

CONNECTICUT PARTNERSHIP PLAN



July 2025 Partnership Plan Update

Office of the State Comptroller

osc.ct.gov/ctpartner

Agenda

- RFP: Medical & Medicare
- HEP Update – 2024 Status
- Renewal Contracts
- Providers of Distinction Program Update
- Financial Overview

Please remain on mute and ask any questions through the chat.

Thank you.

RFP (Request for Proposal)

- Medical
 - The State is releasing the RFP for the Medical portion of the health plan effective 7/1/26
- Medicare (if applicable)
 - Aetna will remain the carrier for the Medicare portion of the Partnership plan
 - As of 1/1/26, we will be splitting the administration of the Medicare plan in two, Medical and Rx, and retirees will be receiving new ID cards
 - This is still a Medicare Advantage plan and the benefits themselves will not be changing
 - By splitting the admin of the plan, we're able to take advantage of higher CMS subsidies
 - More details to come as we get closer to Jan 2026

HEP Update – 2024 Status

| | | | | |
|--------------------------------------------|---------------------|-----------------------------------------------|---------------------|--------------------|
| Total Eligible Households 86,750 | As of 7/8/25 | Total Eligible Participants 182,480 | As of 7/8/25 | TOTAL |
| Compliant | 76,526 (88.2%) | Compliant | 168,701 (92.4%) | |
| Non-Compliant | 10,224 (11.8%) | Non-Compliant | 13,779 (7.6%) | |
| | | | | |
| Total Eligible Households 63,824 | As of 7/8/25 | Total Eligible Participants 133,094 | As of 7/8/25 | STATE |
| Compliant | 56,996 (89.3%) | Compliant | 123,905 (93.1%) | |
| Non-Compliant | 6,828 (10.7%) | Non-Compliant | 9,189 (6.9%) | |
| | | | | |
| Total Eligible Households 22,915 | As of 7/8/25 | Total Eligible Participants 49,388 | As of 7/8/25 | PARTNERSHIP |
| Compliant | 19,518 (85.2%) | Compliant | 44,797 (91.0%) | |
| Non-Compliant | 3,397 (14.8%) | Non-Compliant | 4,591 (9.0%) | |

HEP Update – 2024 Status

- Groups received the official 2024 non-compliance list on 7/14/25
 - The final 2023 reinstatement file was sent on 6/30/25 , for those whom it may apply
 - If you received a blank file, there are no non-compliant members in your group at this time
 - Reinstatement files are sent weekly on Mondays starting 7/21/25
- As a reminder, the 2024 HEP penalties were added to your August Anthem bills, which were sent out last week
- For any questions, please reach out to the Quantum Team

Renewal Contracts (Every 3yrs)

We recently made important changes to the SPP contract. As a result, all groups up for renewal must sign a new agreement. When you receive the contract for renewal, please review it carefully, sign, and return the completed documents promptly so we can provide you with a fully executed contract before the current one expires.

Below are the relevant updates:

1. Section VI. F. Payment of HEP Noncompliance Fees by Employee or Retiree:
 - New HEP requirements (effective January 2025)
 - Employers will now be required to pass non-compliant HEP fees onto the member, instead of covering them
2. Section VII. E. Communications:
 - Enhanced communication requirements for participating employers to share additional employee contact information with OSC. This will improve our ability to communicate directly about important health plan announcements, such as new programs/point solutions, HEP changes, and benefit updates
3. Exhibit A:
 - This has been updated to reflect the current Premium Rates for Select Healthcare Coverage

Providers of Distinction Program Update

- Effective July 1st 2025 plan members will enjoy greater transparency about which providers or procedures qualify for incentives through the provider lookup tool. They'll also be able to redeem and use their incentives more quickly—all for choosing doctors known for delivering high-quality patient outcomes.
- Plan members get a prepaid gift card anytime they get an eligible service performed by a high-performing doctor or provider.
- Plan members will now see “Incentives Eligible” in the provider lookup tool when they find a provider with a “Provider of Distinction” designation.
- Plan members will be notified via email and a postcard mailed to their home when they have a qualifying service and can claim their incentive.
- Additionally, plan members logged into the provider lookup tool will see a pop-up message for redemption, allowing them to instantly redeem and use their incentive.

The screenshot displays a provider profile for Michelle Taylor, MD, an Obstetrician. At the top, two badges are visible: 'Exceeds Standards' (blue) and 'Provider of Distinction' (green), with the latter highlighted by a red box. A 'Details' button is located to the right. The provider's name and specialty are listed. Below this, icons indicate 'In Network' (green globe), 'Female' (female symbol), and 'Incentives Eligible' (purple gift icon), with the 'Incentives Eligible' badge also highlighted by a red box. Further down, checkmarks confirm 'Telehealth' and 'Accepting patients' services, and a diamond icon shows the distance as '14.18 mi.'. On the right side, two sections are visible: 'Focus Areas' (General Gynecology, Pregnancy and Delivery, Genital Prolapse, Fertility Procedures) with a 'See More >' link, and 'Estimated Costs' (Cost Estimates May Vary By Location.) with a 'See estimate >' link.

