

Health Alliance Medical Plans, Inc. (HAMP)

BUSINESS DESCRIPTION: Health Alliance Medical Plans, based in Urbana, Illinois, is a provider-sponsored health insurer providing health care coverage to more than 310,000 members in Illinois and Iowa.¹⁷

INITIATION OF VBID PROGRAM/STRATEGY: October, 2008.

PROGRAM OBJECTIVES:

- Increase medication compliance.
- Reduce cost barriers to accessing drugs.
- Achieve better health outcomes.
- Manage disease states more effectively.
- Reduce medical costs for asthma and diabetes.

PROGRAM COMPONENTS: Available to 86,000 fully insured members and dependents, the HAMP program has developed a fourth copayment tier called the Value Based Benefit tier, which addresses members with diabetes, hypertension and asthma. The new benefit makes specific drugs related to the three conditions available for a 10 percent copayment (10 percent of the retail cost), a copayment less than HAMP's second tier \$22 copayment. All statins are available for \$10 or less. Health Alliance expects to expand the program to include drugs for multiple sclerosis, rheumatoid arthritis and other rare diseases, using incentives based on compliance, both to encourage compliance and to reward it. It also moved lower value drugs to higher tiers and chose not to cover over-the-counter non-sedating antihistamines, the latter decision saving \$2 million.

PROGRAM RESULTS: A pilot group demonstrated increased compliance due to the new fourth tier; better blood sugar control; a move from rescue to control drugs for asthma; and fewer heart attacks, strokes, and kidney failures. Although utilization and monthly prescription drug costs increased for diabetes and asthma, medication adherence (medication possession rates) for diabetics and asthmatics increased 10.6 percent and 32.7 percent, respectively. Christina Barrington, HAMP's director of pharmacy, anticipates that the program will generate long-term medical savings.