

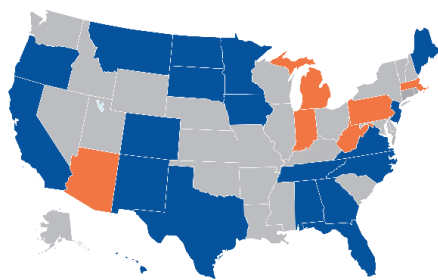
Findings at a Glance

MODEL OVERVIEW

The Medicare Advantage (MA) Value-Based Insurance Design (VBID) model grants a limited waiver of the MA uniformity requirement, allowing MA plans to structure cost-sharing and other benefit design elements to encourage beneficiaries with chronic conditions to use high-value care. Participating MA plans can offer reduced cost sharing for high-value services and additional supplemental benefits and can require participation in disease management or other activities as a condition of receiving the benefits. The goal of VBID is to improve beneficiary health and care quality and to save money for plans and Medicare by reducing costly complications that lead to expensive care. This is a voluntary model, with no extra financial incentive from CMS. The evaluation report focuses on the first three years of the VBID model test (2017–2019).

MA PLAN PARTICIPATION

Between 2017 and 2019, **11 Parent Organizations (POs)** with plans in **6 states** offered VBID to beneficiaries.

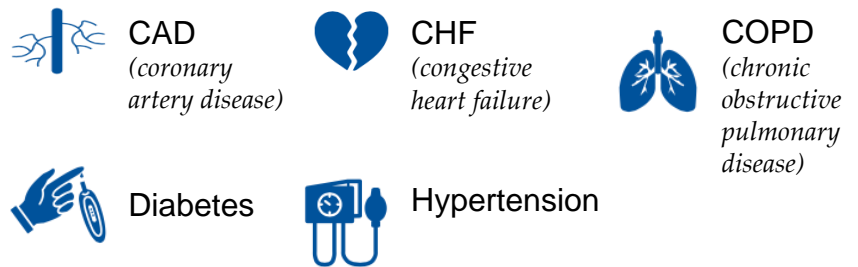


■ VBID-eligible states with participating POs
■ VBID-eligible states with participating POs
■ States not eligible for VBID from 2017–2019

ELIGIBILITY AND BENEFIT DESIGN

- Beneficiaries were eligible if they had a condition targeted by their MA plans.

Conditions Targeted by MA Plans, 2017–2019



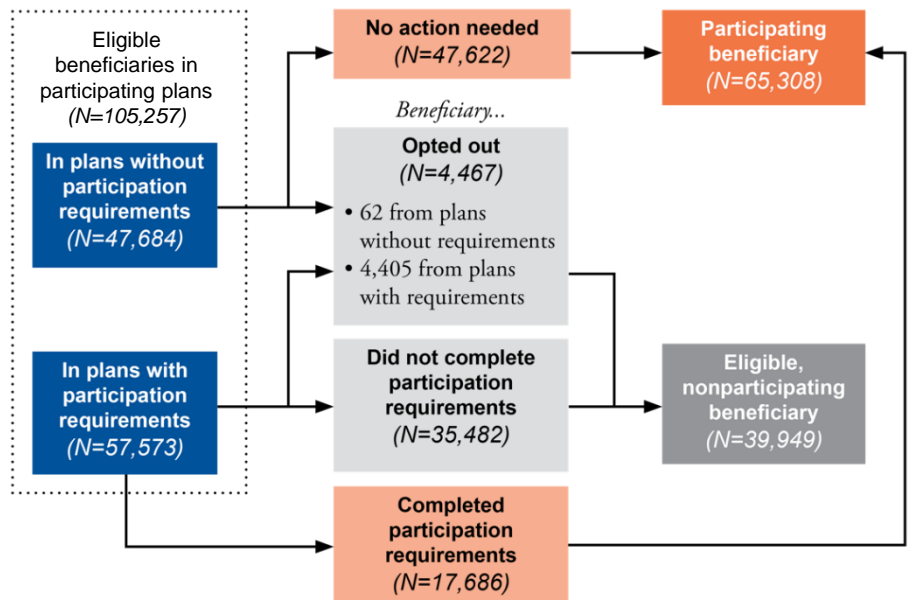
- VBID benefit design elements and implementation details varied substantially among POs. Most required beneficiaries to complete certain participation requirements, such as agreeing to participate in care management, before receiving VBID benefits.

