

Washington State Health Care Authority

Paying for Value Webinar Series: Value-Based Benefit Design

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Purpose

- Present the concept of Value-based Insurance Design
- Discuss HCA's benefit design approach in its ACP contract and other value-based programs
- Discuss the role of each stakeholder in maximizing VBID
- Q&A



Value-Based Insurance Design

- Aims to increase health care quality and decrease costs by using financial incentives to promote cost efficient health care services and consumer choices
- Services with high clinical value:
 - Primary care & preventive services
 - Generic drugs
- Low clinical value/inappropriate use
 - Emergency department use for non-acute services

Value-Based Insurance Design Principles

- Incentives for preventative care
- Higher cost shares for expensive services to encourage appropriate use
- Best benefits and coordinated care when using primary care
- Evidence-based chronic condition management
- No cost shares for diabetes monitors, tobacco cessation, or tele-medicine/phone/e-mail consultations
- No prescription cost shares for chronic disease maintenance drugs and low-cost for generics

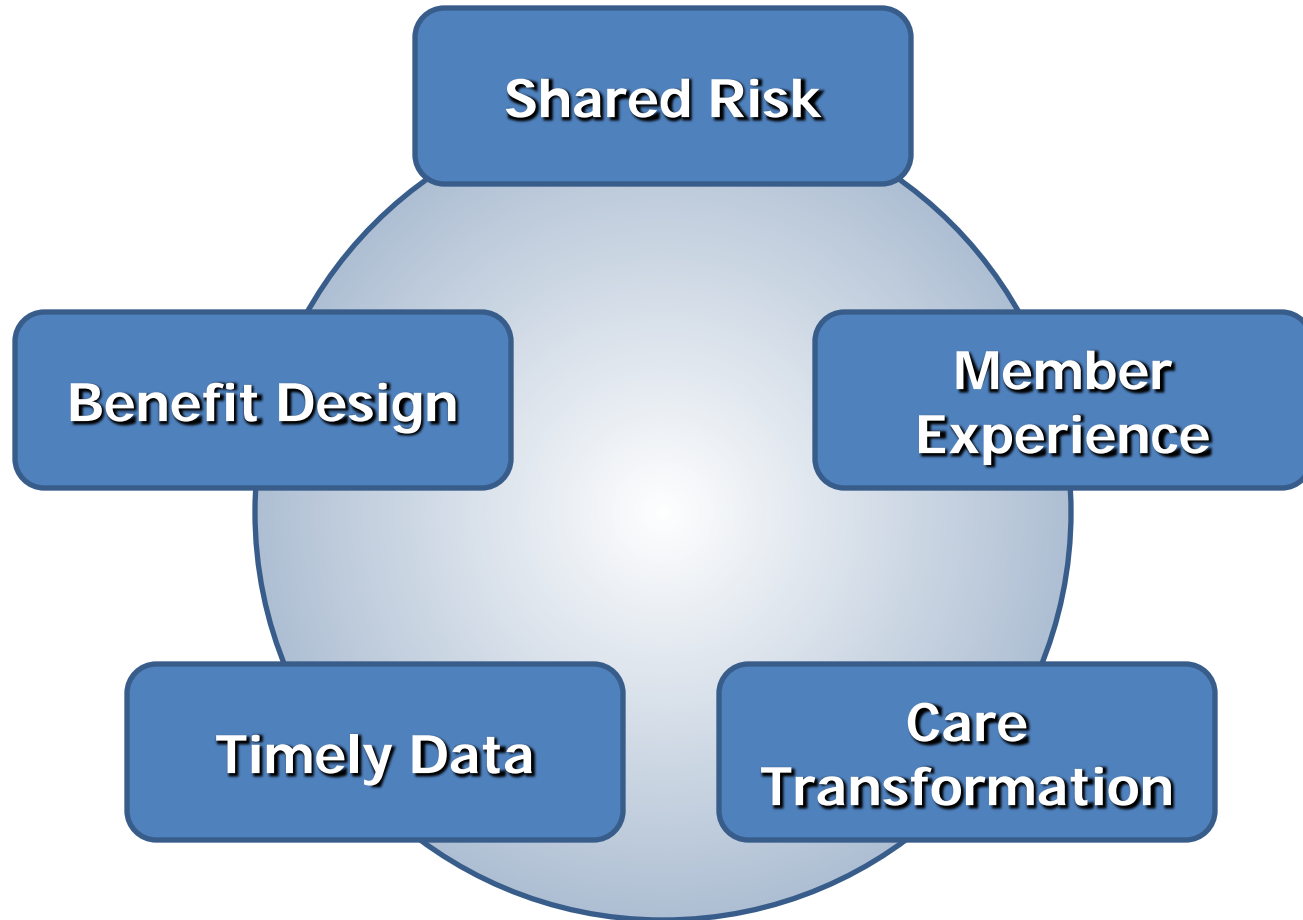
Aligning Financial Incentives

Value-Based Insurance Design vs. Value-based Purchasing

- VBID – a *benefit design* strategy that aligns *patients'* out-of-pocket costs, such as copayments, with the value of services
- VBP – a *financial* strategy that holds *providers* accountable for both cost and quality

