



Value-Based Insurance Design Model Test



Gregory Woods, MPA

*CMS, Center for Medicare and Medicaid
Innovation*

September 10, 2015

Innovation.cms.gov/initiatives/VBID

MAVBID@cms.hhs.gov

Gregory.Woods1@cms.hhs.gov

Center for Medicare and Medicaid Innovation

- Center for Medicare and Medicaid Innovation (Innovation Center)
 - Created by the Affordable Care Act
 - Tasked with developing and testing “innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care” in Medicare, Medicaid, or CHIP
- Examples of Innovation Center models include:
 - Pioneer ACOs
 - Bundled Payments for Care Improvement
 - Partnership for Patients

Health Plan Innovation

- Innovation Center work on Health Plan Innovation:
 - November 2014 – Issued RFI requesting public feedback on potential model approaches
 - Spring 2015 – Established new Division of Health Plan Innovation
 - September 2015 – Announced first Health Plan Innovation model – Medicare Advantage Value-Based Insurance Design
- Additional potential models are currently under consideration and/or in development

What is Value-Based Insurance Design?

- Insurance benefit and cost-sharing design that encourages enrollees to use the services that will help them most
- Clinically nuanced – The design can differ based on an enrollee's health: Each condition has different needs
- Using VBID can improve health of enrollees and save costs
- CMS will test VBID in MA via limited waiver of the MA uniformity rules
- Gives MA and MA-PD plans the flexibility to offer cost-sharing reductions and extra, non-covered benefits only to enrollees with CMS-specified conditions

Snapshot of the MA-VBID Model

- 5-year model test begins 1/1/2017
- Tested in: Arizona, Indiana, Iowa, Massachusetts, Pennsylvania, Tennessee, and Oregon
- Plan flexibility to design VBID benefit packages for CMS-defined, targeted clinical conditions using CMS-allowed flexibilities
- VBID benefits must be reduced cost sharing or extra benefits only: a “carrot” not “stick” approach to VBID

Clinical Conditions

1. Diabetes	5. Hypertension
2. Chronic Obstructive Pulmonary Disease (COPD)	6. Coronary Artery Disease
3. Congestive Heart Failure (CHF)	7. Mood Disorders
4. Patient with Past Stroke	

- Plans select one or more CMS-defined groups to receive VBID benefits.
 - Groups are defined by ICD-10 code. All eligible enrollees must receive that group's VBID benefit package.
- May pair conditions for multiple-comorbidity packages.

Beneficiary Protection

- No reductions in targeted enrollee benefits or increases in targeted cost-sharing amounts as VBID interventions
- Interventions may not discriminate against other populations
- Strict adherence to definitions of eligible populations
- No marketing or communication of VBID benefits except as permitted by CMS
- All VBID benefits must be disclosed to eligible enrollees
- No requirement for enrollee opt-in

VBID Interventions

1. *Reduced Cost Sharing for High-Value Services, Supplies, Part D Drugs*

- \$5 co-pays for eye exams for diabetics; \$0 co-pays for ACE inhibitors for enrollees who have previously experienced an AMI

2. *Reduced Cost Sharing for High-Value Providers*

- \$0 co-pays for diabetics who visit PCP's with track record of controlling Hba1c levels; \$0 co-pays for non-emergency surgeries at cardiac centers of excellence

VBID Interventions (Cont.)

3. *Reduced Cost Sharing for Disease Management Participation*

- Elimination of primary care co-pays for diabetes patients who meet with a case manager

4. *Coverage of Extra Supplemental, Non-Covered, High-Value Benefits*

- Plan offers supplemental, high-value benefits tailored to enrollees in targeted clinical groups

Application Process

- RFA released Sept. 2015; responses Dec. 2015
- CMS will review qualification of applicant, acceptability of proposed VBID benefits
 - Not competitive, no maximum number of qualified plans participating
 - Actuarial projections required
- Separate guidance to participants will follow on marketing, CY 2017 bid procedures, other topics