



Pension and Health Benefits Committee

Agenda Item 5c

December 17, 2019

Item Name: PERS Select Value Based Insurance Design Update

Program: Health Benefits

Item Type: Information Consent

Executive Summary

This agenda item provides the third quarterly (June – September 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 second quarter update was provided to the PHBC on June 18, 2019. Personal doctor attribution, engagement in biometric screening and smoking cessation certification increased in the second quarter. Anthem also launched a Mobile Health Consumer App to PERS Select members. The app was utilized to increase member engagement through personalized communications and education about the five healthy activities.

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 third 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. The third quarter shows a steady increase in attribution and primary care visits. Anthem will continue outreach to members using current member-provider relationships to increase personal doctor selection in the fourth quarter. The table below summarizes personal doctor attribution and primary care visits for quarters one, two, and three.

	Q1	Q2	Q3
Personal Doctor Attribution	14,820	15,880	21,758
Primary Care Visits	28,195	23,418	42,852

Deductible Credits

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

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

Deductible Credits	Credits Received			Percentage of Members		
	Q1	Q2	Q3	Q1	Q2	Q3
Biometric Screening	28,000	52,164	56,363	39%	69%	72%
ConditionCare Certification	68,000	69,062	73,314	94%	92%	94%
Flu Shot	38,500	38,939	41,138	53%	52%	53%
Virtual Second Opinion	70,000	71,266	71,372	97%	95%	92%
Smoking Cessation	48,500	52,898	55,258	67%	70%	71%
Total (approximate)	253,000	284,329	297,445	Q1 Membership: 73,087	Q2 Membership: 72,205	Q3 Membership: 77,811

The third quarter saw a slight increase in biometric screening and ConditionCare certifications. If a member received a biometric screening within the last 12 months, they were given the deductible credit. In January, members received a deductible credit if they did not have a disease to manage under ConditionCare or did not undergo surgery that required a second opinion. If a member develops a condition that needs to be managed during the plan year, the member must participate in the ConditionCare program to maintain the deductible credit.

There was a slight decrease in the virtual second opinion support in the third quarter. Members automatically received the credit in January. However, if the member does undergo surgery during the plan year, the member must receive a virtual second opinion to maintain the deductible credit.

There was not a statistical change in engagement from the second quarter for smoking cessation certifications and flu shots. Members receive their smoking cessation certification by submitting their health risk assessment online, by mobile submission, or by calling Anthem. All dependents under the age of 18 are automatically given the smoking cessation credit. In the interim, there has been no statistical change for received flu shots as flu season is from October to February.

Anthem has developed an outreach strategy to increase member engagement for the virtual second opinion support and smoking cessation certification. Anthem will initiate outreach in the fourth quarter to health benefit officers (HBO) regarding details on obtaining surgical second opinions, which will entail a call to action for HBOs to communicate the benefits of the virtual second opinion to members. Anthem will continue outreach to members using their mobile health platform. Messages will encourage members to complete their health risk assessment to obtain their smoking cessation certification.

Future Moms

The Future Moms Program educates members on the medical needs of pregnant women. Out of 936 members who have been identified as expecting mothers, 104 have enrolled. In the second quarter, 58 members were enrolled. Anthem has worked to further socialize this program among CalPERS members Anthem conducted a benefit review webinar for Health Benefit Officer (HBO) in September 2019. The webinar provided a detailed overview of the PERS Select plan and focused on the Future Moms Program.

Benefits and Risks

The benefits of PERS Select VBID include enhanced coordination of care to PPO plan members, particularly in counties without a 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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