

Value-Based Payment NEWS

Prime Research Questions Cost Savings from Value-Based Insurance Designs

“Implementing value-based insurance designs does not lead to lower total cost of care for members.”

That’s the blunt assessment from Prime Therapeutics LLC, a pharmacy benefit manager with more than 20 million covered lives. VBIDs are “benefits designed to maximize quality and decrease costs by using financial incentives to drive to cost-efficient services and increased member choice,” a statement from Prime says, noting as well that “20% of healthcare spending goes to people with diabetes” and that “in the first half of 2017, diabetes was the number one non-specialty drug category in terms of spend in [its] commercial book of business, accounting for more than 13% of the pharmacy benefit expense.” That, Prime adds, was “driven by a more than 4% trend increase in spend from 2016 to 2017.” Here are additional details from Prime’s research:

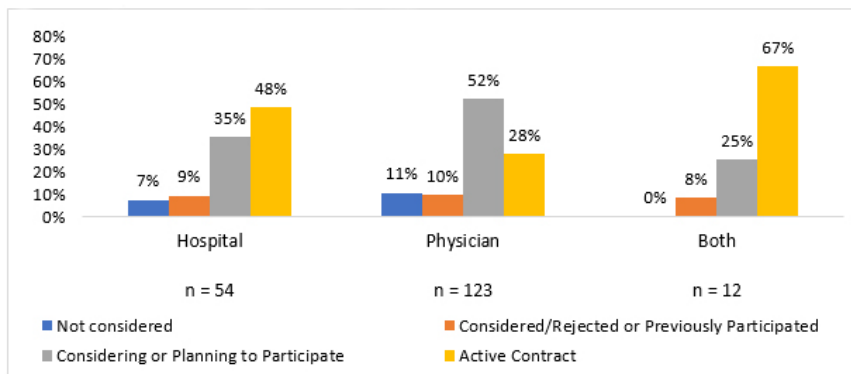
- One of Prime’s large, fully insured health plans initiated a VBID for diabetes drugs in its commercial book of business; the VBID “lowered the insulin individual copay amount from its preferred formulary cost of \$30 per 30-day supply to \$15, and allowed for 100-day supply.”
- Also, for all diabetes drugs on formulary, a 100-day supply could be obtained for a single \$15 copay for generics or \$30 for preferred formulary diabetes drugs.
- When analyzing integrated pharmacy and medical data, researchers “found no difference in total cost of care between members with a VBID and those in a matched population of other health plans with standard benefits, after adjusting for background cost differences.”
- Although total cost was not lower, “the quality of diabetes drug therapy improved.”
- There was “a 1.2 percentage point higher rate of individuals with diabetes receiving diabetes drug therapy, a 12% relative higher use of insulin among individuals with diabetes and a 1.5 percentage point increase in diabetes drug adherence among those with VBID compared to the group with standard benefits.”
- “Of note,” the report says, “the higher use of diabetes drugs did result in a 27% higher diabetes drug spend, which impacted the potential medical cost savings these drugs could provide.”

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NAACOS, Leavitt See ACOs ‘Slowly’ Accepting Risk

The National Association of ACOs and Leavitt Partners report that the nation’s accountable care organizations are “considering or have firm plans to participate in” future risk-based contracts – 47% say they’re planning for shared savings or shared risk and 38% report planning for capitation – but add that, so far, “care management strategies are largely unchanged.” That’s one of the factors, the pair say in a statement, that combined “suggest that ACOs are slowly becoming willing to accept increased financial risk, but are largely still learning how to actually manage populations.”

Plans for Shared Savings With Risk, by ACO Type



Leavitt and the NAACOS shared those findings from their first Annual ACO Survey, which was published in a recent article in *Health Affairs* called “The 2017 Annual ACO Survey: What Do Current Trends Tell Us About the Future of Accountable Care?”

More than 200 unique ACOs -- representing one-quarter of all known Medicare, Medicaid and commercial ACOs -- participated.

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