

LOW-VALUE CARE TASK FORCE

APRIL 30, 2020 | 12-4 PM EDT





WELCOME & INTRODUCTION

MARK FENDRICK

CO-DIRECTOR

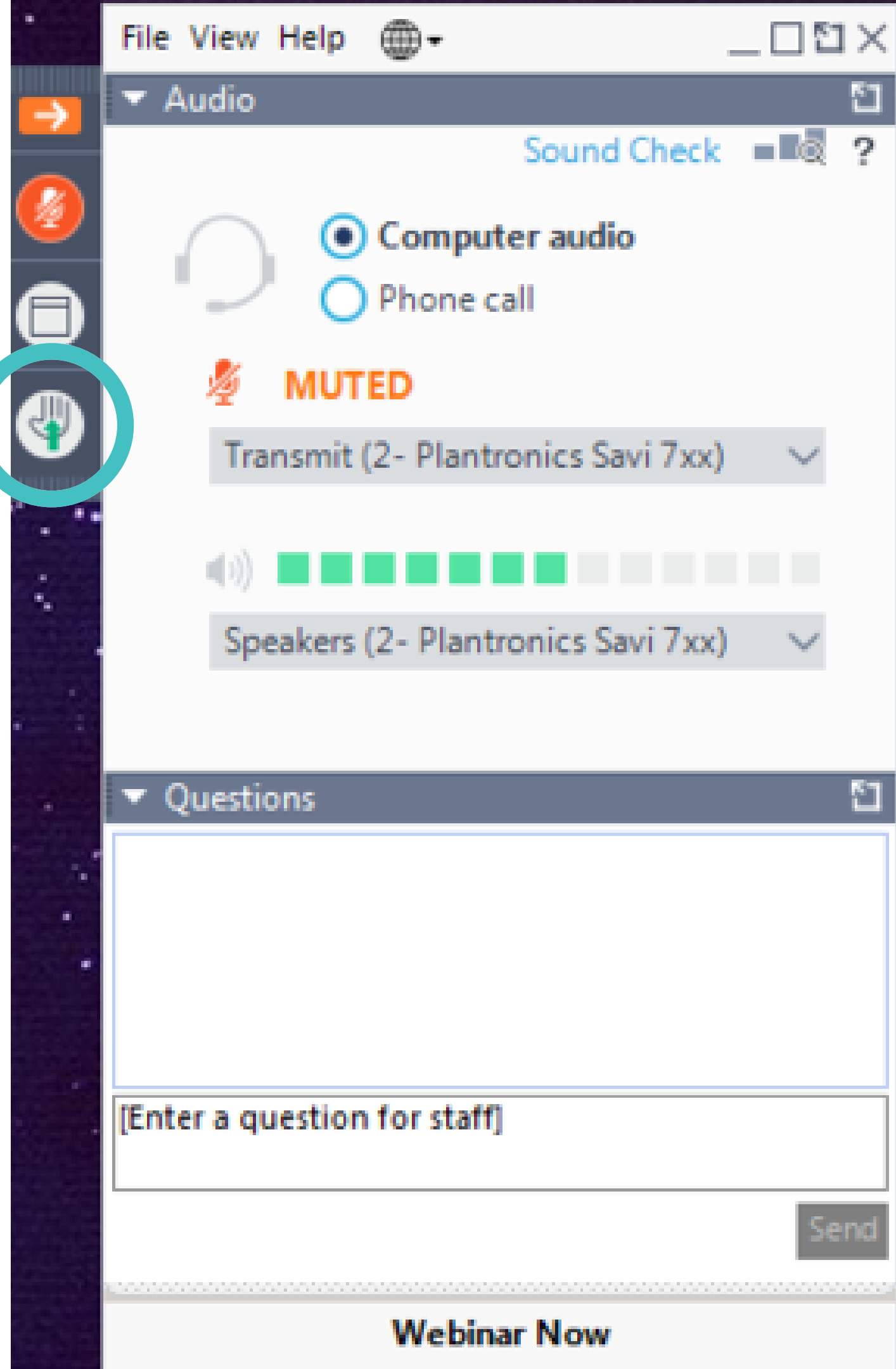
LOW-VALUE CARE TASK FORCE

QUESTIONS OR COMMENTS?

