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Ready welcome predicted for value-based benefits

By Danielle Andrus

Doctors, insurers and consumers are “ready and willing” to adopt value-based insurance designs, which use information and financial incentives to guide consumers’ choices, a recent survey found. The TriZetto Group surveyed 1,761 insurers, brokers, employers, clinicians and consumers to determine “constituents’ perceived value and challenges to participating in components of [integrated health management].”

While respondents in all categories indicated they thought value-based benefits would lower health costs they have different motives for endorsing such schemes. Employers, brokers and payers see value-based benefits as a competitive advantage. Doctors’ aims in supporting the plans are to improve the overall health of their patients while directing them to appropriate care.

Eighty-three percent of doctors believe value-based benefits would have a moderate to high impact on consumers, leading them to select effective, less-expensive care alternatives. Furthermore, 75 percent of insurers say it would help win more business and 74 percent say it would reduce overall health costs.

Other respondents’ replies seem to support this view. Eighty-eight percent of employers said they would take their business to an insurance company that offered value-based benefits, and 78 percent of consumers said value-based benefits would have a moderate to high impact on their choice of insurer.

Constituents across all categories agreed that direct financial incentives were the best way to motivate behavior changes. Half of brokers said premium reductions were the best incentives

that could be offered, but other groups agreed cash would be most effective. Forty percent of consumers and 42 percent of employers said cash would be the best motivator. Payers were split between cash (34 percent) and reductions in copays or coinsurance (34 percent).

Payers, brokers and employers identified the top challenges to selling or offering value-based benefit plans. Over two-thirds of payers said lack of proven ROI was a challenge. Sixty-five percent were concerned about skepticism from employers and consumers, and rightly so. Sixty-two percent of employers say their workers are skeptical of the plans and afraid they’ll end up “paying more and receiving less,” while 61 percent of employers say, ultimately, the price will be too high.

Brokers aren’t sure about the tradeoff between price and unproven benefits;

56 percent of brokers said this would be a challenge in adopting value-based benefit plans. Half say they are worried about employers who are afraid of the administrative burden that might accompany the plans.

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