BID X: Plan Flexibility

The list of services and service categories used in this first iteration of V-BID X **represents just one version of what such a plan design could look like.**

**Payers have significant flexibility regarding how to design a version of V-BID X. Key parameters include:**

- **Selection of high-value services for reduced cost-sharing**
- **Level of cost-sharing reduction for high-value services**
- **Selection of low-value services for increased cost sharing**
- **Level of cost-sharing increase for low-value services**
- **Determination of the actuarial value of the plan**

# V-BID X: Key Takeaways

- **Cost neutral V-BID designs are feasible. Coverage can be enhanced for targeted high-value services, **without raising premiums and deductibles****
- **There are a large number of plausible combinations of services or cost-sharing changes that could fit different needs and goals, depending on the carrier and market**