Is a Diabetes Value Based Insurance Design Associated with Lower Costs?

**Background**
- The effectiveness of a Diabetes Value Based Insurance Design (VBID) program was evaluated.
- The program aimed to improve diabetes care and reduce costs.
- A comparison group was matched using a 4:1 ratio of members without DM.
- Matched comparison group consisted of members outside of BCBSKS from a 5 million commercially insured population.
- Matching was done at 12:1 on gender and age in years.
- All members were continuously enrolled in 2014 and 2015.

**Methods**
- A multi-attribute Value-based Insurance Design (VBID) program was implemented in BCBSKS.
- The program aimed to improve diabetes care and reduce costs.
- A comparison group was matched using a 4:1 ratio of members without DM.
- The matched comparison group consisted of members outside of BCBSKS from a 5 million commercially insured population.
- Matching was done at 12:1 on gender and age in years.
- All members were continuously enrolled in 2014 and 2015.

**Results**
- DM VBID members compared to $12,151 among DM non-VBID matched members.
- DM VBID members compared to $2,542 per patient per year (PPPY) total cost of care (medical cost).
- DM VBID members compared to $1,541 per patient per year (PPPY) total cost of care (medical cost).
- DM VBID members compared to $5,439 per patient per year (PPPY) total cost of care (medical cost).
- DM VBID members compared to $9,962 among BCBSKS DM non-VBID matched members.
- DM VBID members compared to $16,086 among BCBSKS DM members.
- DM VBID members compared to $12,151 among DM non-VBID matched members.

**Conclusions**
- Diabetes drug adherence was 3% lower at $3,514 among BCBSKS DM members.
- The lack of total cost of care savings is partially explained by the 27% higher, $742 PPPY additional diabetes drug cost at $3,514 among BCBSKS DM members.
- The DM VBID benefit consisted of insulin at the generic copay of $15 and the brand copay of $100.
- Members without DM were categorized as members without DM.

**Limitations**
- The potential DM VBID savings were nullified by the specific diabetes drug benefit implemented by BCBSKS in 2009 and is not generalizable to other DM VBID programs.
- Data are limited to a single large BCBSKS commercially insured population that implemented a DM VBID in 2009.
- Members were not continuously enrolled from 2009 to present, therefore members with DM were exposed to the VBID for 1.2 percentage points significantly longer.
- The study did not assess the direct impact of the DM VBID on diabetes care.

**References**