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Milliman and VBID Health Announce Launch of MedInsight Waste Calculator to Identify Wasteful Healthcare Spending

Tool integrates Milliman's MedInsight software and VBID Health's research

SEATTLE, Wash. and WASHINGTON D.C., December 16, 2013 – [Milliman, Inc.](#), one of the premier global consulting and actuarial firms, and [VBID Health](#), the leading Value Based Insurance Design (VBID) consulting company, today announced the launch of the MedInsight Waste Calculator, a new healthcare analytic tool powered by Milliman's [MedInsight](#)[®] software and encapsulating VBID Health's market knowledge on wasteful healthcare spending. This tool will identify and quantify the use of potentially unnecessary or harmful clinical services, including those defined by national initiatives such as the U.S. Preventive Services Task Force and *Choosing Wisely*.

In addition to greater identification of potentially unnecessary services, the MedInsight Waste Calculator will enable users to gain valuable insight on the degree of wastefulness within its member populations. The tool will also leverage VBID Health's expertise regarding the use of innovative payment reform and consumer engagement initiatives to reduce unnecessary spending.

The Congressional Budget Office estimates our health care system spends \$700 billion annually on unnecessary or harmful services. "VBID Health aims to help health care payers identify that waste and reallocate spending to evidence-based services through more clinically-nuanced benefit designs and payment strategies," said VBID Health Founding Partner, A. Mark Fendrick, MD, an internal medicine physician and Director of the University of Michigan Center for Value-Based Insurance Design. "The movement from a volume-driven to a value-based health care system requires an appreciation that medical services differ in the amount of clinical benefit that is produced."

"Our business alliance with VBID Health will offer the healthcare market and our many MedInsight clients a value-added service that will enhance MedInsight's analytical capabilities," said Rich Moyer, Principal and MedInsight Product Manager at Milliman. "We're constantly seeking ways to extend the value of MedInsight. We believe that the combination of the MedInsight Waste Calculator and the innovative approaches from VBID Health will enable our clients to gain deeper understanding of their providers, quality of care, and overall healthcare cost and utilization performance."

"Public and private payers have begun to change their focus from how much is spent on health care to how well the money is spent" said Michael Chernew, Founding Partner of VBID Health and a Professor of Health Care Policy at Harvard Medical School. "We strongly believe that payment reforms and benefit designs that encourage the use of evidence based services and discourage the use of low value services will lead to more health produced at any level of health expenditure."

Through its MedInsight practice, Milliman offers one of the industry's most adopted portfolios of solutions and services for data warehousing and healthcare analytics, assisting payers, employers, state government entities, community coalitions, and other markets. The portfolio consists of the [MedInsight Analytic Platform](#), several self-sufficient point solutions focused on specific analytics, and a variety of consulting services aimed at improving overall business performance and patient health.

Based in Seattle, Washington, Milliman's MedInsight team has been helping clients improve their business performance since 1997 by assisting them in leveraging their data assets. The MedInsight team works with clients of many types and sizes. The team's largest client has more than 45 million members while smaller clients have fewer than 25,000 members. For more information about Milliman's MedInsight products and services, visit <http://www.medinsight.milliman.com>.

About VBID Health

VBID Health specializes in designing and promoting innovative payment models and health benefits plans that get more health out of every health care dollar spent. As public and private health care payers explore innovative strategies that reward improved clinical outcomes rather than an increased volume of services, VBID Health helps clients better understand the opportunities and challenges regarding the design, implementation, clinical effects, and economic impact of new payment models and consumer engagement initiatives. Through the creation of programs that align incentives for providers and consumers, our decades of experience assist health care stakeholders in improving quality and containing costs. For more information, visit www.vbidhealth.com

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.

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