

# Literature Supporting Premise of VBID

## Price sensitivity in prescription drug choice and utilization

- ▶ Huskamp NEJM 2003
- ▶ Goldman JAMA 2004, JAMA 2007
- ▶ Gibson Am J Manag Care 2006 (Statins)
- ▶ Chernew Health Affairs 2008 (7-14% adherence improvement from joint copay and DM approach)

## Price sensitivity for service utilization

- ▶ Trivedi NEJM 2008 (cost sharing impact on mammography)
- ▶ Dunbar-Jacob, Journal of Clinical Epidemiology 2001 “Treatment Adherence in Chronic Disease”

## Impact of a tailored approach to incentives

- ▶ Choudry Health Affairs 2007
- ▶ Rosen Annals of Internal Medicine 2005

# Case Studies of VBID



## ▶ Prescription drug / supply co-pays that incentivize high-value care

- For asthma, diabetes, and heart disease drug classes: Pitney Bowes; Marriott Inc.; SEIU
- Moving lower-value drugs to more costly tiers: Health Alliance Medical Plans, Inc.
- Chronic conditions: Blue Cross Blue Shield North Carolina (3:1 returns)

## ▶ Drug and care service co-pays that incentivize high-value care

- For diabetics: City of Asheville Project; University of Michigan “Focus on Diabetes” program; many others
- Reduced co-pays and behavior rewards: Quad/Graphics
- Zero co-pay for well-women, well-baby, diabetes drugs, colon cancer high-risk: Caterpillar

## ▶ Comparative effectiveness in consumer decision-making

- Provider choice (tiers of providers based on comparative quality): Aetna Aexcel
- Treatment choice (surgery): Colorado Springs School District 11; Hannaford Brothers

## ▶ Incentivizing health & wellness activities

- Lower deductible for health and wellness activity participation: United Health Vital Measures Plan

# Recommended Reading on VBID



- **Value-based Insurance Design Landscape Digest.** Fendrick July 2009. Available at: <http://ww.sph.umich.edu/vbidcenter>
- **Value-Based Benefit Design: A Purchaser Guide.** National Business Coalition on Health. Jan 2009. [www.nbch.org](http://www.nbch.org)
- **Health Plan Capabilities to Support Value-Based Benefit Design.** National Business Coalition on Health October 2009. Available at: [www.npcnow.org](http://www.npcnow.org)
- **Aligning Incentives and Systems: Promoting Synergy Between Value-Based Insurance Design and the Patient Centered Medical Home.** Fendrick, Sherman, Patient-Centered Primary Care Collaborative 2010. [www.pcpcc.net](http://www.pcpcc.net).
- **Adding Value to PPO Services – A White Paper on Value-Based Benefit Design.** American Association of Preferred Provider Organizations 2009. Available at [www.aappo.org](http://www.aappo.org)
- **eValue8** National Business Coalition on Health’s initiative for review of health plans. Available at: [www.evalue8.com](http://www.evalue8.com)
- **Pitney Bowes’ VBID pilot results:** Berger J. “Economic and clinical impact of innovative pharmacy benefit designs in the management of diabetes pharmacotherapy.” Am J Manag Care 2007
- **Value-based Insurance Design: Aligning Incentives to Bridge the Divide Between Quality Improvement and Cost Containment.** Fendrick, Chernew Am J Manag Care 2006
- **Value-based Insurance Design: A Clinically Sensitive Approach to Preserve Quality of Care and Contain Costs.** Fendrick, Chernew.. Am J Manag Care 2006
- **A Strategy for Health Care Reform – Toward a Value-based System.** Porter. NEJM 2009
- **Value in Health Care: Preliminary Discussion Brief.** IOM March 2009. Available at: [ww.iom.edu](http://ww.iom.edu)
- **vbidcenter.org** – research and additional case studies