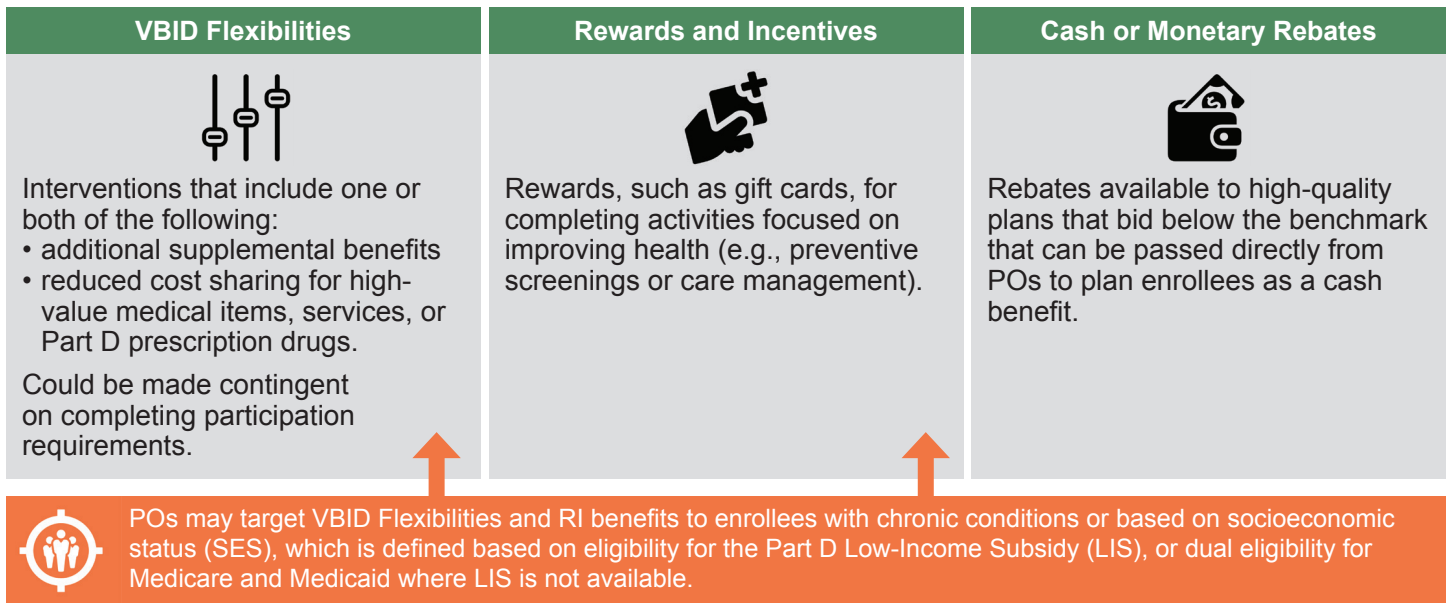


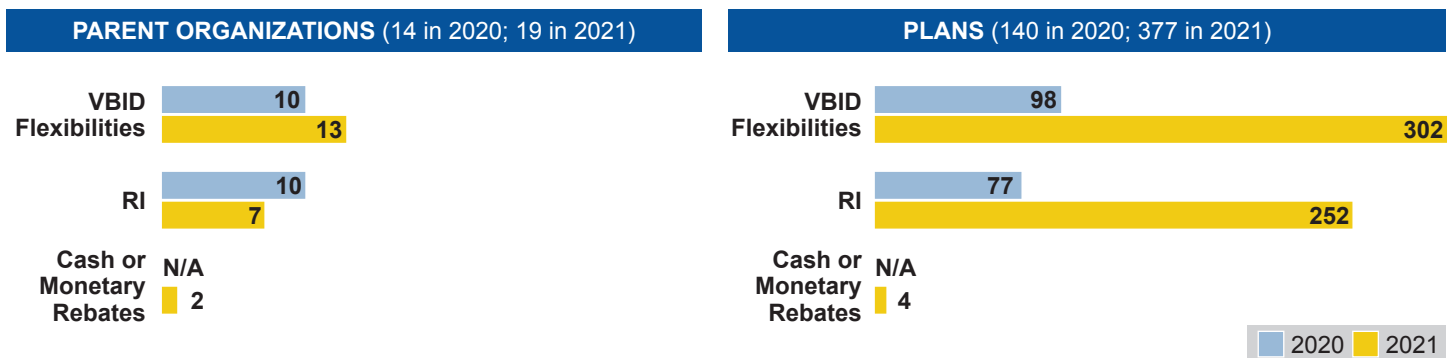
Model Overview

In January 2020, the Centers for Medicare & Medicaid Services (CMS) began a new phase of the voluntary Medicare Advantage (MA) Value-Based Insurance Design (VBID) Model. The Model is designed to encourage the use of high-value care; promote person- and family-centered care; increase enrollee choice and access to high-quality, timely, and clinically appropriate care; and/or reduce the cost of care. Phase II of the Model, which builds on an earlier phase that ran from 2017 to 2019, allows participating MA parent organizations (POs) to offer VBID Flexibilities, Rewards and Incentives (RI), and Cash or Monetary Rebates.



