

HEALTHCARE COST
CONTAINMENT COMMITTEE



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STATE OF CONNECTICUT
HEALTHCARE POLICY & BENEFIT SERVICES DIVISION
OFFICE OF THE STATE COMPTROLLER

HEALTHCARE COST CONTAINMENT COMMITTEE MEETING MINUTES
May 15, 2023

Meeting Called to Order by Josh Wojcik:

Attendance:

Labor	State Comptroller Administrative Staff
Carl Chisem – CEUI	Joshua Wojcik
Dan Livingston – SEBAC	Thomas Woodruff
	Presenters
	Bernie Slowik – OSC
	Rae-Ellen Roy – OSC
Management	Betsy Nosal – OSC
Gregory Messner	
	Consultants
Dept. of Insurance	Terry DeMattie, Segal
Paul Lombardo	

Public Comment:

No public comment

Financials:

Forecasted balances for the end of the year. Active appropriation is estimated to close the year with a \$28.5M surplus, the projected FAD balances continue to slowly grow - estimated to close the year at \$60.2M available in carry-over funds.

Due to the Aetna MAPD premium decrease and less than anticipated increase to Medicare Part B reimbursement rates for the current calendar year, the retiree appropriation is forecasted to close the year with an \$88.3M surplus. Retiree OPEB account balance stands at \$198M, due in part to lower than expected medical costs on the retiree side, and lower premiums being paid out. This has been factored into the rates for FY24.

Rate increases and premium updates for FY24. Active dental employee share of premium is increasing approximately .26%, due to DHMO plan having a flat and a slight increase on the basic and enhanced plan. State share associated with this is a .13%. On the active medical, employee and employee shares are increasing 7.48%. The employee share of premium is now the same for all groups; new hires, bargaining members and non-bargaining members, simplifying communications to members and calculation measures internally.

On the retiree side, there is a rate increase on the dental side of 4.25%, distribution of the cost of coverage between actives and retirees has been flattened. Previously the active plan had, and still does, subsidized the retiree plan; with the cost to cover retirees for dental being higher. Cigna has begun to break down the subsidy of the two plans. For retiree medical, there is a 7.37% increase on the retiree share. The total state share for retiree health coverage is increasing 5.68%. The difference in the retiree share increase and the state share increase is due to the array of retiree premium shares. Unlike the active employees, the retiree share of the total premium differs by retirement group with newer retirees paying a larger portion of the premium.

Partnership:

As of May 1, there are 160 groups enrolled and totaling just under 25,000 employees and approximately 58,000 members. As of this month we've had 127 groups who have completed their three-year contract commitments under Partnership and had the option of leaving without an early termination penalty. Prior to 1/1/23, there were ten groups that decided to leave. Quality First plan was offered to new and existing partnership groups for 7/1/23, as a full replacement option. Deadline to respond was April 28, to date no group has elected to make this change.

Partnership 1.0

Five groups remaining totaling 2,400 employees and just under 3,400 members.

Next month, will provide numbers for adds and terms for 7/1/23.

Utilization Dashboard:

Overall medical trend is at 1.9%, outpatient facility which had been a major cost driver for the last year has normalized to around 5.5%. Continue to see high trend in pharmacy around 8.2%, however this does not incorporate the Prudent Rx savings.

Emergency room continues to trend high, 9.4%, but this is down from previous months when this was in double-digits. Will continue to watch and will consider opportunities to help manage ER utilization as we move into the coming fiscal year.

Prudent Rx is running well on projected savings – Had projected \$17M savings from Prudent Rx, with \$4 to \$5M on other programs such as specialty formulary. Through the third quarter of SFY23, we are at approximately \$23M savings with Prudent Rx. It's anticipated savings for the full fiscal year will be around \$30M with the Prudent Rx program, further driving down pharmacy trend.

Communications Update:

Seeing an increase in email communications, continuing with HEP monthly seminar emails, and have introduced Quantum Health to members, for HEP administration and overall benefits administration for members. Introduced via email, explaining registration and how to access information. Also provided an Open Enrollment announcement with agencies/call center managers as an option to share general messages in roll call, team meetings or in weekly updates for their non-desk sitting populations. Seeing a strong following based on open rates using personal and work emails.

Last month, Care Compass redesign was reviewed, calling out important feature changes to the new portal. Members are registering and using the portal. Today a virtual walkthrough of the Care Compass Benefits Enrollment page featured changes incorporated member survey feedback. Access to plan comparison charts and rates have been simplified, along with a ten-step guide to the online benefit change process, plan decision tools and provider look up and benefit Q&A virtual event links are all found on one page. This page will remain active throughout the year for employees when newly hired or during a qualifying life event change.

April and May outreach timeline was reviewed. Outreach was made to DOT, DOC and DPS HR benefit contacts specifically to expect the roll call/garage announcements on the weekly open enrollment emails shared with all HR/managers. Live events are being well attended although slightly lower than this time last year. Active mailer landed on May 1, Retiree mailer was end of last week.

Josh Wojcik – invited other questions or comments from committee members and the public. There were no additional questions or comments, call for motion to adjourn.

Motion to Adjourn was made by Gregory Messner, seconded by Dan Livingston.

Meeting was adjourned