USE THE HAND RAISE FUNCTION

We would like this meeting to be as interactive as possible. When you would like to make a comment and/or ask a question:

1. Raise your hand. Please click this “hand” button, and Mark will do his best to call on members in the order that hands are raised.
2. When it is your turn to speak, your line will be automatically unmuted.



CLIFF GOODMAN

SENIOR VICE PRESIDENT

THE LEWIN GROUP



WEBINAR AGENDA

- Welcome and Introduction
- Impact of COVID-19 on the Health Care Sector
- Member Updates
- **BREAK**
- Communication Strategy
- State APCD Low-Value Care Report
- V-BID-X Update
- Summary





IMPACT OF COVID-19 ON THE HEALTH CARE SECTOR

MICHAEL CHERNEW

DIRECTOR

HEALTHCARE MARKETS AND
REGULATION (HMR) LAB

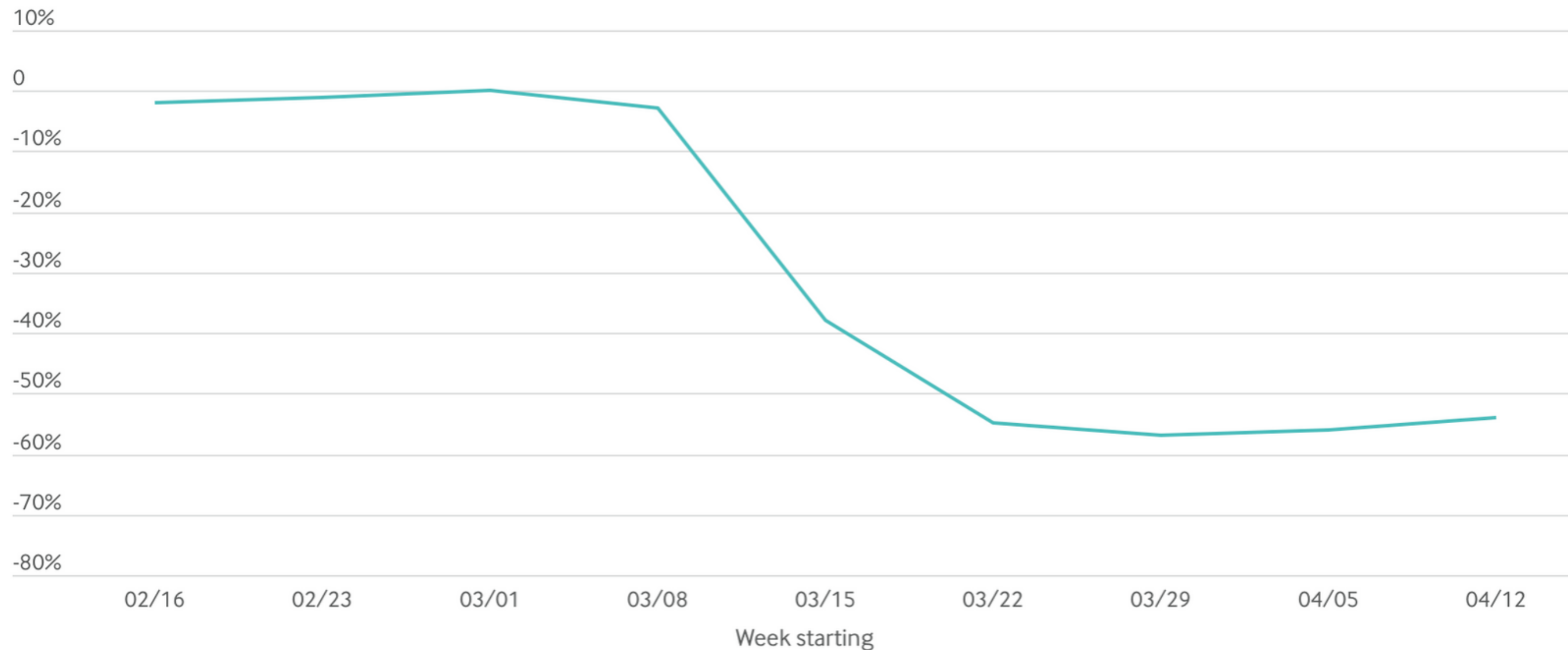
Economic Effects of COVID-19 Will Be Significant

