STATE OF CONNETICUT
State Innovation Model
Value Based Insurance Design Consortium
Meeting Summary
Tuesday, March 22, 2016
9:00 am – 11:00 am

Location: Hartford Room, CT Behavioral Health Partnership, Suite 3D, 500 Enterprise Drive, Rocky Hill

Members Present: Alvin Ayers; Lesley Bennett; Mary Bradley; Mary Ellen Breault; James Cardon; Patrick Charmel; Christine Cappiello Joseph Dorazio; Tekisha Everette; Jennifer Herz; Desmond Hussey; Robert Krzys; Cheryl Lescarbeau; Thomas Meehan; Nancy Metcalf; Fiona Mohring; Steven Moore; Russell J. Munson; Catherine Olinski; Hugh Penney; Janice Perkins; Krista Sperry; Amy Tippett-Stangler; Michelle Vislosky; Deremius Williams; Ann Lopes; Steven Wolfson; Thomas Woodruff; James Wadleigh

Members Absent: Michael Dimenstein

Other Participants: Cathy Cuddy; Faina Dookh; Mark Fendrick; John Freedman; Bruce Landon; Jenna Lupi; Rachel Pieciak; Mark Schaefer; Alyssa Ursillo

The meeting was called to order at 9:10 am.

1. **Approval of February Meeting Minutes**
   After review, it was determined that Mary Ellen Breault was present at last month's meeting and needed to be added to the list of Consortium members present. The Consortium approved the amended minutes.

2. **Public Comments**
   There were no public comments.

3. **Review of Project Goals and Timeline**
   Alyssa Ursillo gave a brief summary of the deliverables to date and those that are in progress and reviewed the Consortium's role in informing the content of these deliverables.

4. **SWOT Analysis Findings**
   Dr. John Freedman introduced the SWOT Analysis and provided a brief description of its goals and functions.

   Ms. Ursillo noted that the current analysis reflects findings from the conversations conducted by Freedman HealthCare with employer groups, health plans and feedback received from the Consortium, and that its content is both subjective to and reflective of those conversations.

   Feedback from Consortium members both from Friday's webinar and in today's meeting will be incorporated into the final Summary Report and inform edits to the final SWOT analysis. The Consortium expressed the following suggestions and/or concerns for the SWOT analysis:

- Strengths

Dr. Steven Wolfson expressed concern that providers do not feel that there has been a consensus on the meaning of "value", especially in regards to providers, and believes that the conversation for defining "value" needs to include both consumers and providers. He would like to learn more about how payers are defining value.

Jennifer Herz emphasized that many large employers are already implementing plans with V-BID designs and that leveraging these existing designs in developing a framework for the template will be key to increasing employer buy-in. She noted that we should draw from the lessons learned from employers sitting at the table.

- Weaknesses

Desmond Hussey noted that federal regulations (such as those from the Department of Labor) in addition to state regulations be included in the potential weaknesses or "threats" due to their restrictions on V-BID plan design.

Ms. Herz added that the concern about short-term Return on Investment of implementing V-BID was over-emphasized. She reiterated that the Consortium should look to the examples of what larger employers are currently doing and to work within the existing insurance design framework. Dr. Thomas Woodruff added that the diversity of plans and employers needs to be reflected in the V-BID template design.

- Opportunities

Cheryl Lescarbeau raised the question of how to incorporate smaller employers into the V-BID. She noted that many small employers are pursuing RFPs/RFIs directly with medical groups to implement V-BID principles rather than selecting these plan benefits from insurers.

Dr. Mark Fendrick explained the difficulties of using V-BID plan/HSA synergies due to IRS and other federal restrictions; although there is an opportunity in HDHP-HSAs, it is very limited.

Mary Bradley pointed out that we need to work with where employers are and perhaps expand the definition of V-BID. She noted that for HSA-HDHPs, employers can make HSA contributions for utilizing specific services and this has been successful for some employers.

- Threats

Mary Ellen Breault acknowledged the need for inclusion of behavioral health parity in the V-BID template. It is important that if plans are reducing costs for medical services, they are also addressing mental health services.

