

Attachment B

Following are Powerpoint slides for the presentation that accompanied all the qualitative sessions. There are a few slides that were unique to either the 1) insurer/hospital/medical group sessions; or 2) the Employer/Consumer sessions. Those are noted.



Health and Value – A new way to look at insurance benefits

September 2010

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Insurers/Hospitals/Medical Groups:



Value-Based Benefit Design

- Incentives (or disincentives) in a benefit plan
- Use health services of higher value
- Becoming more popular in the industry:
 - Health Leadership Council
 - OEBC's higher co-pays for sleep studies/waiving co-pays for diabetes medicines

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Employers/Consumers:

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Value-based benefit design

Goals

- Encourage people to use health services of higher value
 - Diabetes care
 - Smoking cessation
 - Blood pressure medications
- Discourage less effective/less important services to keep costs low for everyone

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Employers/Consumers:

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Value-based benefit design

- Lowers out of pocket cost for the most important services, and raises out of pocket costs for less important/less effective services
- Would *not* deny coverage completely for services typically covered under traditional insurance policies

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Employers/Consumers:



Definitions of traditional benefits

- **Co-pays** – Fixed dollar amount payable at time of service
- **Deductible** – Amount the member owes before insurance pays for covered services
- **Co-insurance** – the percentage the member pays for a covered service after the deductible is met

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Employers/Consumers:



Definitions of traditional benefits (cont.)

- **Out-of-pocket maximum** – the annual maximum amount the member pays out of pocket before the plan pays 100% of covered services
- **Rx plan tiers** – a fixed co-pay or percentage that the member pays for generics, preferred brand name drugs, or non-preferred brand drugs

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Oregon's value-based benefit design

- Deductible does not apply
 - Value-based services
- Deductible and cost-sharing tiers
 - Tier 1 (lowest cost-sharing)
 - Tier 2
 - Tier 3
 - Tier 4 (highest cost-sharing)

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Deductible does not apply

- Little or no cost sharing for:
 - Value-based services (no cost sharing)
 - Preventive care (no cost sharing)
 - Basic diagnostic services
 - Comfort care

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Value-based services

- Highly effective, low cost, and have a lot of evidence supporting their use
- Includes medications, tests, or treatments
- Mostly outpatient care
- NO cost to patients (no co-pays or coinsurance)

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Examples: Value-based services

- Diabetes: Meds (insulin or oral); blood test to check control; eye exam to check for changes
- Congestive Heart Failure: Generic meds (beta-blocker, ACE inhibitor, diuretic), lab (Annual blood count, metabolic panel, cholesterol/lipid profile, urine test, and a thyroid test once), tests (EKG, Diagnostic echocardiogram), other (nurse case management)
- Coronary Artery Disease: Meds (Generic versions of aspirin, cholesterol lowering statin, and blood pressure medications/ beta-blocker), labs (Annual cholesterol/lipid profile), tests (EKG), other (cardiac rehabilitation for post-heart attack)

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[Handout]

Value-based services summary

Note: Not all treatments are appropriate for all patients. This document is a summary. The complete list of value-based services is available on the Oregon Health Services Commission Web site at <http://www.oregon.gov/OHPPR/HSC/docs/VBS.pdf>

1. Asthma—Medications and diagnostic tests
2. Bipolar—Medications (Lithium and Valproate), labs, and medication management
3. Cancer screening—Cervical, breast, and colon cancer screening
4. Chemical dependency—Alcohol screening and treatment – medication (acamprosate) and brief interventions by primary care providers; Drug misuse – medication (buprenorphine) and outpatient treatment (methadone maintenance treatment)
5. Chronic obstructive pulmonary disease (COPD)—Inhaler (short-acting inhaled bronchodilator)
6. Congestive heart failure—Medications (beta blockers, ACE inhibitors, diuretics), Labs, EKG, diagnostic echocardiogram, nurse case management
7. Coronary artery disease—Medications (aspirin, statin, beta blockers), lab, EKG, cardiac rehabilitation for post-heart attack patients
8. Child preventive dental care—Fluoride supplements (if indicated for ages 6 months to age 16), fluoride varnish (ages 12 months to 16 years) and sealants for permanent molars of children and adolescents
9. Major depression in adults (Severe only)—Medications (SSRIs), Psychotherapy and medication management
10. Major depression in children and adolescents (moderate to severe only)—Psychotherapy
11. Type I diabetes—Medications (insulin and supplies, ACE inhibitors), labs and retinal exams for adults
12. Type II diabetes—Medications (metformin, sulfonyureas, ACE inhibitors, insulin and supplies), labs and retinal exams for adults
13. High blood pressure—Medications (diuretics, ACE inhibitors, calcium channel blockers, beta blockers), labs
14. Immunizations—Routine childhood and adult immunizations
15. Maternity care—Medications (folic acid, immunoglobulin), screenings
16. Newborn care—Medications (eye ointment to prevent gonococcal disease, Vitamin K), screening labs (sickle cell, congenital hypothyroidism, PKU)
17. Reproductive services—Contraceptives (condoms, combined oral contraceptives, IUDs, vaginal rings, Implanon, progesterone injections, female sterilization, male sterilization)
18. Sexually transmitted infections—Medications (antibiotics for syphilis, Chlamydia and gonorrhea), lab tests to detect Chlamydia, gonorrhea, HIV or syphilis
19. Tobacco dependence—Medications (Nicotine replacement therapy, nortryptiline, and bupropion)
20. Tuberculosis (TB), latent and active — Medications, screening, and diagnostic procedures per Centers for Disease Control guidelines

