

VBID CASE STUDIES

As VBID matures, a variety of organizations – business coalitions, health insurers, employers, managed care organizations, and labor unions – have created programs that reflect the ideals of value-based design: clinically sensitive to the variation in benefits both across medical services and among patients, and yielding the most value out of each health care dollar spent. Some of the case studies presented here describe programs that are in their development stages; other examples have a longer track record.

WellPoint, Inc.

BUSINESS DESCRIPTION: Headquartered in Indianapolis, Indiana, WellPoint is a health benefits company serving the needs of approximately 35 million medical members nationwide.

INITIATION OF VBID PROGRAM/STRATEGY: Late 2002.

PROGRAM OBJECTIVE: To determine the effect toward improving member health care of increased member education and waived or reduced copayments for drugs used to treat chronic disease states.

VBID PROGRAM COMPONENTS: WellPoint developed four similar pilot programs testing the benefits of a VBID model: the State of Maine, with 40,000 employees, targeting diabetes; a large retailer, with 24,000 employees, addressing diabetes and transplant medications; a large laboratory company, with 25,000 employees, targeting diabetes; and a midwestern city, with 5,000 employees, targeting diabetes and hypertension. WellPoint waived or reduced copayments for all four pilots. In the case of the retailer, WellPoint waived the copayment for transplant drugs for the first year, with a 10 percent coinsurance during subsequent years. The rationale, says Brian Sweet, WellPoint's chief pharmacy officer, is based on the expense and quality-of-care consequences of organ rejection without appropriate medications.

In addition, for 2009, WellPoint is offering four value-based benefit designs that correspond to the four basic VBID models: 1) design by service, 2) design by condition, 3) design by condition severity, and 4) design by disease management participation. Four groups have adopted model #1, and one group is using model #4, with other clients exploring various models expected to be available in 2010.

PROGRAM RESULTS: Preliminary results for the City of Maine pilot, the Telephonic Diabetes Education and Support program, show an improvement in medication possession rate (MPR), jumping from 77 percent to 86 percent after the program. In addition, compared to a randomly matched control group, members who participate in this program have an adjusted average cost of \$1,300 less over 12 months of follow-up, according to HealthCore, WellPoint's outcomes research subsidiary.