



UNDERSTANDING HEALTH PREMIUMS



VENTURE TO THE CAPITAL

Today's Objectives:

- Cost Drivers
- General Understanding of Health Plan Rate Development
- Potential Cost Saving Strategies
- Moving Forward

Overview of CalPERS

- Over 1.4 million members
- More than 1,200 employers
- State
- Public Agencies and Schools

CalPERS Six Health Insurers

- Anthem Blue Cross
- Blue Shield of California
- Health Net
- Kaiser Permanente
- Sharp Health Plan
- UnitedHealthcare

Cost Drivers

Chronic Conditions

Cost Drivers

Demographics

Cost Drivers

Hospitals

Cost Drivers

Pharmacy

Rate Development



Rate Development



Rate Development



Rate Development



Final rates
presented
to CalPERS
Board

Rate Development



Annual
Process



Engage Health
Carriers



Utilization,
Trend and
Data Analysis



Final rates
presented
to CalPERS
Board

Potential Cost Saving Strategies

- Value-Based Insurance Contracting
- Reference Pricing
- Integrated Health Models

Moving Forward

- Ongoing advocacy in Washington D.C. on Pharmacy
- Employer Engagement
- Explore Health Benefits Purchasing Strategies
- Health Benefits Program Annual Report

Questions