

Using Value-Based Benefit Design for the Management of COPD

The goal of value-based benefit design (VBBD) is to align patients' out-of-pocket costs, such as co-pays and premiums, with the value of health services. This approach to designing benefit plans recognizes that different health services have different levels of value. By reducing barriers to high-value treatments (through lower costs to patients) and discouraging low-value treatments (through higher costs to patients), health plans and employers can achieve improved health outcomes and potentially lower costs.¹

An effective VBBD program for COPD would encourage COPD patients to:

- Receive periodic diagnostic testing that gauges the severity of the illness. (For COPD, this test is called spirometry, and it measures the patient's lung function)
- Quit smoking
- Fill and take their medications as prescribed by their doctor
- Get their annual influenza and pneumonia vaccinations
- Receive oxygen therapy and pulmonary rehabilitation services, if prescribed by their doctor

By engaging in these activities, COPD patients can greatly lower their risk for complications and hospitalizations due to the disease. Patients will be healthier, and their overall health care costs will be lower. Research shows that patients often don't receive these services so value based benefit design is a tool that can help increase appropriate utilization.²

Employers must partner with their health plans to implement effective VBBD programs for COPD. The questionnaire on the following page can help to inventory your current benefits structure for COPD, and identify opportunities to drive better patient engagement through benefit design.

What Is COPD?

Chronic obstructive pulmonary disease, (COPD) is an umbrella term used to describe progressive lung diseases including emphysema, chronic bronchitis, and other lung conditions. Some of the signs and symptoms are increased breathlessness, frequent coughing, wheezing, tightness in the chest, and constant clearing of the throat. Smoking is the primary risk factor for COPD, but is not the only cause of COPD in the U.S. Exposure to second-hand smoke or environmental and industrial pollutants can also play a role. In some cases, COPD is caused by genetic factors.

COPD is a major driver of health care costs. In 2010 the U.S. spent \$49.9 billion in direct and in-direct health care expenditures, with additional costs not captured in claims due to under-diagnosis and misdiagnosis.

Unmanaged COPD patients may be less productive and have greater absentee rates than their healthier co-workers.

¹ <http://www.sph.umich.edu/vbidcenter/about/index.html>

² "The quality of obstructive lung disease care for adults in the united states as measured by adherence to recommended processes," Mularski RA, Asch SM, Shrank WH, et al. CHEST 2006;130(6):1844-1850.

COPD VBBD Questionnaire

Step 1. Inventory current coverage for COPD management service.

Complete the grid below.

SERVICE	COVERED?	CURRENT DISINCENTIVE (co-pay, penalty, deductible)	CURRENT INCENTIVE (co-pay, waivers/discounts, premium discounts, on-site services)	COMMENT
Spirometry				Spirometry is a test that gauges the severity of COPD, and helps doctors design a treatment plan.
Tobacco Cessation-Counseling				Smoking is a key risk factor for COPD, and many COPD patients continue to smoke.
Tobacco Cessation Pharmacotherapy				Services to help COPD patients quit smoking can help slow the progression of the disease.
Current Smoking Status	N/A			
All Classes of Approved Medication for COPD				COPD patients who take their medications as prescribed can reduce the chance of costly ER visits and hospitalizations.
Pulmonary Rehabilitation Services				Pulmonary rehabilitation aims to reduce symptoms and improve the overall quality of life (QOL) for COPD patients.
Vaccines (Influenza and Pneumonia)				Getting the right vaccines can help COPD patients avoid illnesses that lead to more serious complications of the disease.
Oxygen Therapy				Oxygen therapy increases the amount of oxygen that flows into the lungs to help COPD patients breathe better and live longer.
COPD Disease Management Services				Disease management can help to educate and engage patients in managing their chronic health needs.

Step 2. Review the inventory from Step 1. Can benefit design be used to promote better patient behavior and engagement for COPD management?

Consider whether some of the disincentives in the current benefit design may prevent COPD patients from getting needed services. For example, a \$20 co-pay might prevent a COPD patient from filling a prescription that could help avoid a \$10,000 hospital stay. Likewise, positive incentives might help to drive healthier patient behavior.

Step 3. Talk with your health plan about modifying benefit design to achieve better outcomes for COPD patients.