- Doctors
- Hospitals
- Other Providers
- Insurers/Purchasers
- Pharmaceutical Companies
- Government



Large Drop in Physician Visits

Percent change in visits from baseline



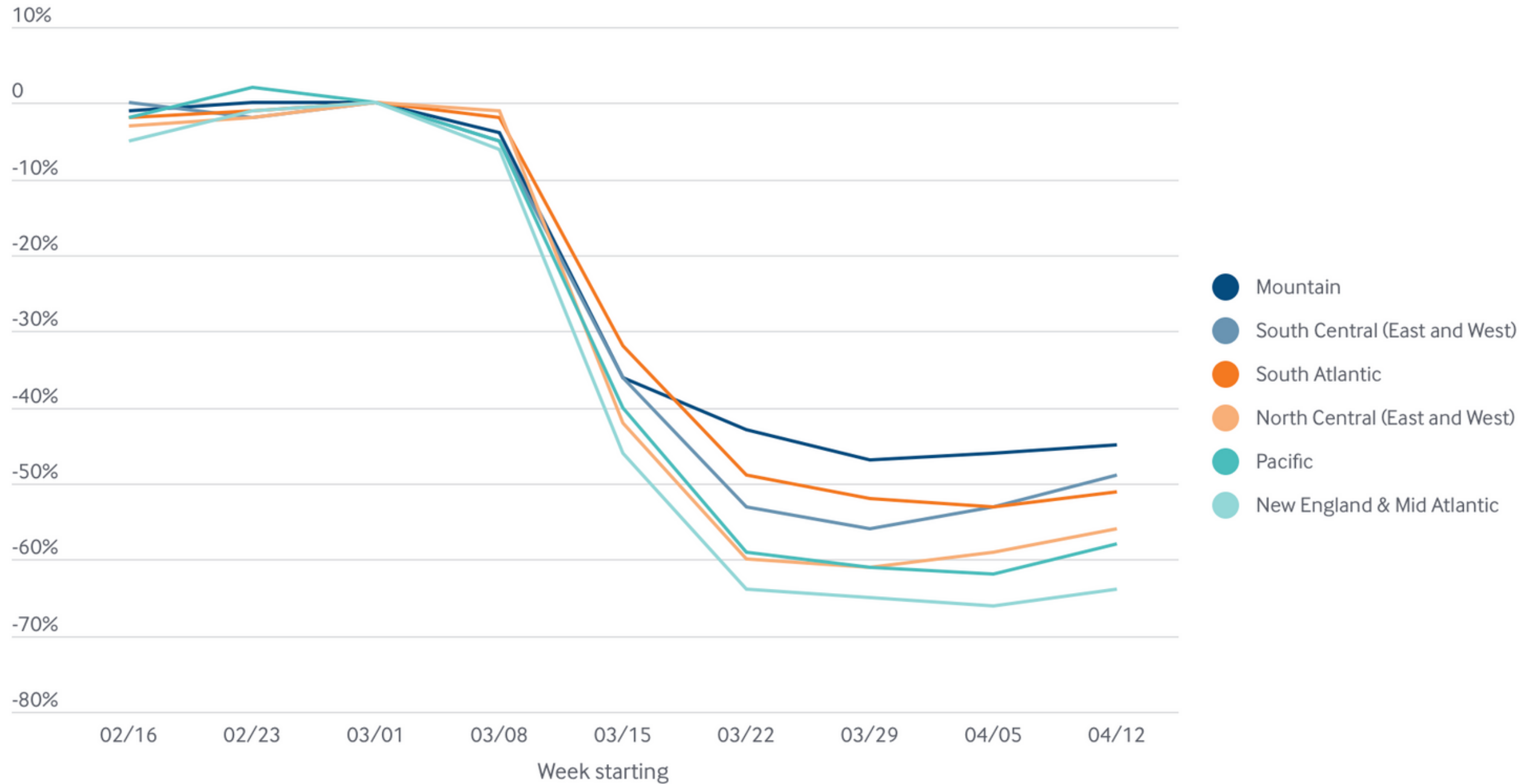
Note: Data are presented as percentage change in number of visits in a given week from the baseline week (March 1-7). Data for week of April 12 are through April 16.

