



Agenda Item 13

August 14, 2012

ITEM NAME: Wellness and Disease Management Update

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item updates the Pension and Health Benefits Committee on the status of three Wellness and Disease Management projects undertaken by our health plan partners. These projects support the California Public Employees' Retirement System (CalPERS) Strategic Plan XII which is to "engage and influence the healthcare marketplace to provide medical care that optimizes quality, access, and cost." The goal of these projects is to improve and enhance the CalPERS health program in the following ways:

- Promote wellness, enhance delivery of health care services, and improve health outcomes for members;
- Reduce future medical expenses for CalPERS membership; and,
- Apply principles of evidence-based medicine to health care.

BACKGROUND

Blue Shield of California (Blue Shield)

Blue Shield will report on its Teladoc service. The service was launched on April 1, 2012. Teladoc is available to Blue Shield's non-Medicare CalPERS membership.

Teladoc is an innovative service that provides members 24/7/365 access to a network of California licensed physicians, including diagnosis and treatment for common illnesses, via telephone and secure video consults. It offers improved access to care for members particularly in rural areas and those that are traveling within California. Blue Shield is evaluating Teladoc as a mechanism to decrease non-emergency Emergency Room utilization.

Anthem Blue Cross (Anthem)

Anthem will report on the Patient-Centered Care program which is being launched July 1, 2012. The program is based on the Accountable Care Organization (ACO) program that was launched in 2011 and the Ambulatory Intensive Care Unit (AICU) which started in 2009. CalPERS is participating in the program in collaboration with Anthem's fully insured business.

The new program will leverage the advantages of the ACO and AICU programs. For example, it will expand upon the attribution methodology in the AICU project for assigning Preferred Provider Organization (PPO) members to primary care doctors (used for only the top 20 percent of the most medically complex members) to include the attribution of all members. The program is expected to improve the cost and quality of health care for all CalPERS PPO members.

Kaiser Permanente (Kaiser)

Kaiser will report on its medication management program. This presentation illustrates how Kaiser uses its internal research capabilities to develop evidence-based pharmacy practice, formulary development, and medical practice guidelines. Examples of physician decision support tools that guide medical practice and care are provided. The medication management program aligns the goals of the physician, pharmacist, and the health plan by removing barriers for prescription pre-authorizations.

Kaiser's organizational purchasing power and high generic prescription rate helps reduce drug costs and lower member cost-sharing, which improves adherence. Electronic medical records enable clinically based, fast and efficient medication analysis and sharing of best practices among providers which leads to better outcomes while leveraging technology.

ANALYSIS

Performance Measurement

It is CalPERS expectation that the health plan partners will demonstrate their respective programs' effectiveness through clinical performance measures. The outcomes of these projects will provide valuable information in the development of performance metrics, future benefit designs, and provide members additional means to be proactive in improving their overall health.

ATTACHMENTS

Attachment 1: "Blue Shield Teladoc Service for CalPERS Members"

Attachment 2: Anthem Blue Cross: "Patient-Centered Care, The Next Generation"

Attachment 3: "Kaiser Permanente medication management for CalPERS"

Agenda Item 13
Pension & Health Benefits Committee
August 14, 2012
Page 3 of 3

KATHY DONNISON, Chief
Health Plan Administration Division

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning