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February 28, 2011

U.S. Department of Labor
Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Attention: VBID
Room N-5653
200 Constitution Avenue, N.W.
Washington, D.C. 20210

U.S. Department of Health and Human Services
Centers for Medicare and Medicaid Services
Office of Consumer Information and Insurance Oversight
Attention: HHS-OS-2010-002
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Internal Revenue Service
Attention: REG-120391-10 VBID
Room 5205
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

Dear Sir or Madam:

On behalf of the Care Continuum Alliance, I respectfully submit the following comments in response to the Request for Information Regarding Value-Based Insurance Design in Connection with Preventive Services issued in the *Federal Register* on December 28, 2010.

Care Continuum Alliance members provide services across the continuum of care, from wellness and prevention to chronic care and complex case management. Care Continuum Alliance members include wellness and population health management organizations, health plans, physician groups, hospitals, labor unions, employer organizations, pharmaceutical manufacturers, pharmacy benefit managers, HIT service and device suppliers, academicians and others. These diverse organizations share the vision of aligning all stakeholders toward improving the health of populations. Our members improve health care quality and contain health care costs by providing targeted interventions and services to the well and those at-risk for or already managing

one or more chronic conditions. Through advocacy, research and promotion of best practices, the Care Continuum Alliance advances evidence-based strategies to improve quality and health outcomes and create efficiency in the marketplace.

Congress recognized the importance and value of access to preventive services in the Affordable Care Act (ACA) by requiring that health plans and issuers cover preventive services without cost sharing.¹ The ACA further acknowledges innovative benefit designs being used by employers and other purchasers intended to improve clinical outcomes and manage costs like value-based insurance design (VBID).² Notably, the section provides Secretarial discretion to develop guidance on permitting group health plan offerings that use VBID.³ The definition contained in the preamble of the interim final rules for preventive services issued in the *Federal Register* on July 19, 2010 describes value-based insurance designs as including, "... information and incentives for consumers that promote access to and used of higher value providers, treatments and services."⁴ Further, the Medicare Payment Advisory Commission suggested testing of VBID to determine the effectiveness of these strategies for encouraging behavior change, utilization of high-value treatments and lowering spending in the Medicare program long-term in its June 2010 report to Congress, entitled *Aligning Incentives in Medicare*.⁵ This demonstrates the growing belief that VBID holds the potential for improving health and reducing costs.

Consistent with health care system transformation goals, Care Continuum Alliance members believe VBID can increase the use of effective evidence-based services including primary prevention, risk intervention, chronic care and medication management to improve clinical outcomes and address cost. The Care Continuum Alliance supports the adoption of VBID strategies in the move toward preventive, patient-centered health care coverage that emphasizes wellness and health promotion at the population level. Specifically, VBID strategies contain educational components geared toward advancing patient awareness and engagement.

VBID strategies have rapidly evolved and have been quickly adopted by purchasers, especially large employers. This rapid evolution has fostered innovation and experimentation, followed by the dissemination of successful strategies in the marketplace. One key component to successful implementation and outcomes is flexibility for employers and purchasers to tailor programs addressing the particular needs of their employees and populations.

Another key component of VBID is the integration of broad data resources to effectively assess, modify and improve strategies for achieving better health outcomes. Health information technology such as predictive modeling offers the capability to measure

¹ §2713 of the Public Health Services Act (as amended by §1001 of the Affordable Care Act, P.L. 111-148).

² *Id.*

³ *Id.*

⁴ Dept. of Health and Human Services, "Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services Under the Patient Protection and Affordable Care Act," 45 CFR Part 14, *Federal Register* Vol. 75, No. 137 (July 19, 2010).

⁵ Medicare Payment Advisory Commission, "Report to Congress: Aligning Incentives in Medicare" (June 2010) 64.

outcomes, identify best practices and cost effectiveness. Synergy between these core components of the evolving health care landscape is vital to structuring effective value-based benefit design.

Finally, the Care Continuum Alliance strongly supports the need for a robust research agenda around the measurement and evaluation of clinical and cost effectiveness in VBID programs to identify best practices. Aligning benefit design and reimbursement with evidence-based guidelines, permits a way to measure the impact of design tools for a particular population.⁶ Outcomes and assessments from research will yield important information for improving value-based designs.

We appreciate the opportunity to provide these comments and would be pleased to offer additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracey Moorhead". The signature is fluid and cursive, with a large initial 'T' and 'M'.

Tracey Moorhead
President and CEO

⁶ See, William M. Mercer, Inc., "1999 National Worksite Health Promotion Strategy," Association for Worksite Health Promotion (2000).