BDI Participants

Participants could implement more than one type of intervention.



- Participating POs were more likely to be large, national insurers than nonparticipating POs.
- Participating plans were more likely to be dual-eligible special needs plans (D-SNPs) than nonparticipating plans.
- In 2020, 33 plans (24%) targeted their interventions based on SES; this grew to 144 plans (38%) in 2021.

Findings

Reasons for Joining the Model



- Alignment with POs' organizational goals
- Opportunity to offer additional benefits
- Potential of the Model to improve outcomes and health care quality

Reasons for Not Joining the Model



- Competing corporate priorities
- Resource constraints
- Perceived burden
- Uncertainty about return on investment
- Concerns about enrollee confusion

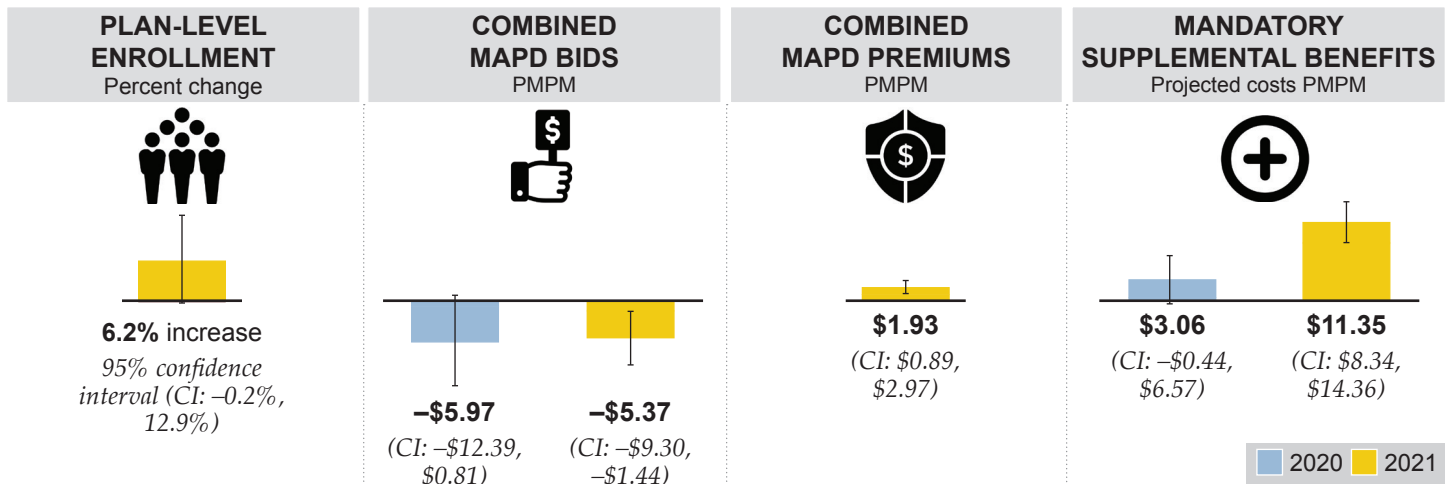
Participation Requirements



- About half of plans offering VBID Flexibilities and all plans offering RI required targeted enrollees to complete actions to receive benefits
- 10–12% of targeted enrollees completed such actions

Plan-Level Outcomes

In 2021, VBID participation was associated with an increase in plan-level enrollment, decline in per-member per-month (PMPM) MA Prescription Drug (MAPD) bids, and increases in premiums and projected costs of mandatory supplemental benefits. Future analyses will consider the Model's association with other outcomes, such as utilization of health care services, health outcomes, enrollee experiences, and realized expenditures.



Key Takeaways

- PO and plan participation in the Model grew substantially between 2020 and 2021.
- In plans with participation requirements, 10–12% of targeted enrollees took action to receive VBID benefits.
- BDI implementation was associated with reductions in plan bids but increases in premiums.
- The estimates for BDI effects in 2020 and 2021 are preliminary.