



## Pension and Health Benefits Committee

# Agenda Item 6d

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**March 19, 2019**

**Item Name:** 2019 PERS Select Benefit Design Report

**Program:** Health Benefits

**Item Type:** Information Consent

### **Executive Summary**

This agenda item provides the first quarterly update to the Pension and Health Benefits Committee (PHBC) on the self-funded Preferred Provider Organization (PPO) PERS Select Value-Based Insurance Design (VBID). In addition, it provides an update on two new benefit design changes implemented for the PPO basic plans: SpineZone and Wisdom.

### **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. As a result, the PERS Select value-based plan was implemented effective January 1, 2019. The Wisdom study has been available to PPO plan members since June 2018 and the SpineZone program was implemented in September 2018.

### **Analysis**

#### **PERS Select**

The PERS Select value-based 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 to 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 the following healthy activities: biometric screening, flu shot, non-smoking certification, second opinion support, and disease management through ConditionCare. In addition, co-insurance for delivery is waived when an expectant mother is enrolled in the Future Moms healthy pregnancy program.

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

### **Enrollment**

PERS Select plan membership increased from 55,675 members in December 2018 to 72,351 members in January 2019.

### **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 Blue Cross (Anthem) has made several outreach efforts to increase provider participation and support. The emphasis on the personal doctor relationship and health activities was communicated to providers via email through Anthem's Provider Newsletter. Also, Anthem hosted a webinar for providers in April 2018. Anthem will initiate targeted outreach to members using current member-provider relationships to increase personal doctor selection. Members will be notified that their current provider is eligible to be selected as a personal doctor, which will reduce their copay.

**Results:** Within the first month of implementation 21 percent or 14,820 members throughout the 58 counties selected a personal doctor. Attachment 1 details the personal doctor selection by county . San Francisco, Madera, Kings, and Humboldt counties show the highest personal doctor selection at 40 percent or more.

### **Deductible Credits**

At the end of the one-month mark of value-based implementation, January 31, 2019, approximately 253,000 deductible credits have been applied. Anthem will also send a tailored message to members that have not engaged in the healthy activities to lower their deductible. A summary of the first quarter results is provided below and in attachment 1.

#### 1. **Biometric Screening**

Awareness is the first step in maintaining and monitoring health. Biometric screening provides members with the tools to understand their health status and high-risk health behaviors. Anthem has partnered with Quest Diagnostic to direct members without a physician referral to complete a lab diagnostic screening and receive a credit towards their deductible.

**Results:** 39 percent of members have received biometric screenings.

#### 2. **ConditionCare**

ConditionCare is a program promoting appropriate medical decisions, better adherence to treatment plans, and better health outcomes. ConditionCare is applicable to members with Asthma (pediatric or adult), Chronic Obstructive Pulmonary Disease (COPD), Coronary Artery Disease (CAD), Diabetes Type 1 or 2 (pediatric or adult), or Heart failure (HF). Members that did not have a condition that needed to be managed received the ConditionCare certification credit in January. 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.

**Results:** 94 percent of members received the credit.

3. Flu Shot

Members are encouraged to receive an annual flu shot or call Health Plan if flu shot not recommended. Members that were previously enrolled in a CalPERS PPO plan and received a flu shot during 2018 plan year were automatically given a deductible credit.

**Results:** 53 percent of members have received a flu shot credit.

4. Virtual Second Opinion

Receiving a second opinion can provide valuable guidance and peace of mind while facing a complex medical issue or difficult treatment decision. This is applicable to conditions such as: Musculoskeletal, Oncology cases, Neurological, and Rheumatoid (Lupus, Arthritic disease etc.). Members that have not undergone surgery in January, automatically received the credit. If a member does undergo surgery during the plan year, the member must receive a virtual second opinion to maintain the deductible credit.

**Results:** 97 percent of members have received the Virtual Second Opinion credit.

5. Smoking Cessation

Evidence shows smokers typically have more health problems than non-smokers, including health and lung diseases as well as various cancers. Members receive their non-smoking certification by submitting their health risk assessment online, mobile submission, or calling Anthem. All dependents under the age of 18 are automatically given the non-smoking credit.

**Results:** There are 67 percent of members that received their non-smoking certification.

**Future Moms**

Future Moms educates members on the medical needs of pregnant women. It aims to improve the health of women before, during, and after pregnancy through comprehensive prenatal and postpartum care management. Anthem will initiate targeted outreach to personal doctors such as OB/GYNs and eligible members to educate them about the benefits of the program.

**Results:** Currently, 24 expecting mothers have enrolled out of 274 members that have been identified as expecting mothers.

The update for SpineZone and Wisdom is provided below:

**SpineZone**

SpineZone is an online program to help members manage back and neck pain. The program is designed to strengthen core spinal muscle groups and alter the long-term lifestyle of the patient to effect and improve overall health status related to back and neck pain. The goal is to empower patients to build up their confidence in managing their spinal condition without the need for future injections, surgery, or medications whenever possible, through a combination of coaching and online assessment linked to an in-clinic program.

Upon starting the program, members establish personalized goals with their health coach based on their needs. The goals can range from completely ending the use of opioids to decreasing opioid use, or the ability to complete activities of daily living without pain.

**Results:** From September 2018 to February 2019, SpineZone has engaged 101 members. Of the 24 patients who have completed the program: 61 percent reported decreased pain, 50 percent are progressing toward their goals, and 33 percent have met goals completely. Notably, 80 percent were satisfied with the program and 80 percent were transitioned off opioids.

### **Wisdom**

Wisdom is a study to optimize breast cancer screening and detection for high-risk women while reducing the unintended consequences of current screening practices for lower-risk women. The study is led by the University of California, and any woman living in California age 40-74 with no history of breast cancer can join regardless of where she receives care. The goal of the study is to determine if personalized screening provides better healthcare value by making better use of available resources, screening women at intervals appropriate to their risk, improving compliance, and decreasing patient anxiety. The desired outcome is to improve access to, and use of, preventive therapy for women at high-risk, thereby modifying the incidence and progression of disease.

**Results:** Wisdom has screened 23 patients who are receiving counseling support as of January 31, 2019. Several outreach efforts have been made to increase member participation, including articles published in the CalPERS OnHealth newsletter for PPO members and PERSpective. The Wisdom study was communicated to members by Anthem through the 2019 open enrollment events and Health Benefit Officer (HBO) trainings. Anthem also provided HBOs with a call to action for dissemination email during October, which is Breast Cancer Awareness Month.

### **Budget and Fiscal Impacts**

The 2019 PERS Select Benefit Design is expected to reduce costs by approximately \$10 million annually consistent with the CalPERS 2017-2022 Strategic Plan; 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 HMO 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 strategies are consistent with “Healthier U” and the “Let’s Get Healthy California” Triple Aim for Better Health, Better Care, and Lower Costs.

The risks are that the VBID benefit structure may not materially change behavior and members may not engage in the healthy activities, such as biometric screening and non-smoking certification. Savings to employees and employers may not meet estimates.

### **Attachments**

Attachment 1 – 2019 PERS Select Benefit Design Report

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