Source: Ateev Mehrotra et al., "What Impact Has COVID-19 Had on Outpatient Visits?," To the Point (blog), Commonwealth Fund, Apr. 23, 2020. <https://doi.org/10.26099/ds9e-jm36>



All Regions are Affected

Percent change in visits from baseline

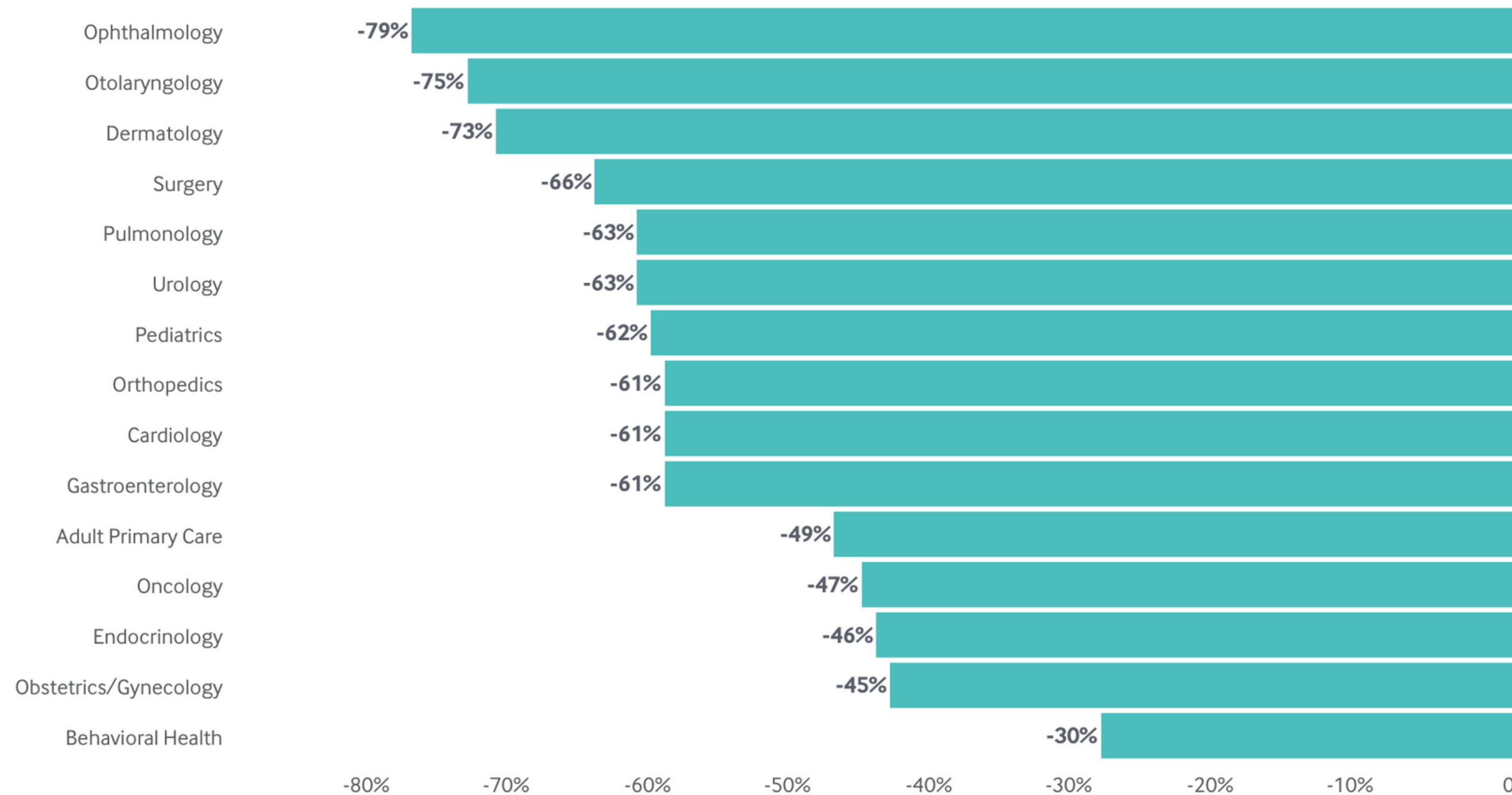


Note: Data are presented as percentage change in number of visits in a given week from the baseline week (March 1–7). Data for week of April 12 are through April 16. Distribution of states across U.S. census divisions is available at the Census website.