Preventive care

- Certain preventive services recommended by the US Preventive Services Task Force
 - Includes mammography, Pap tests, colon cancer screening, childhood immunizations, flu shots, cholesterol testing, fluoride supplements

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Basic diagnostic services

- Low/no office visit co-pays for 2 visits/yr
- Low/no co-pays for basic office labs and x-rays

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Comfort care

- Services at end of life such as hospice care
- Relieves suffering by easing pain and symptoms
- Improves quality of life

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Deductible and cost-sharing tiers

- Tier 1 – Lowest cost-sharing
- Tier 2 – Next highest cost-sharing
- Tier 3 – Next highest cost-sharing
- Tier 4 – Highest level of cost-sharing
- Rx benefits
- Other diagnostic services

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Tier 1 – Lowest cost-sharing

- Highly effective care
- Severe chronic disease
- Life-threatening illness & injury
- Examples: Emergency dental care, Head injuries, Appendicitis, Heart attack, Third degree burns, Kidney failure, Rheumatoid arthritis, Low birth weight

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Tier 2 – Next highest cost-sharing

- Effective care
- Other chronic disease
- Other life-threatening illness & injury
- Examples: Breast cancer, Bladder infections, Emphysema, Multiple sclerosis, Post-Traumatic Stress Disorder, Attention Deficit Disorder, Epilepsy, Glaucoma

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Tier 3 – Next highest cost-sharing

- Effective care
- Non-life-threatening illness & injury
- Examples: Broken arm, Ear/sinus infections, Dentures, Kidney stones, Herniated disk, Reflux/Heartburn, Migraines, Fibroids, Cataracts, Obsessive-Compulsive Disorder

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Tier 4 – Highest level of cost-sharing

- Less effective care
- Care for conditions that get better on their own
- Minor illness & injury
- Examples: Cold and cough, Chronic low back pain, Sprained ankle, Cracked rib, Seasonal allergies, Acne, Viral sore throat, Tension headaches, Dental implants, Liver transplant for cancer

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Rx benefits

- Cost sharing tiers based on medical evidence:
 - Tier 1: Effective generics by condition
 - Tier 2: The most cost-effective brand drugs for each condition and other generics
 - Tier 3: Other brand drugs

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Diagnostic services

- Cost sharing tiers:
 - Basic (2 diagnostic visits/yr, vision exam/yr, x-rays & basic labs ordered by a primary care physician)
 - Intermediate (e.g., CT scans, MRIs, labs ordered by a specialist)
 - Advanced (e.g., PET scans and labs with more cost-effective alternatives)

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Other components

Excluded conditions

- Non-emergency services that would have no coverage, similar to many commercial plans presently
- Examples: Cosmetic surgery, infertility services, experimental treatments

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Employers/Consumers:

Cost-sharing examples:

- **Deductible:** As low as \$0 or as high as \$3,000
- **Copays:** Low \$5 or high \$50
- **Co-insurance tiers:** Varies
- **Out-of-pocket (OOP) maximums:** Low \$1,500 or high \$5,000+

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Sample value-based benefit plan

	Typical Plan	Value-based plan
Deductible	\$300	\$300
Out-of-pocket (OOP) maximum	\$3,000	\$3,000
Cost sharing	30%	Tiered: 10%/30%/50%/70%
Office visit cost sharing	\$30	Tiered: \$10/\$30/\$50/\$70
Prescription drugs	Tiers: \$10/\$30/50%	Tiers: \$10/\$30/50%

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Example 1

Sinus infection	Typical plan	Value-based plan
Visit to family doctor – Referral to specialist	\$30	No cost sharing – Initial diagnostic visit
Specialist recommends surgery for deviated septum (Tier 4) – Surgery cost \$8,000	\$300 (deductible) \$2,300 (30% cost sharing)	\$300 (deductible) \$5,400 (Tier 4 cost sharing of 70% – total cost sharing of \$5,700 exceeds the OOP max)
Total cost sharing	\$2,600	\$3,000

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Example 2

Routine diabetes care	Typical plan	Value-based plan
Ongoing treatment	Subject to cost sharing (including deductibles, co-pays and co-insurance)	No cost-sharing (value-based services)
Insulin	\$720	\$0
Other drugs for diabetes/cholesterol	\$200	\$0
3 doctor's visits	\$90	\$30 (tier 1)
Podiatrist visit and eye exam	\$60	\$20 (tier 1)
Diabetic labs/supplies	\$600	\$0
Doctor visit (preventive) – foot ulcer diagnosed	\$0	\$0
Antibiotic	\$20 (generic)	\$20 (generic)
Referral to surgeon, surgeon recommends surgery to treat foot ulcer (tier 1) – Surgery cost \$2,000	\$300 (deductible) \$510 (30% cost sharing)	\$300 (deductible) \$170 (Tier 1 cost sharing)
Total cost sharing	\$2,500	\$540

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