

Health and Wellness Strategy Report

November 2015

Health and Wellness Strategy

- BART Wellness Project Update
- Excise Tax Impact
- RFI Responses
- CalPERS' Role
- Path Forward

BART Update



weightwatchers



- 500 lbs. lost
- Pilot ends April 30, 2016

Excise Tax Impact

- Mitigation strategies
 - Excise tax regulations pending
 - EAP regulations disallow wellness carveout
- Estimated excise tax impact of wellness
 - Increased tax liabilities
 - Acceleration toward threshold

Excise Tax Impact

- Anthem Traditional HMO Bay Area

Plan Year	Tax
2016	\$24,000
2018	\$622,000
2018 with wellness	\$867,000

RFI Responses

- Released June 1, 2015
 - Health and wellness solution vendors
 - Services that could be provided to CalPERS active employees, retirees, and adult dependents
- Services range from online software solutions to full-service wellness management
 - Lean
 - Moderate
 - Deluxe

RFI Responses

- Pricing
 - Max PMPM estimates
 - Total annual cost

Lean	Moderate	Deluxe
\$60 million	\$67 million	\$419 million

Roles

- CalPERS the Purchaser
 - Promote wellness
 - Partner with employers
- Employers the Implementers
 - Engage employees and dependents
 - Implement wellness
 - Sustain participation

PHM Initiative

- Two-year effort begun in 2013
 - Collaboration with health plans to create model
 - Wholistic approach to wellness
- PHM Model
 - Maintain wellness and prevent disease
 - Detect disease if present
 - Treat detected disease
- December agenda item

Path Forward

- Defer implementation of wellness platform
- Refrain from adding additional benefits
- Advise employers:
 - Avoid independent wellness implementations
 - Review any incentives currently offered
- Utilize PHM and existing wellness benefits