Source: Ateev Mehrotra et al., "What Impact Has COVID-19 Had on Outpatient Visits?," To the Point (blog), Commonwealth Fund, Apr. 23, 2020. <https://doi.org/10.26099/ds9e-jm36>

Visit Drop Varies by Specialty

Percent change in visits from baseline to week of April 5



Note: Relative decline in visits between week of April 5 (last full week of data) and baseline week of March 1. Data only for specialties shown. Decline shown is reflective of all visit types, so increases in telemedicine visits dampen the overall decline. Visits from nurse practitioners and physician assistants are not included.

Source: Ateev Mehrotra et al., "What Impact Has COVID-19 Had on Outpatient Visits?," To the Point (blog), Commonwealth Fund, Apr. 23, 2020. <https://doi.org/10.26099/ds9e-jm36>

Hospitals Also Losing Volume

- ~650k-700k admissions/week
- HCA reported 30% loss of admissions
- I heard closer to 60%
 - More complex cases stay so revenue loss is less than 60%
- Total COVID admissions ~130k
- Outpatient procedures dropping significant



Other Hospital Challenges

- Payer mix deteriorating
- Added costs
 - COVID material
 - Staff issues



Other Settings

- Long term care really challenged
- COVID risks are huge
- Big staffing concerns
- Much less post acute



Pharmaceuticals

- ??? No one is talking about short term issues
- Surely access to medications matters
- I heard there was short term stockpiling
- I expect a bit of a dip coming soon



Insurers/Purchasers

- Less medical spend
- Lower fees for ASO
- Lower premiums
- New costs
 - Copay waiving
 - Testing
 - Out of network on steroids
- Grace periods
- Risk pool deterioration



V-BID in the COVID ERA

- March 11: IRS Notice 2020-15 - extended pre-deductible coverage for medical services to test for and treat the virus
- March 18: Families First Coronavirus Response Act
 - Eliminated cost-sharing for COVID-19 testing
 - Eliminated cost-sharing for any in-person or telehealth provider visit that results in a COVID-19 test
- March 27 – CARES Act
 - Allows HDHPs to cover Telehealth (not just COVID-19 related) on a pre-deductible basis
 - Mandates coverage of COVID-19 diagnostic testing without cost sharing by all plans
 - Amends Public Health Service Act Section 2713, requiring all plans to cover Coronavirus vaccine without consumer cost-sharing
- Future hopes: Chronic Disease Management Act



Longer Term Issues

- How much volume returns?
 - Symptoms diminish
 - People remain scared of health centers
 - Benefit generosity deteriorates
 - Capacity issues

➔ I think total health care spending drops in 2020



Future Structural Changes

- Big deficit
 - Less \$ for everything
- Recession
 - Employers reduce generosity

➔ Everyone looking to save

- Do care patterns permanently change?
 - Telemedicine?
- Can elimination of low value care (LVC) provide headroom?

➔ Elimination of LVC increasingly important

- Low Value Care Task Force



MEMBER UPDATES

- Mo Ali - Merck
- Beth Bortz & Kyle Russell - VA Center for Health Innovation
- Karen van Caulil & Mark Weinstein - Florida Alliance for Healthcare Value
- Josh Fangmeier - Minnesota Management & Budget
- John Keats - Cigna
- Cheryl Larson - Midwest Business Group on Health
- Jeff Lesesne - Anthem
- Scott Spradlin - Aetna
- Lauren Vela - Pacific Business Group on Health
- Marcos Dachary - Milliman

