



Pension and Health Benefits Committee

Agenda Item 5d

June 18, 2019

Item Name: PERS Select Value Based Insurance Design Update

Program: Health Benefits

Item Type: Information Consent

Executive Summary

This agenda item provides the second quarterly (April to June 2019) update to the Pension and Health Benefits Committee (PHBC) on the self-funded Preferred Provider Organization (PPO) PERS Select Value-Based Insurance Design (VBID).

Strategic Plan

This item supports the California Public Employees' Retirement System (CalPERS) 2017-22 Strategic Goal: "Transform health care purchasing and delivery to achieve affordability."

Background

On May 15, 2018, the PHBC approved the 2019 plan year benefit design changes for CalPERS' PPO health plans that aligned with the CalPERS 2017-2022 Strategic Plan and the CalPERS 2017-2022 health initiatives. CalPERS implemented the new PERS Select VBID plan on January 1, 2019. The first quarterly update was provided to the PHBC on March 19, 2019.

Analysis

The PERS Select plan aims to improve the quality of health care, outcomes, and lower cost by empowering choice. Members are encouraged to engage in their health care decisions by selecting a personal doctor and participate in preventive care activities.

Members receive lower office visit copays when selecting a personal doctor and are rewarded with deductible credits for engaging in healthy activities. In addition, co-insurance for delivery of newborns is waived when an expectant mother is enrolled in the Future Moms Program.

The 2019 PERS Select Benefit Design second quarter report results are provided below:

Personal Doctor Selection

Members receive high-value coordinated care when selecting a personal doctor to help ensure that the right care is delivered at the right time. Anthem will initiate targeted outreach to members using current member-provider relationships to increase personal doctor selection in the third quarter.

Results: At the beginning of the second quarter, 15,880 personal doctors were selected and there was a total of 23,418 primary care visits.

Deductible Credits

The deductible credits are awarded to members that have engaged in the following healthy activities: biometric screening, disease management through ConditionCare, flu shot, second opinion support, and smoking cessation certification.

There has been an increase in biometric screening and smoking cessation certifications. Biometric screening provides members with the tools to understand their health status and high-risk health behaviors. If a member received a biometric screening within the last 12 months, they were given the deductible credit. There were 69 percent of members that received biometric screenings.

Members receive their smoking cessation certification by submitting their health risk assessment online, by mobile submission, or calling Anthem. All dependents under the age of 18 are automatically given the smoking cessation credit. There are 72 percent of members that received their smoking cessation certification compared to only 67 percent in the first quarter.

There was not a statistical change in engagement from the first quarter report for ConditionCare and virtual second opinion. In January, members received the deductible credit if they did not have a disease to manage under ConditionCare or did not undergo surgery that required a second opinion. In addition, there has been no statistical change for received flu shots as flu season is from October to February.

The table summarizes the second quarter results for member engagement and compares the second quarter deductible credits to the first quarter.

Deductible Credits	Credits Received		Percentage of Members	
	Q1	Q2	Q1	Q2
Biometric Screening	28,000	52,164	39%	69%
ConditionCare Certification	68,000	69,062	94%	92%
Flu Shot	38,500	38,939	53%	52%
Virtual Second Opinion	70,000	71,266	97%	95%
Smoking Cessation	48,500	52,898	67%	70%
Total (approximate)	253,000	284,329	Q1 Membership: 73,087	Q2 Membership: 75,205

Future Moms

The Future Moms Program educates members on the medical needs of pregnant women. Out of 274 members who have been identified as expecting mothers, 58 have enrolled. Anthem will initiate targeted outreach to personal doctors such as OB/GYNs and eligible members to educate them about the benefits of the program.

Mobile Health Consumer App

In January 2019, Anthem launched a Mobile Health Consumer App to PERS Select members. Through the Mobile Health App, members can view plan benefit details, check status of earned deductible credits, complete health risk assessment including self-reported smoking status. The Mobile Health app engages members in personalized communications and education, providing access to health resources to maintain and improve health.

Results: At the end of the first quarter (January to March 2019), 12.8 percent of PERS Select members have registered with the Mobile Health Consumer App. The following are engagement results for these members:

- 70 percent have completed a Health Risk Assessment.
- 97 percent are self-reported nonsmokers.
- 2,015 completed the tobacco cessation assessment and 6.5 percent of these members have completed the recommended self-paced 14-day program.
- 1,686 completed stress assessment and 6.5 percent completed the recommended self-paced stress management 30-day program.
- 1,722 completed the nutrition assessment and 5.5 percent completed the recommended self-paced nutrition management 30-day program.

Budget and Fiscal Impacts

The 2019 PERS Select benefit design is expected to reduce costs by approximately \$10 million annually; however, specific budget and fiscal impacts are unknown at this time.

Benefits and Risks

The benefits of PERS Select VBID include enhanced coordination of care to PPO plan members, particularly in counties without an Health Maintenance Organization plan available, prevention engagement, potential to improve healthy habits to help prevent and detect diseases, and adherence to evidence-based medical and pharmacy practices which have the potential to improve health outcomes.

The risks are that the VBID benefit structure may not materially change behavior and members may not engage in the healthy activities. Savings to employees and employers may not meet estimates.

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