

Title: Value-Based Insurance Design: Changing the health care discussion from ***how much to how well***

Description: Consumer cost-sharing plays a critical role in defining the health care benefit. To balance the demands for access to medical interventions with pressures to constrain costs, levels of cost-sharing must be set in a manner that achieves appropriate clinical and financial outcomes. Modern multi-tier systems often base patient contributions on acquisition cost, and often do not consider medical necessity as a coverage criterion. Using an alternative approach, namely **Value-Based Insurance Design**, patient contributions are based on the potential for clinical benefit, taking into consideration the patients' clinical condition. The basic V-BID premise is to align patients' out-of-pocket costs, such as copays and premiums, with the value of health services. By reducing barriers to high-value treatments (through lower costs to patients) and discouraging low-value treatments (through higher costs to patients), these plans can achieve improved health outcomes at any level of health care expenditure. Studies show that when barriers are reduced, [significant increases in patient compliance](#) with recommended treatments and [potential cost savings result](#). Implementation of such a system would provide a financial incentive for individuals to prioritize their out-of-pocket expenditures based on the value of their services, not exclusively their price.

1. Examine the relationship between cost-sharing and patient adherence.
2. Explain the concept of "clinical nuance" which recognizes that: (1) medical services differ in the benefit provided; and (2) the clinical benefit derived from a specific service depends on the patient using it, as well as when and where the service is provided.
3. Introduce Value-Based Insurance Design - a program where cost-sharing is based on an intervention's clinical benefit - not cost - to prioritize patients' out-of-pocket expenditures
4. Review existing evidence on Value-Based Insurance Design programs.
5. Overview of V-BID implementation in public and private payers