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Council applauds introduction, passage of measures encouraging value-based health insurance design

Removing barriers to high-value clinical services leads to lower health costs

WASHINGTON, DC – “For all the ongoing debates about health care policy, meaningful solutions to the persistent problem of high health care costs have been frustratingly elusive,” American Benefits Council President James A. Klein said today. “Thankfully, bipartisan lawmakers in Congress have finally come around to an approach that holds enormous promise: value-based insurance design (VBID).”

Based on the premise that preventable or manageable chronic diseases drive a significant portion of the health care cost trend, VBID attempts to lower or remove financial barriers to essential, high-value clinical services while aligning payment with quality outcomes.

The newly enacted budget bill included [a measure](#) to implement VBID within Medicare Advantage and expand access to telehealth programs. Additionally, Republican and Democratic lawmakers in both chambers have jointly introduced [legislation \(S. 2410/H.R. 4978\)](#) allowing health savings accounts (in conjunction with high-deductible health plans) to cover certain chronic disease prevention prescription medications and services on a pre-deductible basis, as the Council has [long recommended](#).

“We strongly support these efforts to address the real culprit in our health care system: rising costs,” Klein said. The Council is one of only two employer groups (along with the U.S. Chamber of Commerce) that is a member of the Smarter Health Care Coalition, which sent [a letter in support of the legislation](#) to the sponsors of S. 2410/H.R. 4978.

“Public- and private-sector initiatives that work to better align costs with quality are likely to be much more effective than efforts to eliminate the tax incentives for employer-provided health care,” Klein said. “Such shortsighted proposals are based on the fallacy that people are ‘over-insured.’ In fact, a principal problem is the high unit cost of health services and the disconnect between the price and the value of many services,” Klein said.

For more information on health policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.