Source: UM Center for Value-based Insurance Design

UMP Plus Foundational Elements



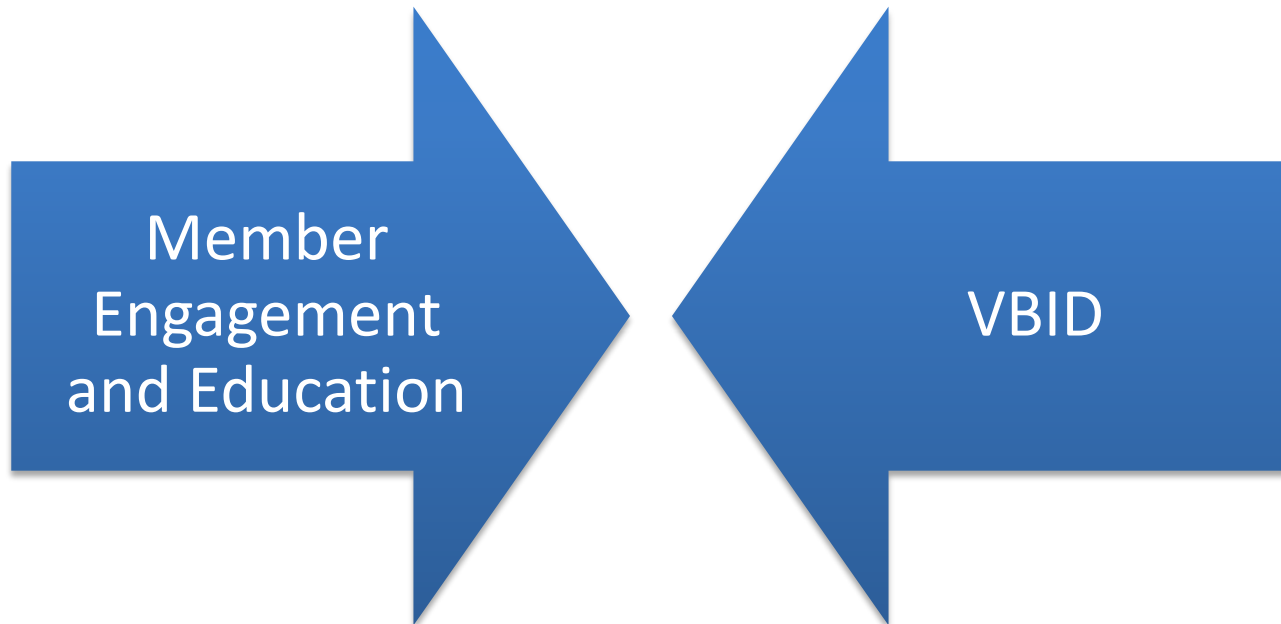
Value-Based PEBB Plans

VBID Design Principles	ACP Benefit Design	Group Health Plans (HMO and PPO)
Incentives for Preventive Care	100% coverage	100% coverage
Best benefits and coordinated care when using primary care	No cost for primary care (in-network); out of network coinsurance 50%	Low copays
Incentives for phone/e-mail/tele-health consultations	Phone, Email & Tele-Health/Skype free (for one network)	Email free
Incentives for Rx	No Rx deductible 4 tiers Value – 5% up to \$10 Tier 1 – 10% up to \$25 Tier 2 – 30% up to \$75 Tier 3 – 50% up to \$150	Similar value scale
Emergency Department Use	\$75 copay, plus 15% coinsurance	\$250/\$300 (waived if admitted)
Wellness incentive	No medical deductible if wellness plan and follow-up completed	None

ACP VBID Design Process

- Designed concepts based on VBID design principles & learnings from Boeing's ACO product
- Worked with PEBB actuary to set the financial incentives

PEBB Member Education



- Washington Health Alliance Savvy Shopper Campaign
- PEBB newsletter stories, Summer 2015
- UMP Plus Kitchen Table Tool-kit

HEALTH WEALTH CAREER

VALUE BASED BENEFIT DESIGN

PAYING FOR VALUE

HCA

June 13, 2016

VALUE BASED BENEFITS

- Benefit innovations designed to direct care to high value programs
- Examples:
 - Centers of Excellence with reduced copays and coinsurance
 - Benefit plans based on specific delivery systems with decreased premiums and coinsurance
 - Premium decreases based on individual participation in evidence based care

STAKEHOLDER ROLES

- Purchaser/plan sponsor: design the benefit offering to align incentives for quality and outcomes
- Health plan: design network contracts to reward quality and outcome, communicate with members to direct them to high quality providers and high value interventions
- Health care systems and providers: provide care bundles and protocols with outcome guarantees

THE ROLE OF THE PATIENT

- Provide the patient with information and access to high value care
- Incentivize the patient to seek high value care through premium and coinsurance strategies
- Incentivize patient engagement
- Provide clinical and service excellence to encourage ongoing clinical relationships

Thank You

For copies of the ACP contracts:

http://www.hca.wa.gov/hw/Pages/acp_multipurchaser.aspx

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