BENEFICIARY ENGAGEMENT

Among 105,257 beneficiaries eligible for VBID, **roughly 62 percent engaged in VBID in 2018.**

Most engaged beneficiaries were in plans without participation requirements.

Beneficiaries could opt out of VBID if they wished.



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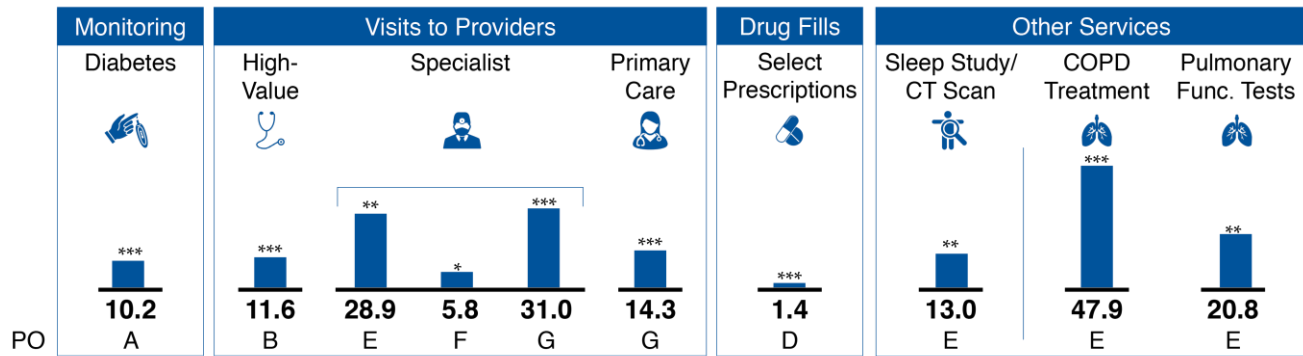
FINDINGS



UTILIZATION

VBID increased the use of most services targeted by POs. Each PO chose which VBID services to target.

Percent Change in Utilization, Per Beneficiary Per Year in 2017



Note: PO names shown by letter to preserve confidentiality. "Select Prescriptions" refers to the elimination of cost sharing for Tier 1 and Tier 3 hypertensive drugs by PO D. Bars show changes in utilization of services per beneficiary except for diabetes monitoring and sleep study/CT scan, which reflect the change in the proportion of beneficiaries accessing the service. Statistical significance: ***p < 0.01; **p < 0.05; *p < 0.10.



COSTS

VBID has not yet led to significant changes in costs to Medicare or plans:

- No changes in MA program costs to Medicare
- No changes in plans' own realized spending

No changes in bids overall, but **Part D bids** decreased in 2018 and 2019.



Bars represent per member per month changes.

Statistical significance: ***p < 0.01; **p < 0.05; *p < 0.10



VBID effects were observed for one **PATIENT EXPERIENCE** measure (improved care coordination), but not in any other measures of **QUALITY**, **ENROLLMENT**, or **HEALTH OUTCOMES**



POs credited VBID participation with an **improved ability to manage complex benefit designs**, but those that left the model test in 2020 cited factors such as new flexibility to offer VBID benefits outside the model test.

Beneficiaries associated VBID participation with an **improved ability to afford copays**, but interview responses indicated **confusion remains** about **eligibility criteria** and **benefits** covered under VBID.



KEY TAKEAWAYS

VBID was associated with increased use of many high-value services targeted by POs such as PCP visits, specialist visits for targeted conditions, and 30-day drug refills; VBID was also associated with reduced Part D bids. However, longer follow-up is needed to detect changes on other key outcomes, such as quality and health outcomes. Plans' benefit designs varied widely, making it difficult to determine which design components had the biggest impact. Overall, VBID is not yet generating savings but is also not costing Medicare additional money, as expected. Substantial changes to the VBID model and plan participation began with the 2020 plan year.