

Comparison of PPO Plans to Sample VBID Design

Pension and Health Benefits Committee

September 19, 2017

Comparison of PPO Plans to Sample VBID Design (1 of 4)

Coverage/ Common Medical Event	PERS Select PPO	PERS Choice PPO	PERSCare PPO	PERS Select VBID (Sample)
Premium (2018)	Single: \$661, Two-Party: \$1,323, Family: \$1,719	Single: \$724, Two-Party: \$1,448, Family: \$1,883	Single: \$776, Two-Party: \$1,552, Family: \$2,018	Approximately 9 - 12% less than PERS Select PPO
Deductible	Individual \$500 Family \$1,000			Individual \$2,500 Family \$5,000
ConditionCare "Health Action Certified Member"	Disease management program available to member with no incentive			Deductible lowered by incentive if ConditionCare contacted/ engaged
Health Risk Assessment	Members received a \$100 debit card	Member will be enrolled in a monthly raffle for a \$500 debit card	Member will be enrolled in a monthly raffle for a \$500 debit card	Deductible lowered by incentive after completion
Wellness Credit (Flu Shot/ Immunizations)	N/A			Deductible lowered by incentive
No Smoking Certification	N/A			Deductible lowered by incentive
Solera Weight Program	N/A			Weight management programs no cost
Inpatient Maternity (Delivery)	80% Preferred Provider (Tier 1 Hospital) 70% Preferred Provider (Tier 2 Hospital) 60% Non-Preferred Provider	80% PPO and Out of Area 60% Non PPO	90% PPO and Out of Area 60% Non PPO	No cost if enrolled in Healthy Pregnancy Program

Comparison of PPO Plans to Sample VBID Design (2 of 4)

Coverage/ Common Medical Event	PERS Select PPO	PERS Choice PPO	PERSCare PPO	PERS Select VBID (Sample)
Primary Care	\$20			\$5 if enrolled in Blue Distinction Total Care (BDTC) \$35 if not enrolled
Mental Health/ Behavioral Health/ Substance Abuse	80% Preferred Provider (Tier 1 Hospital) 70% Preferred Provider (Tier 2 Hospital) 60% Non-PPO	80% PPO and Out of Area 60% Non PPO	90% PPO and Out of Area 60% Non PPO	\$5 if enrolled in Blue Distinction Total Care (BDTC) \$35 if not enrolled
Wellness Visits	\$0			
Preventive Services (A&B Task Force List)	\$0			
Urgent Care	\$20 Copayment, PPO and Out-of-Area 60% Non-PPO			\$50 Copayment
Specialist Visit	\$20			\$70
Emergency Room	20% after \$50 deductible; waived if admitted			\$200; waived if admitted
Laboratory Tests	20% Coinsurance 80% PPO and Out of Area 60% Non PPO			20% Coinsurance for non-routine

Comparison of PPO Plans to Sample VBID Design (3 of 4)

Coverage/ Common Medical Event	PERS Select PPO	PERS Choice PPO	PERSCare PPO	PERS Select VBID (Sample)
Medical Pharmacy (Provider Administered)	20% Coinsurance		10% Coinsurance	20% Coinsurance plus deductible lowered by incentive for mandatory site of care
X-Ray/Imaging	20% Coinsurance 80% PPO and Out of Area 60% Non PPO		90% PPO and Out of Area 60% Non PPO	Precertification of all imaging (more restrictive). 20% Coinsurance
Outpatient Surgery	80% Preferred Provider (Tier 1 Hospital) 70% Preferred Provider (Tier 2 Hospital) 60% Non-Preferred	80% PPO and Out of Area 60% Non PPO	90% PPO and Out of Area 60% Non PPO	20% Coinsurance
Inpatient Hospital	80% Preferred Provider (Tier 1 Hospital) 70% Preferred Provider (Tier 2 Hospital) 60% Non-Preferred	80% PPO and Out of Area 60% Non PPO	90% PPO and Out of Area 60% Non PPO	20% Coinsurance
Tier 1 (Generic)	\$5/30 day supply \$10/90 day supply		\$5/34 day supply \$10/90 day supply	Tier based on price and effectiveness, not on generic vs. brand Incent use of BriovaLive for specialty pharmacy adherence
Tier 2 (Preferred)	\$20/30 day supply \$40/90 day supply		\$20/34 day supply \$40/90 day supply	
Tier 3 (Non-Preferred)	\$50/30 day supply \$100/90 day supply		\$50/34 day supply \$100/90 day supply	
Tier 4 (Specialty)	Follows tier structure			

Comparison of PPO Plans to Sample VBID Design (4 of 4)

Coverage/ Common Medical Event	PERS Select PPO	PERS Choice PPO	PERSCare PPO	PERS Select VBID (Sample)
Maximum Out-of-Pocket PPO	Individual \$5,350 Family \$10,700			
Pharmacy	Individual \$2,000 Family \$4,000 Mail Order \$1,000			
Out-of-Pocket Exclusions?	Balance-billed charges; non-PPO Provider services, health care plan doesn't cover			
Non-Network Services	40% Coinsurance		10% Coinsurance	40% Coinsurance
Use Network Providers?	Yes			
Need Referral for Specialist?	No			Yes

Effects of Risk Adjustment on PPO Plan Design



Goal: Charge premiums based on plan value not health status of the enrolled population

	Before Risk Adjustment (Calendar Year 2018)	After Risk Adjustment (Calendar Year 2018)
PERS Select Employee Only Premium	\$473.82	\$661.29
PERSCare Employee Only Premium	\$1,035.21	\$776.19

- Prior to risk adjustment, PERSCare premiums were **more than double** PERS Select premiums, due mostly to differences in health status.
- After risk adjustment, PERSCare premiums are **18% higher** than PERS Select premiums, which is more in line with plan values.