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Findings at a Glance

Value-Based Insurance Design (VBID) Model

VBID General, 2020–2022

OVERVIEW

The Medicare Advantage (MA) Value-Based Insurance Design (VBID) model test enables MA insurers to offer one or [illegible]

VBID Flexibilities*	Rewards and Incentives	Cash Rebates
SODQV [illegible]	SODQV [illegible]	SODQV [illegible]
Interventions that include VBID-[illegible] or reduced cost sharing for high-[illegible]	5HZDUGVRU LQFHQWLYHV [illegible]	5HEDWHVDYDLODEOHWRKLJKTXDOLW\ SODQVWKDWELGEHORZWKHEHQFKPDUN WKDWFDQEHSDVVHGGLUHFWO\IURP32V WRSODQHQUROOHHVDVFDVKEHQHILW

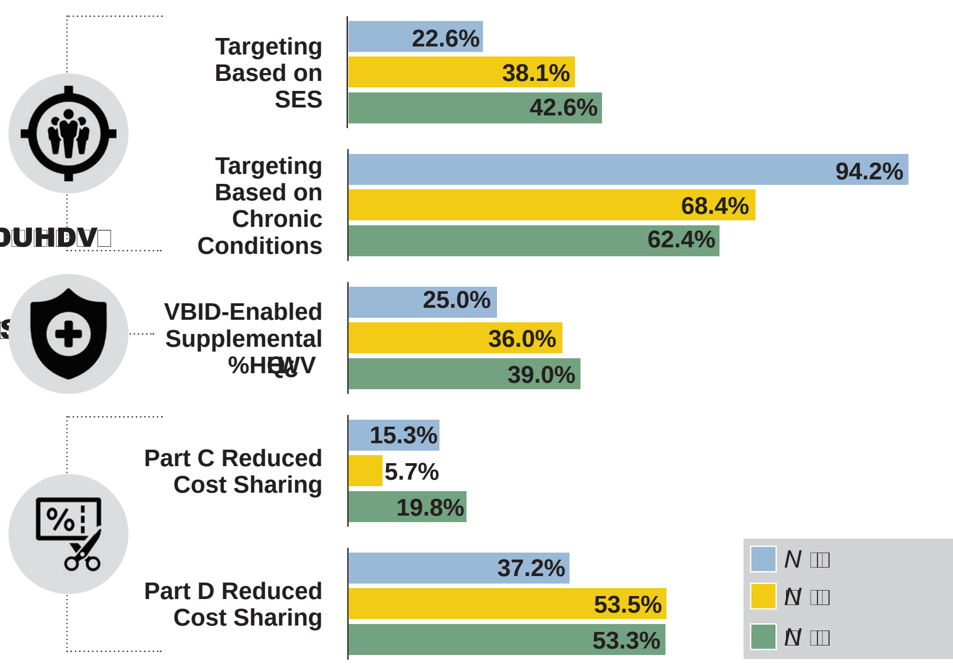
[illegible]

,QWHUVHFWLQJ ZLWK9%,')OH[LELOLWLHVDQG5HZDUGVWREHFRQVLGHUHGIRUFDQFHU FRQGLWLRQVLQWKH3DUW'... [illegible]

FINDINGS

PARTICIPATION

[illegible]



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OUTCOMES

Participation was associated with increases in **DRUG ADHERENCE** in 2020 and **STAR RATINGS** (a measure of care quality) in 2021, consistent with the goals of the model.

The association with higher **RISK SCORES** and more **INPATIENT STAYS** in 2020 might have stemmed from increased interactions with providers that identified undiagnosed conditions and unmet need.

COSTS TO CMS reflect the total amount CMS pays for both MA and Part D (MAPD) per member per month (PMPM), including risk-adjusted plan bids, MA rebates, the Part D LIS, and reinsurance. Associated increases in 2021 were driven by increases in MA rebates, risk scores, and LIS payments; MAPD bids did not change.

Associations with higher **MAPD PREMIUMS** in 2021 and 2022 were driven by Part D premiums; in some cases, these costs were borne by CMS, which pays all or part of that premium for LIS-eligible beneficiaries.

VBID General Outcomes, 2020–2022

OUTCOME	UNIT	2020	2021	2022
Star Ratings (care quality)	Contract	Not assessed	**+0.31 points** (0.24, 0.38)	Not assessed
Non-insulin diabetes drug adherence	Beneficiary	**+1.4 ppts.** (0.9, 1.9)	Not assessed	Not assessed
Hypertension drug adherence	Beneficiary	**+0.7 ppts.** (0.3, 1.0)	Not assessed	Not assessed
Statin adherence	Beneficiary	**+1.6 ppts.** (1.3, 2.0)	Not assessed	Not assessed
Risk scores	Beneficiary	**+0.07 points** (0.07, 0.08)	Not assessed	Not assessed
Inpatient stays	Beneficiary	**+11.9%** (10.1%, 13.7%)	Not assessed	Not assessed
MAPD premiums	Plan	No change	**+$2.25 PMPM** ($0.48, $4.03)	**+$1.33 PMPM** ($0.39, $2.27)
Costs to CMS	Plan	No change	**+$44.90 PMPM** ($25.81, $63.99)	Not Assessed
MAPD bids	Plan	No change	No change	No change

Note: Delays related to encounter data run-out and changes in quality reporting in 2020 (due to COVID-19) prevented assessment of every outcome in each year. "No change" = result not statistically significant at conventional levels "ppts." = percentage points. 95% confidence intervals shown in parentheses. Statistically significant values for 2020 shown in blue; for 2021 shown in yellow; and for 2022 shown in green.

IMPLEMENTATION EXPERIENCES

- In 2022, insurers generally described implementation as a minimal lift.
- Fewer implementation challenges were reported in 2022 than 2021.
- Insurers reporting challenges tended to be new to the model.
- The most-frequently mentioned challenges involved model-specific data reporting requirements and working with vendors.

KEY TAKEAWAYS

- Model participation is growing, and interventions are increasingly focused on SES-based targeting, supplemental benefits, and Part D cost-sharing reductions.
- VBID is associated with increases in beneficiary adherence, risk scores, and inpatient stays in 2020; Star Ratings and costs to CMS in 2021; and premiums in 2021 and 2022.
- Many outcomes evaluated were for 2020 only, a year in which COVID-19 caused major disruptions in health care provision; findings may evolve as the pandemic recedes.
- Implementation has gotten easier over time, especially for insurers with more than one year of experience with VBID.

This document summarizes an evaluation report prepared by an independent contractor. To learn more about the MA VBID Model and to download the Evaluation of Phase II of the MA VBID Model Test Report, visit https://innovation.cms.gov/innovation-models/vbid.