

## **Exploring Value Based Benefits Design**

Have you been looking for a new and creative way for you to do health insurance and benefits within your company, while still ensuring that your employees are living healthy lifestyles and getting the specialized care that they may need? One way that has been developed is through something called the Valued Based Benefits Design (VBBD). The VBBD is an interesting and creative approach for businesses that want to make sure that their employees are getting the most out of their health care.

### **What is the Value Based Benefits Design?**

Value Based Benefits look at exactly how health benefits are disseminated and how employees are using them. It looks beyond the minimum requirements and explores exactly how employees make decisions about their health care. By taking the time to check out what your employees are using (and what they aren't), you can then develop a wellness program and insurance system that best benefits your employees. By catering to your employee's needs in health care, you will be more likely to see a difference in everything, including curbing the costs of health care for both you and your employees.

### **How Did Value Based Benefits Designs Get Started?**

VBBD was first explored in the mid 90's. This happened when a variety of different doctors started to work with companies and communities across the United States in regards to ensuring that patients were getting what they need. Here are the first three major examples.

- Two doctors in a medium-sized company decided to work with the company to help establish access to mental health services, which are historically difficult to obtain. They did this in a number of ways, but primarily through helping the company hire a psychiatrist that offered services at the company, and by developing education programs that helped the employees understand mental health and its implications.
- Those same two doctors worked with the company in the early 2000's to help the company offset the cost of prescription copays. Instead of employees having to pay for their prescriptions out of pocket, they developed accounts at the company for each employee to use for their prescriptions. That meant that the employees were getting their conditions taken care of (which increased productivity in the company), without having the burden of copays.
- A community in North Carolina developed a program for small businesses to get the medications that they needed for their employees that suffered from chronic diseases. The community developed relationships between employers and pharmacies, and offset the cost of employee treatment and education when it came to their disorders. The employees got the care they needed, which resulted in an increase in productivity and a decrease in sick days.

These initiatives led to the development of research, including a number of theories related to the way that insurance and benefits are set up, both from the perspective of the health insurance company and the business that is offering the benefits. In short, the theories talked about how the preventative care and basing the health care on specific needs which employees may have can make a difference. If

everything is geared toward the patient in particular (or a population of patients), then not only will the insurance get used as it is intended to be used, it will also ensure that employees are able to be productive members of society.

Value is, in short, assessed by how beneficial a particular service or benefit would be for a patient. That being said, you have to look at that value, compare it to how much it would cost for a patient to get it, and then make sure that patients who need the particular item or service in question would be able to obtain it in a way that would not cause financial burden. So as VBBD has morphed and changed, it has become more obvious that it is beneficial for employers and insurance agencies to turn their attention toward this way of providing benefits.

This paradigm shift to VBBD has been slow, but many companies (both large and small) have been seeing the benefits of VBBD and have been using it as a way to reduce costs and to help their employees get the wellness benefits that they deserve without having to break the bank in order to receive them. It also helps employers to keep benefits that may not be beneficial in check, and eliminate them if they deem that necessary.

### **Why is a Value Based Benefits Design Beneficial to Employers?**

So, why is the VBBD beneficial to employers? Basically, VBBD helps those who are making the purchasing choices to give their employees the best health care programs. It focuses on how the employer is using their resources to make sure that they are being used in the most effective way possible. It explores exactly what the employer is doing in order to make sure that their employees stay healthy throughout the year and so that their money is not wasted on benefits that employees don't use or need.

There are a number of things that you can do to evaluate whether or not your VBBD is actually working in the way that it is intended. Here are some of the things that you need to explore while considering the benefits of using a VBBD.

- Is the health insurance that is being provided offering all of the necessary care for my employees? Is there anything that seems to be missing from their insurance?
- Are these support services in place so that employees can better understand their benefits and what their health insurance costs are being used for? Do employees know how to access those support services?
- Are there services in place that help keep employees safe in the workplace, and that reduce the risk of injury or illness while on the job? Are these safety practices made clear?
- What am I, as an employer, doing to make sure that I am promoting health and wellness in my company? How effective are those practices?
- How are my employees using the insurance that they are provided? Are they using it?

- Am I being effective in explaining any changes that are being made, and do my employees understand why they are being made?

If the answers to the above questions show you that what you are doing is effective, then you will start to see a lot of differences in the overall wellness and attitude of your employees. And this, in turn, will help you to decrease your health care costs and increase your productivity. In short, by placing the value of the insurance on your employees (and not on “meeting minimum requirements”), you’re going to be more likely to see the value in VBBD.

### **An Example of VBBD: Cancer Awareness Months**

One way for you to implement the Value Based Benefits Design is for you to take advantage of health awareness months, like cancer awareness months that are sponsored by the American Cancer Society and other well-known cancer groups. Since the VBBD focuses, at its core, on making sure that people make behavioral changes that positively affect their health (sometimes by increasing preventative care which, in turn, reduces the need for other types of care), these awareness months can be a great time for you to push the need for cancer screenings. Almost every month in the year has some sort of cancer awareness, and the primary month for all cancers (Cancer Awareness Month) is in February. For a complete list of the, see the American Cancer Society’s [Cancer Awareness Calendar](#).

How can you utilize these in a VBBD? You can do a number of different things, actually.

- Offer free screenings through a particular doctor or health care practice for those particular cancers during the awareness month.
- Put up posters or send emails with information about the type of cancer being focused on in a particular month.
- Have a meeting or seminar available during that month that talks about the particular cancer.
- Encourage your employees to get particular screenings and offer incentives for particular actions.
- Work with the American Cancer Society to see what they can help you come up with.

Cancer can be fatal, and by working with your employees to help in the realm of prevention, your employees are going to know how much you care and be more likely to move forward with the preventive care necessary to prevent cancer and other diseases. By utilizing the ACS’s calendar, you will be able to get a lot of resources that you couldn’t get otherwise during these months.

You can utilize the VBBD in other ways, as well; using Cancer Awareness Months to get the ball rolling is just one way. Get creative with it; see what it can do to benefit your company and encourage overall wellness. It may take some time for your employees to get used to the way that you are encouraging healthy behaviors, but if you keep up to date with the research and you understand how they are thinking and feeling about the entire process, you will be more likely to see results.

