

Health Service Board City & County of San Francisco

Value Based Insurance Design (VBID)

March 10, 2016

Introduction

- Aon Hewitt researched the City and County of San Francisco Health Service System's (HSS) current medical carriers and their strategies related to Value Based Insurance Designs (VBID)
- VBID can be a strategy that minimizes or eliminates out-of-pocket costs for high-value services in defined patient populations, especially related to chronic conditions
 - High value services are identified through evidence-based analysis
 - The more clinically beneficial and cost-effective the therapy is for a patient group, the lower the out-of-pocket costs
- VBID can also focus on increasing quality rather than lowering cost
 - This health plan design aligns the employee cost share to the value of the service to their health rather than the cost of the services being provided

VBID Design Considerations

Service Based

- Increase / decrease level of cost-sharing for everyone who uses the service
- Increased cost shares for low value services that are unproven, duplicative, or misused
- Examples: Coverage tiers for use of Centers of Excellence

Condition Based

- Decrease cost-sharing for those diagnosed with a specific condition
- Cost share is reduced or eliminated for high value services that improve health outcomes
- Examples: Diabetics receive free office visits related to their diabetes

Participation Based

- Decrease cost-sharing for participation in specific programs or compliance with recommended treatment regimen
- Examples: Participants in Tobacco cessation program receive related medications at reduced copays

Kaiser Permanente VBID Examples

Service Based

- Internal specialty centers and external Centers of Excellence (COEs)
 - COEs—Stanford, UCSF, UCLA, other-for transplants
- Culturally competent care including bilingual caregivers, multilingual signage and resources, provider handbooks on culturally competent care for various populations

Condition Based

- Disease management programs that are built into our coverage and feature automatic enrollment
- Disease registries for chronic conditions
- Multifaceted in-reach and outreach efforts
- Counseling and education, monitoring and support
- Low copays for generic drugs used to treat chronic conditions

Participation Based

- Total Health Assessment
- Targeted workforce health programs
- Wellness incentive programs
- My Health Manager—on kp.org—which provides tools and information to engage and support members (e.g., email your doctor, order prescription refills, schedule appointments, view lab tests, etc.)

UnitedHealthcare VBID Examples

Service Based

- Cancer Resource Center
 - Focuses on uncommon and complex cancers where practice variability and expenses tend to be high
 - Member access to cancer COEs
- Premium Program
 - Assists members in finding doctors who meet quality and cost efficiency guidelines
 - Members in health plans that offer tiered benefits may pay lower cost shares for services provided

Condition Based

- Disease management programs
 - Heart Failure
 - Asthma
 - Coronary Artery Disease
 - Diabetes
 - Chronic Obstructive Pulmonary Disease (COPD)
- Kidney Resource Program

Participation Based

- Tobacco Cessation
- Healthy Pregnancy Program
- Real Appeal
 - Clinical weight management program
 - No cost to employer

Blue Shield of California VBID

Blue Shield of California (BSC) is evaluating a number of value-based insurance designed features for 2017 but does not currently offer any within their existing product portfolio. BSC is exploring the following options:

- Participation based member-level benefits—Incentives (such as enhanced plan design and financial reimbursement) based on the member performing certain tasks, such as completion of a health risk assessment or other wellness program
- Service based incentives on the PPO platform for using low cost providers
 - As an example, if an member uses BSC’s transparency tools and selects a lower cost provider for a procedure (e.g. MRI, CT, colonoscopy), the member receives a portion of the savings
- Condition based- exploring “bundled payments” pilot for certain conditions (mostly cancer at this point) where BSC negotiates a global fee for treatment of the condition to help take cost out of the system