BREAK





COMMUNICATION STRATEGY

DAN GORENSTEIN

EXECUTIVE PRODUCER & CO-HOST
TRADEOFFS

 @dmngorenstein

 @tradeoffspod

State APCD Low-Value Care Report & V-BID X Update

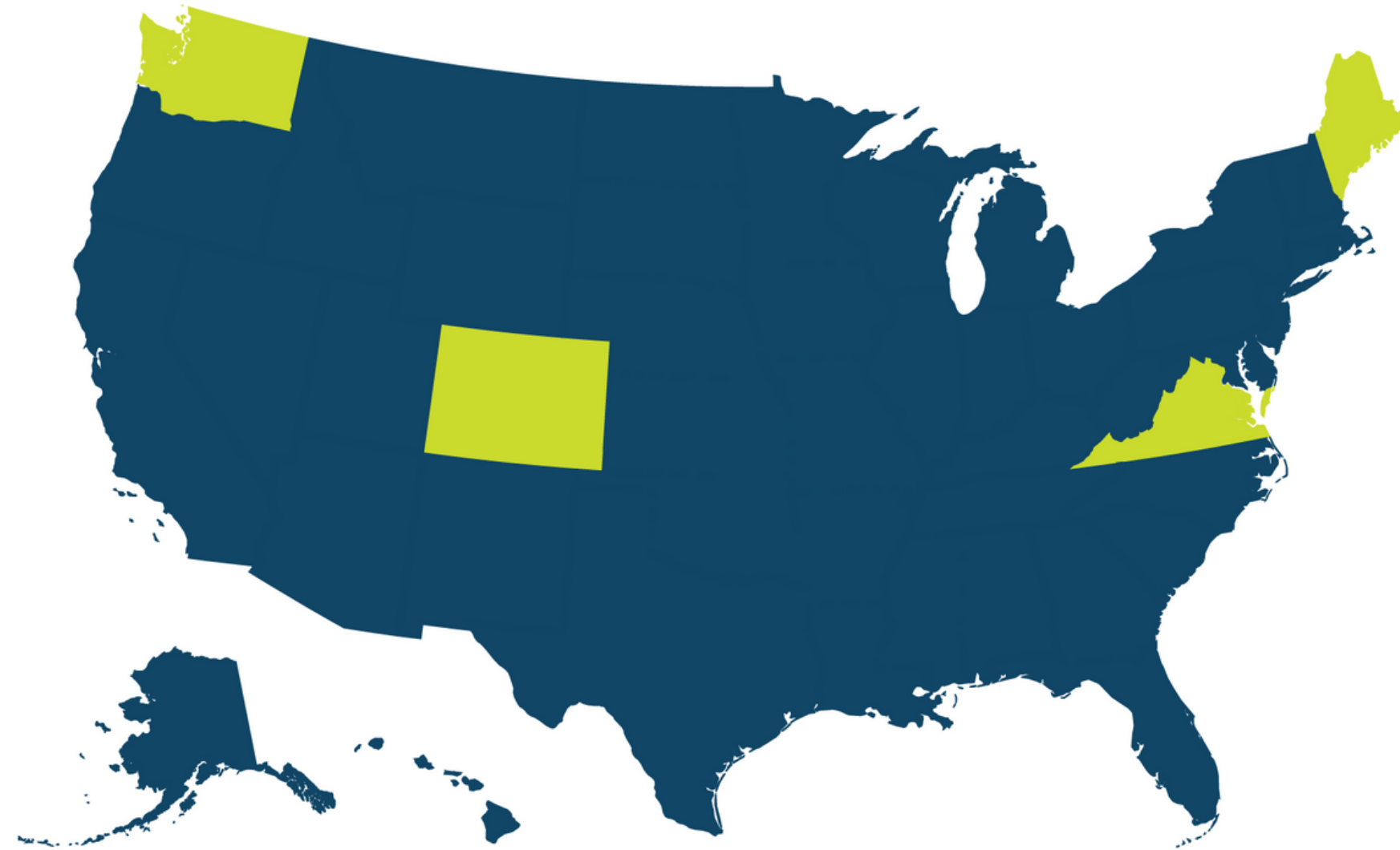
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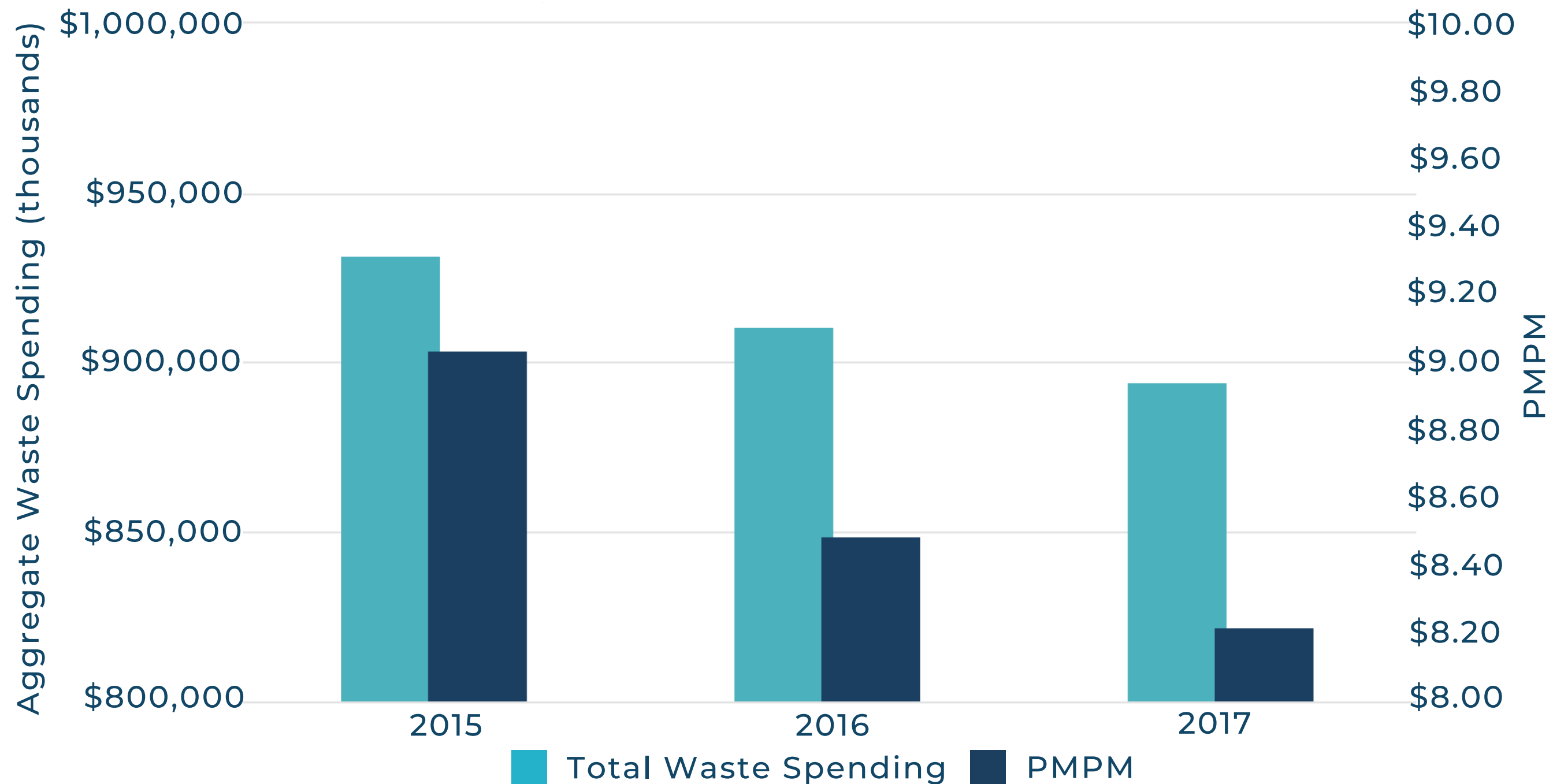


