



February 28, 2011

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

RE: Request for Information Regarding Value-Based Insurance Design in Connection with Preventive Care Benefits

Submitted via: www.regulations.gov

To Whom It May Concern:

Independent Health offers the following comments in response to the Request for Information (RFI) on the use of value-based insurance design to provide coverage for recommended preventive services. Promoting high-value, clinically effective, evidence-based preventive care without cost-sharing is a goal that our company shares with your agency.

As a regional, non-profit health insurance company that provides coverage to approximately 350,000 people in the western portion of New York State, Independent Health has a track record of success in reducing barriers to preventive care through benefit design. Independent Health implements initiatives that address the changing needs of its members while maintaining a vision to deliver the highest quality and the greatest value. As a result Independent Health has earned a reputation nationwide for providing world-class customer service. Independent Health was named the highest rated health plan in the nation for customer service in 2009 and 2010 according to the National Committee for Quality Assurance (NCQA).

In this response, Independent Health has focused on two main areas in the RFI: defining value, and plan design. The attached document offers specific information on each of these topics.

Thank you for the opportunity to provide comments on how to design plans to offer value and quality while promoting preventive care. Please do not hesitate to contact me with any questions or for more information.

Sincerely,

Roberta Rifkin
Vice President, Government Affairs

Enclosure



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Independent Health is a not-for-profit regional insurer in Western New York with a comprehensive portfolio of product and service offerings include HMO, POS, PPO and EPO products, Medicare and Medicaid plans, traditional indemnity insurance, consumer-directed plans, coverage for self-funded employers, plus health savings account (HSA) and pharmacy benefit management (PBM) services . Our comments build on the comments offered by America's Health Insurance Plans (AHIP) but provide a perspective that represents Independent Health's position as a regional, non-profit insurer with a reputation for value, service, and innovative benefit design.

Defining Value

- How do plans determine what constitutes a high-value or low-value treatment setting, provider, or delivery mechanism?

Value equals the clinical benefit achieved for the money spent. Value-based design aligns out of pocket cost, such as copays or premiums, with the worth of the health care received. Higher value treatments have lower costs for our members, while members might pay more for lower value treatments. In this way we can improve health outcomes at any level of health care expenditure and maintain patient choice for treatment received. For example, in 2009 Independent Health was the first insurer in Western New York to eliminate copays for preventive screenings such as colonoscopies to remove cost as a barrier to receiving important care.

- How is quality measured as part of this analysis?

Quality is measured using a variety of benchmarks, including:

- decreased emergency room visits and inpatient re-admissions, achieved by engaging patients once they leave the hospital with our Care Coordination program;
 - preventive metrics, which we work to meet by offering annual screenings with no copay;
 - chronic disease metrics, including meeting chronic care guidelines and working with doctors to ensure compliance with maintenance medication and testing; and
 - population risk, such as analyzing our demographic data and engaging members in high risk demographics in education and prevention programs (i.e. fall prevention for the elderly).
- What data do plans use to determine appropriate incentive models in encouraging use of high value delivery of a recommended preventive service?

We use HEDIS measures to evaluate preventive measures quarterly. Providers in our Patient Centered Medical Home program who meet or exceed HEDIS benchmarks for quality may receive an incentive. As a regional plan we are able to develop and maintain strong relationships with our providers that includes dialogue on how best to encourage and deliver high value services, especially preventive care. Our Practice Excellence pay-for-performance program is nationally recognized and we have an Idealized Design of Clinical Office Practice program, a multi-faceted approach to redesigning physician offices to be more patient-centered and improve patient access.

Plan Design

- What specific plan design tools do plans currently use to incentivize patient behavior, and which tools are perceived as most effective?

Independent Health has identified five highly effective tools, as follows:

Benefit Design

Independent Health is piloting a benefit design with a large group product that increases or decreases out-of-pocket consumer costs based on member engagement in making healthier choices. The Federal focus on defining and promoting VBID has the potential to give plans greater flexibility in expanding existing incentives and rewards as well as designing new benefits. National trends indicate a movement toward reduced copays for pharmaceutical benefits for specific drug classes or health conditions. Reducing prescription copayments when a plan member enrolls in care management programs is a VBID benefit that has significant promise to both lower costs and educate patients.

Tiering

We offer a tiered system for prescription medications which gives patients more affordable access to generic drugs, creates competition for pharmaceutical companies seeking a position in the second tier of preferred

drugs, and offers a flat co-pay at the highest tier instead of a percentage of the total cost.

One important protection for consumers is to address a growing issue with pharmaceutical companies or medical device manufacturers to override carefully designed VBID benefits by offering rebates or coupons that effectively eliminate copays for consumers but do not necessarily offer the most effective or best option for treatment or care. These rebates or coupons are offered to subvert copays or cost-sharing and drive consumers to more costly treatments or medications. This costs insurance companies millions more than is necessary and diminishes value for consumers. Truly consumer-oriented VBID mechanisms are based on extensive research and analysis to determine the most appropriate combination of out of pocket costs and effective, evidence-based treatment.

Coaching

Independent Health also offers health coaching for patients with serious or chronic conditions to provide the tools and resources necessary to improve their health. For example, Care Partners is a program for the frail elderly where our health care services department works with individuals to assess risk, minimize hospital interventions, coordinate care to sub-acute rehab when necessary, and provide a nurse on call around-the-clock to address urgent concerns.

Provider Contracts

To save members money and time receiving treatment for orthopedic emergencies such as sprains or breaks we have developed contracts with two orthopedic practices in our region to offer after-hours urgent care that bypasses the hospital emergency room, provides full diagnosis and treatment of the injury, and offers follow-up scheduling in one location.

Reducing Barriers

Cost is a major barrier to care for many. Independent Health began offering zero copay for preventive services in 2009.

For VBID benefits to be effective members need to understand that they have options and they have the ability to choose what is best for their needs. It is not enough to eliminate the copay for colonoscopies if policyholders do not understand why they need screening. Supporting the relationship between the primary care provider and the member with these tools is key to improving value. We assist plan members to select a provider that meets proven quality metrics thereby further ensuring high value care for a patient's health care dollars.

One of the most important tools in successful VBID design is transparency. When plan members understand why providers are part of a selected network (i.e. they meet strict quality standards) or how a particular benefit helps lower costs and improve health (i.e.

health coaching for hypertensives to monitor blood pressure and develop a strategy to improve) they are more likely to make use of the highest value options.

- What are the criteria for adopting VBID for new or additional preventive care benefits or treatments?

In evaluating new or additional VBID benefits the main focus is on designing products that provide value for consumers by looking at evidence-based treatments and services. Independent Health is considering VBID that would create two levels of preventive care. The first level would be zero copay for the essential preventive services that we have had in place since 2009 and which is now required through the Patient Protection and Affordable Care Act. The second level would define benefits for screenings that are more important for higher risk populations (i.e. an annual dermatology screening for individuals with fair skin, abnormal moles, or a history of sunburns). The key is to find what level of benefit (lower copay, incentives, rewards, or a combination) is necessary to encourage those who most need the screenings or treatments to get them.

- What impact would expanded use of VBID have on small employers or plans?

Small employers or smaller plans will have more opportunities to focus on wellness and prevention, and well as incentivizing and rewarding health-improving behaviors. This will contribute to a reduction in utilization of expensive treatments that provide low value and create better health outcomes. Reducing costs and creating opportunities for wellness and prevention in the workplace can also create a culture of health that could have long-term positive impact on members both financially and physically.