Bob Krzys emphasized the importance of user-friendliness for designing the V-BID template and how it will affect employer uptake and buy-in. He recommended that the Consortium review the draft of consumer principles that the Consumer Advisory Board appointees have been working on. The Freedman team will circulate this to the full Consortium.

5. Discussion of V-BID Template

Dr. Fendrick began his discussion of the V-BID template by describing its goal of moving from a "one-size-fits-all" insurance design to one that targets valuable services and providers. Ease of implementation is inversely related to the extent of clinical nuance, as demonstrated in the slide deck. He then reviewed potential cost-based incentives that could be utilized to incent consumers towards high value services and providers.

Ms. Bradley noted that we would not want to incent all members towards some of these services if they are not indicated for that group and the importance of providers still counseling their patients on what they needed despite potential incentives. Dr. James Cardon emphasized it was important to have an alternative way for providers to encourage patients towards incentives, so that the provider was not in the position of denying patients incentives.

Ms. Herz pointed out that cost is not the sole barrier for patients accessing care and asked if the template will be addressing other barriers to care. Dr. Fendrick acknowledged that there are many more barriers to patients accessing high value services, but the goal of this template is to focus on incentives through cost mechanisms. However, if the Consortium decides addressing some other barriers must be part of the template, it is their decision to include recommendations around these. Dr. Mark Schaefer noted that the PMO office is hosting a forum for SIM where these issues can be explored.

Dr. Fendrick also noted that this template is focused on the demand side innovation rather than the supply or provider side. Drs. Fendrick and Schaefer explained that there are other SIM initiatives focused on incentivizing providers that this initiative should align with.

Mr. Hussey reminded the group that from an actuarial standpoint there will be financial consequences to V-BID Implementation. Acknowledging this point, Dr. Fendrick conceded that V-BID cannot be expected to be cost neutral, but no benefits offered in a health plan are in fact cost neutral; however the costs of implementation can be offset by reducing waste on non-essential services.

Deremius Williams also acknowledged that although the ROI may not be immediate, investing in preventive services there will result in long term health benefits and cost savings.

For the V-BID option concerning specific services by clinical condition, Dr. Fendrick provided a list of potential conditions to be targeted and highlighted three conditions for which there are significant evidence-based treatment methods: diabetes, COPD/asthma, and depression.

The discussion moved to the issue of defining a provider as high performing or high-value. Ms. Lescarbeau commented that visits to NCQA certified PCMH should not be considered synonymous with "high-value". Dr. Cardon emphasized that there must be clear communication with providers on the expectations for what it means to be "high-value".

Dr. Schaefer suggested that disease management incentives need not be based solely on participation but could be outcome based, citing the example of Caesar's Entertainment that utilizes this model. Steven Moore agreed and added that providers need to incentivize outcomes.

Lastly, Dr. Fendrick reviewed the last V-BID option which marries incentives for specific services with incentives for high-value provider visits.

Dr. Fendrick wrapped up the discussion by noting the importance for reducing waste to offset the costs of V-BID implementation by disincentivizing certain low value services identified by Choosing Wisely, US Preventive Task Force and other advisory bodies. Dr. Woodruff explained that at Middlesex Hospital there is work being done with Choosing Wisely to identify and curb providers' utilization of low value lab testing services to reduce waste.

6. **Learning Collaborative Work Group**
   Ms. Ursillo reviewed the goals of each of the three design work groups and advised members on the structure and goals of each. The design sessions will be held from April 4th to April 13th. FHC will be seeking volunteers from among the Consortium members. Those interested in volunteering had the opportunity to sign-up onsite and/or to email Cathy Cuddy at ccuddy@freedmanhealthcare.com with their volunteer preferences.

7. **Next Meeting and Next Steps**
   a. Learning Collaborative Design Workgroup Meeting: TBD
   b. Executive Team Meeting: April 19
   c. Consortium Meeting: April 27
   d. Next Steps:
      i. Finalize V-BID Template and Employer Guidance
      ii. Communications Materials
      iii. Employer Toolkit

The meeting adjourned at 11:00 am.