State APCD Low-Value Care Report



Total Spending on 47 Low-Value Services by Four States in Medicaid and Commercial Plans, 2015-2017

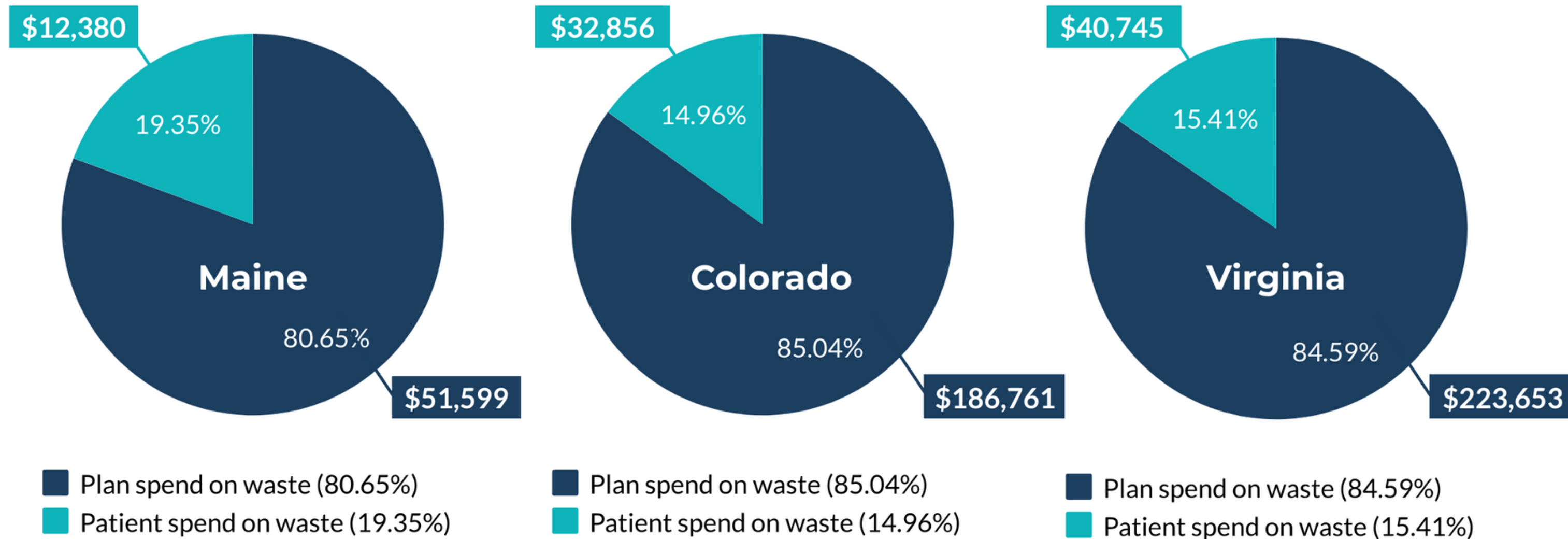
Total and PMPM Waste Spending Across Four States and Three Years



Notes: this figure shows total spending (sum of plan and patient spending) on the 47 low-value services for commercial and Medicaid only, across three years for all four states: Colorado, Maine, Virginia, Washington.



Spending on 47 Low-Value Services in Medicaid and Commercial Plans in 2017 by Patients and Plans



Spending on “Top 10” Commercial and Medicaid Low-Value Services by Volume in 2017

2017	Total Spend on "Top 10" LVC Services	PMPM	% Total Medicaid and Commercial Waste Spending
Maine	\$49,659	\$6.67	78%
Washington*	\$278,236	\$8.69	80%
Colorado	\$160,125	\$5.65	73%
Virginia	\$179,322	\$4.37	68%
<i>Total</i>	\$667,343	\$6.13	70%

*Notes: total spending in thousands \$. PMPM = total spending on the top 10 services divided by total member months (Appendix 3) provided by the states for 2017. These data only include Medicaid and commercial spending. *Washington did not separately report patient and plan spending, and estimated total spending based on standard pricing for Medicaid and commercial plans.*



V-BID X UPDATE



V-BID X: Key Takeaways

- Cost neutral V-BID Designs are feasible. Courage can be enhanced for targeted high-value services, *without rising 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.



2021 Proposed Payment Notice

6. Promoting Value-Based Insurance Design

Borrowing from work provided by the Center for Value-based Insurance Design at the University of Michigan ¹¹⁹ (the Center), Table 11 lists high value services and drugs that an issuer may want to consider offering with lower or zero cost sharing. Table 11 also includes a list of low value services that issuers should consider setting at higher consumer cost sharing.



SUMMARY



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**WE LOOK FORWARD TO
SEEING YOU IN THE FALL!**

