

### Statement of Support for a V-BID Demonstration in Medicare Advantage

The Smarter Health Care Coalition is comprised of a broad-based and diverse group of health care innovators, including health plans, life science companies, employer groups, provider-related organizations, trade associations, academia centers and professors, foundations, and consumer groups. By working together the group seeks to achieve smarter health care that enhances the patient and consumer experience - encompassing access, convenience, affordability, and quality - with a focus on integrating benefit design innovations with consumer/patient engagement within broader delivery system reform.

In seeking to support the Coalition's mission, we commend efforts to advance a demonstration that would provide Medicare Advantage plans flexibility to use value based insurance design (V-BID) to lower or eliminate beneficiary cost sharing in order to promote access to evidence-based, high-value medications and clinical services used to treat and manage chronic disease and encourage the use of high-quality providers. Such an approach would better enable improved access to high-value care, which is particularly important given the wide recognition that managing chronic illnesses effectively can help individuals remain healthy, and can also save costs over time.

A growing body of peer-reviewed evidence shows that cost sharing and benefit design can play an important role in ensuring access to and appropriate utilization of high-value care. Some of our participants have contributed to and continue to further this research. A value-based insurance design demonstration in Medicare Advantage would build on existing evidence indicating that appropriate reductions in out-of-pocket expenses for services with high clinical value can improve utilization of such services and improve health outcomes. Such a demonstration is particularly important in Medicare Advantage given the sustained need to improve care for Medicare beneficiaries with the most complex and costly needs. Effective management of chronic conditions faced by many Medicare beneficiaries with enhanced access to services with high clinical value, particularly when delivered as part of an integrated and coordinated program that encourages use of high-quality providers, will positively affect beneficiary health and consequently Medicare spending.

The Smarter Health Care Coalition believes a demonstration should not only facilitate access to high-value care, but also provide for the evaluation of how innovation in benefit design integrated with delivery system reform and methods of engaging beneficiaries can positively impact utilization, adherence, quality metrics, outcomes, and affordability, and most importantly, beneficiary experience, including the preservation of existing beneficiary safeguards. To be meaningful and reflective of actual experience, it is important that the timing of the evaluation allow the demonstration sufficient opportunity to take root and demonstrate results.

As efforts to advance a V-BID demonstration in Medicare Advantage proceed, we stand ready to serve as a technical resource and partner as elements of proposed demonstrations are further developed. Implementing a V-BID demonstration in Medicare Advantage creates a path to further enhance beneficiary access to high-value care that supports better management of chronic illness.

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The Smarter Health Care Coalition provides a forum for learning and innovation that allows participants to brainstorm, raise ideas and issues, and find common interests. Supporters include:

Aetna • America's Health Insurance Plans • American Benefits Council • Blue Shield of California • Evolent Health • Families USA • Merck • National Coalition on Health Care • Pfizer • Pharmaceutical Research and Manufacturers of America • U.S. Chamber of Commerce • University of Michigan Center for Value Based Insurance Design