

CalPERS Value-Based Insurance Design

Pension and Health Benefits Committee

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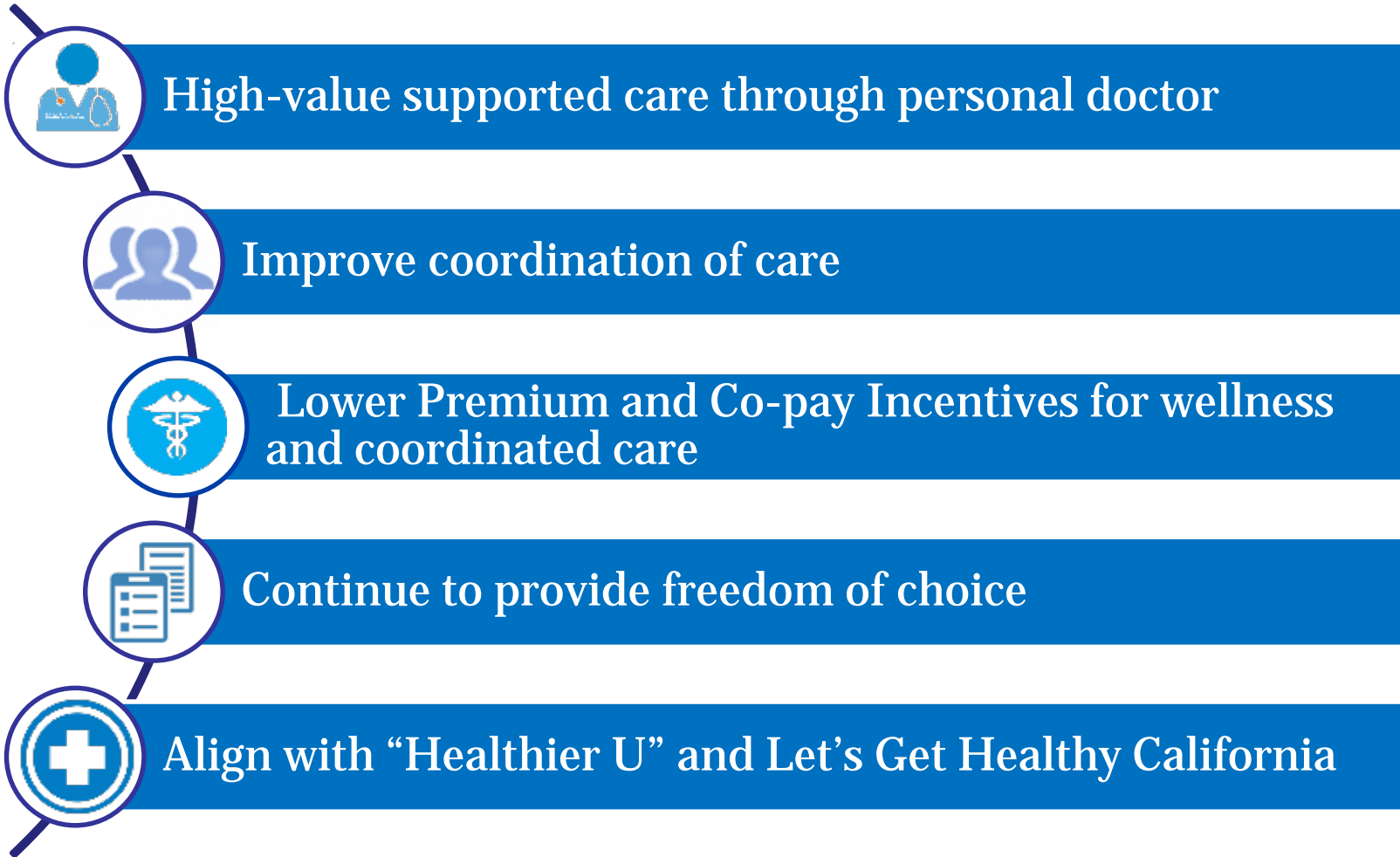
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Agenda

- Goals of Value Based Insurance Design
- Personal Physician Model
- PERS Select (new) VBID Savings
- Next Steps



Goals of Value Based Insurance Design



Personal Physician Model



Primary Care Copay: \$10 vs. \$35

Primary care is valuable to individuals

1

Provides a place where health problems can be treated

2

Guides patients through the health system

3

Facilitates ongoing relationship

4

Opportunity for disease prevention

5

Builds bridges between patients and health care providers

PERS Select (new) VBID Savings



PERS Select
Basic
Enrollment



Estimated
Premium
Savings
(per month)



Estimated
Savings
Annually
(Employee/
Employer)

PERS Select (new) - VBID Savings Vary by Employee/Employer



Employee Savings

State: ~\$0 annually*

Public Agencies: ~\$3.1M annually




Employer Savings

State: ~\$5.5M annually

Public Agencies: ~\$1.4M annually

PERS Select (new) VBID Savings – Where the Savings Come From

 Category	Estimated (Savings)/Costs Based on 2018 Premiums
VBID Plan Design Savings	(\$8M)
VBID Incentives/Costs	\$3.8M
VBID Network Savings	(\$5.7M)
<i>VBID Plan Savings</i>	<i>(\$10M)</i>

Next Steps

Incorporate into 2019 Rate Development Process

Work with Plan on Communication Campaign

Incorporate into 2019 Open Enrollment

Continuously Monitor and Report on Progress

