



Pension and Health Benefits Committee

Agenda Item 6d

March 17, 2020

Item Name: PERS Select Value Based Insurance Design Update

Program: Health Benefits

Item Type: Information Consent

Executive Summary

This agenda item provides the fourth quarterly (October – December 2019) and final 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

The PERS Select VBID plan supports the California Public Employees' Retirement System (CalPERS) 2017-2022 Strategic Goal: "Transform health care purchasing and delivery to achieve affordability" by aiming to improve the quality of health care, outcomes, and lowering cost by empowering choice.

Background

On December 17, 2019, PHBC was provided the third quarter update for the new PERS Select VBID Plan effective January 1, 2019. The CalPERS team has been closely monitoring the VBID Plan's effectiveness during its first year, reporting on factors such as; 1) percentage of members that engage with a personal doctor, 2) percentage of members that engage in the five VBID incentives, and 3) percentage of qualifying members enrolled in the Healthy Mom's Maternity Program (Future Moms). By evaluating key factors such as these, CalPERS staff can make future recommendations based on the experience data which is a combination of learning, behavior, and performance.

Analysis

In the PERS Select VBID Plan, members receive lower office visit copays for selecting a personal doctor and are rewarded with deductible credits for engaging in healthy activities. In addition, the co-insurance for delivery of newborns is waived when an expectant mother is enrolled in the Future Moms Program. The 2019 fourth quarter results are provided below:

Personal Doctor Selection

The table below summarizes personal doctor attribution and primary care visits for 2019. The fourth quarter data shows a slight increase in attribution. Anthem will continue outreach to members using current member-provider relationships to increase personal doctor selection to ensure that the right care is delivered at the right time.

	Q1	Q2	Q3	Q4
Personal Doctor Attribution	14,820	15,880	21,758	21,975
Primary Care Visits	28,195	23,418	26,852*	26,722

*Due to calculation error, Q3 Primary Care Visit has been updated to accurately reflect member participation.

Deductible Credits

The table below summarizes member engagement and participation in the five VBIID incentive categories for 2019. The fourth quarter data shows a slight increase in biometric screening, ConditionCare certifications, and flu shots with a slight decrease in virtual second opinion and smoking cessation.

Deductible Credits	Credits Received				Percentage of Members			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Biometric Screening	28,000	52,164	56,363	59,560	39%	69%	72%	74%
ConditionCare Certification	68,000	69,062	73,314	78,355	94%	92%	94%	98%
Flu Shot	38,500	38,939	41,138	44,335	53%	52%	53%	55%
Virtual Second Opinion	70,000	71,266	71,372	71,386	97%	95%	92%	89%
Smoking Cessation	48,500	52,898	55,258	55,291	67%	70%	71%	69%
Total (approximate)	253,000	284,329	297,445	308,927	Q1 Membership: 73,087	Q2 Membership: 72,205	Q3 Membership: 77,811	Q4 Membership: 80,195

Biometric Screening, ConditionCare, and Flu Shot; shows a steady increase each quarter in deductible credits demonstrating overall high member engagement. As a result, non-participation was limited to only 26% of members who did not participate in biometric screening, and 2% of applicable members who did not participate in a ConditionCare program to assist in managing their condition. Although flu shot participation was consistent throughout the 2019 Plan Year, there was a slight increase during flu season for the fourth quarter.

For Virtual Second Opinion, each quarter shows a steady decrease in deductible credits demonstrating low member engagement. Members must receive a virtual second opinion if they are required to undergo surgery in order to maintain the deductible credit. At the end of 2019, approximately 11% of members did not receive a virtual second opinion prior to undergoing a surgical procedure.

For Smoking Cessation, each quarter shows a fluctuation in member engagement with overall low participation. At the end of 2019, approximately 31% of members did not submit their health risk assessment in order to receive the non-smoking certification.

Future Moms

Of the 1,167 members who were identified as expectant mothers, 125 enrolled in the Program for 2019. There are challenges related to targeted member outreach for the program due to sensitivity of complicated pregnancies. To increase participation, Anthem targeted outreach on the benefits of the program to personal doctors such as OB/GYNs and eligible members through general communications as well as conducted a benefit review webinar for Health Benefit Officers and the Enhanced Personal Health Care partners, which included 50 provider groups within California. In addition to the outreach, the details and benefits of the Future Moms program was included in the Anthem Facility and Professional Provider Manual which is disseminated to Anthem's full network of professional providers, which includes 38,091 OB/GYNs. Because of these outreach efforts, fourth quarter participation increased by 20%.

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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