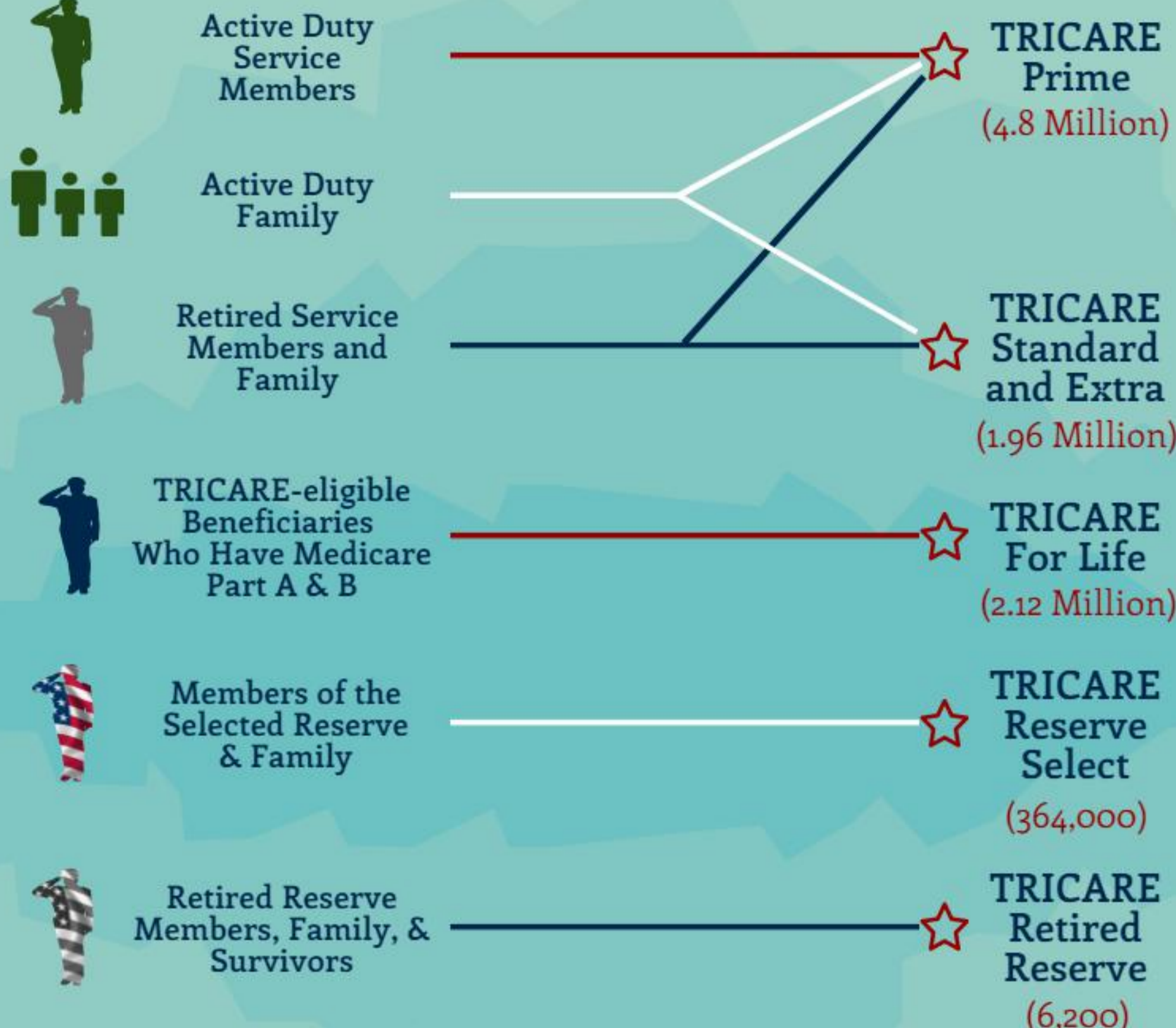


Potential Role for Value-Based Insurance Design (V-BID) in the TRICARE Program

THE TRICARE PROGRAM



*The above information is not all-inclusive. For more information please visit: <http://www.tricare.mil/Plans/HealthPlans.aspx>

TRICARE COSTS ARE ON THE RISE



Cost-Shifting to Consumers is Commonly Used to Control Spending



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2014.

Increased cost-sharing leads to reduced use of high-value clinical services, resulting in:

- ▶ Adverse health effects
- ▶ Worsening disparities
- ▶ Potentially increased costs

A Potential Solution: Clinical Nuance

What is clinical nuance?

Services differ in clinical benefit produced



Clinical benefits from a specific service depend on:



Value-Based Insurance Design

Sets cost-sharing to encourage greater utilization of high-value services and providers and discourage use of low-value care

V-BID Impact

- Bipartisan political support
- Multi-stakeholder endorsement
- Implemented by hundreds of public and private organizations
- Enhances access to preventive care for 137 million Americans
- CMS implements MA V-BID model test in 7 states



Implementing V-BID in TRICARE

TRICARE plans...

V-BID plans...

- Increase out-of-pocket costs
- Offer one-size-fits-all cost-sharing
- Limit provider access
- Misalign consumer and provider incentives

- Promote efficient expenditures
- Increase use of high-value services and providers
- Enhance clinical outcomes
- Align with provider initiatives