Value Based Insurance Design (VBID)
Reward employees for managing their chronic conditions and achieving healthier lives

When your employees are rewarded for receiving recommended care for their chronic conditions, you help gain control of your company’s long-term medical expenditures. Count on value based plans from BCBS* to help you find the best strategy for your company, one that engages your employees in making smarter choices about their health.

Using a value-based approach, you help remove the financial barriers to the recommended pharmacy drugs and medical services that are essential for managing an employee’s chronic condition. This short-term investment may help you realize future cost savings by avoiding large claims typically incurred by members who are not managing their conditions effectively.

Choose from three distinct approaches focused on various levels of engagement and outcomes

<table>
<thead>
<tr>
<th>Condition Based Design</th>
<th>Condition Severity Based Design</th>
<th>Participation Based Design</th>
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</thead>
<tbody>
<tr>
<td>No member participation required</td>
<td>No member participation required</td>
<td>Member participation required</td>
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<tr>
<td>High-value services are promoted as part of the value based plan design to those members with specific chronic conditions.</td>
<td>As part of the value based plan design, members receive varying levels of incentives based on the clinical severity of their chronic condition.</td>
<td>As part of the value based plan design, members must be engaged in Blue Care Connection® coaching programs.</td>
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VBIDs Gain Marketplace Presence
Value based insurance design plans continue to grow in popularity in the marketplace. In 2011, 23 percent of companies offered VBID approaches in their health plan designs. Another 55 percent are considering a VBID plan as part of their strategy over the next three to five years.


*Blue Cross and Blue Shield of Illinois, Blue Cross and Blue Shield of New Mexico, Blue Cross and Blue Shield of Oklahoma, and Blue Cross and Blue Shield of Texas (referred to herein collectively as “BCBS”).
VBIDs Work with Blue Care Connection

BCBS VBIDs target the most common chronic conditions and the high-value services for each, helping drive lower costs and better outcomes.

- Asthma
- Chronic Obstructive Pulmonary Disease (COPD)
- Congestive Heart Failure (CHF)
- Coronary Artery Disease (CAD)
- Diabetes
- Hyperlipidemia
- Hypertension
- Metabolic Syndrome (MetS)
- Tobacco

VBIDs drive cost savings by increasing the number of well-managed members

Projected Annual Cost Savings Per Well-Managed Member

<table>
<thead>
<tr>
<th>Condition</th>
<th>Medical Service</th>
<th>Pharmacy</th>
<th>Supplies / Equipment</th>
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</thead>
<tbody>
<tr>
<td>Diabetes</td>
<td>Physician Office Visit</td>
<td>Diabetic Drug Class</td>
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<tr>
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<td>Foot Exam</td>
<td>ACE Inhibitors</td>
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<td>HbA1C</td>
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<td>LDL</td>
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<td></td>
<td>Microalbuminuria Test</td>
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</tbody>
</table>

Get Started Today

To discuss VBID plans that may help you control your company’s health care benefit costs, contact your BCBS representative.

Incentives, disincentives and value based insurance design programs based on employee participation or employee health outcomes as part of Wellness Programs, Condition Management, Lifestyle Management, or other health improvement programs may have various legal and tax implications on employers and employees. HCSC is not providing any legal or tax advice or representation, and recommends that employers consult with their own legal and tax advisors regarding such initiatives.

Blue Cross and Blue Shield of Illinois, Blue Cross and Blue Shield of New Mexico, Blue Cross and Blue Shield of Oklahoma, and Blue Cross and Blue Shield of Texas, Divisions of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association