The background image is a dark, moody photograph of a bridge at night. The bridge's structure is silhouetted against a dark sky, with some lights visible on its spans. Below the bridge, a body of water reflects the lights, creating a shimmering effect. The overall color palette is dominated by deep blues and blacks, with some warm light tones from the reflections.

Financial Overview

Actives & Non-Medicare Retirees

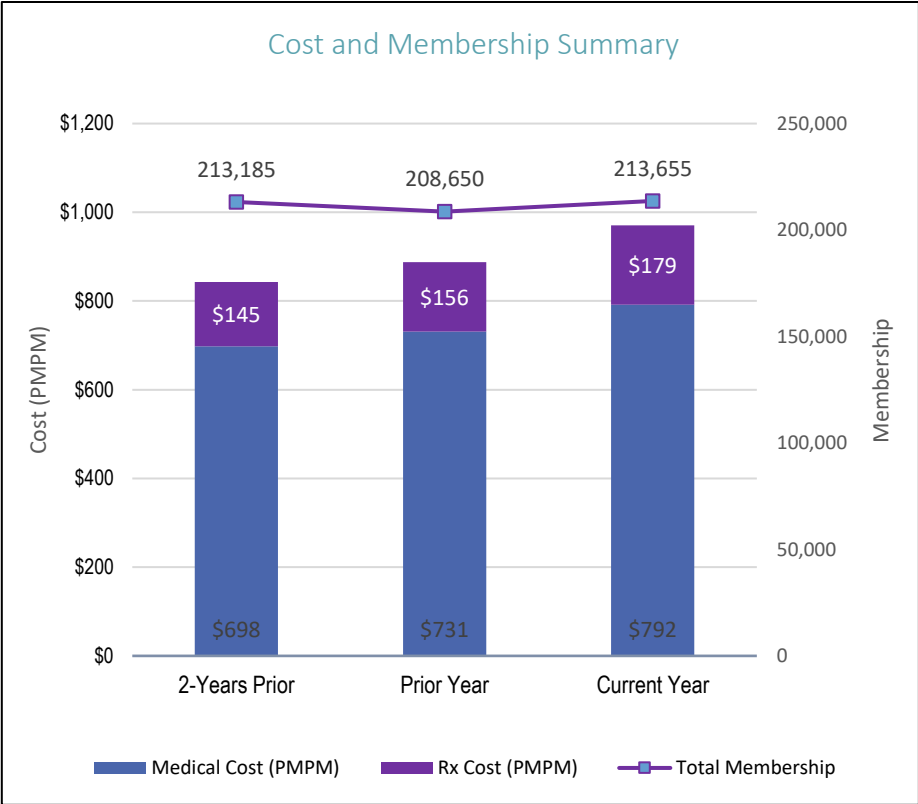
All Plans

Claims Summary¹

| | Total Cost (PMPM) | % of Total Cost | Current Trend |
|-----------------------------|-------------------|-----------------|----------------|
| Medical | \$791.73 | 82% | ▲ 8.3% |
| Inpatient Facility | \$158.62 | 16% | ▲ 7.7% |
| Outpatient Facility | \$309.14 | 32% | ▲ 8.1% |
| Professional Services | \$302.30 | 31% | ▲ 9.5% |
| Ancillary | \$21.67 | 2% | ▼ 1.3% |
| Pharmacy² | \$178.86 | 18% | ▲ 14.5% |
| Total Cost | \$970.59 | | ▲ 9.4% |

Drivers of Trend

| Service Category | Current PMPM | Prior PMPM | Change |
|----------------------------|--------------|------------|-----------|
| Pharmacy - Specialty | \$60.92 | \$40.01 | ▲ \$20.91 |
| Outpatient - Pharmacy | \$60.46 | \$52.75 | ▲ \$7.71 |
| Outpatient - Surgery | \$98.10 | \$90.75 | ▲ \$7.35 |
| Professional -E&M | \$57.33 | \$50.30 | ▲ \$7.03 |
| Prescription Drugs - Brand | \$93.01 | \$87.57 | ▲ \$5.44 |



Observations

- PMPM medical costs have increased 8.3% Year-over-Year (“YoY”) and accounted for 82% of total spend.
- PMPM Rx costs have increased 14.5% YoY and accounted for 18% of total spend.
- The second table above illustrates the top 5 drivers of trend. Pharmacy - Specialty was the top driver of spend on a PMPM basis, increasing \$20.91 PMPM over last year.

¹ Reflects paid claims through May 2025. Claims for the current period have been completed using a factor of 0.95

² Pharmacy costs reflect PrudentRx savings through April 2025.

Partnership FAD Balances

- What is the Partnership 2.0 FAD balance used for?
 - The Partnership 2.0 FAD (Funds Awaiting Distribution) balance represents the funds collected from monthly medical and Rx premiums paid by participating Partnership 2.0 groups. These funds are held temporarily and used to pay insurance carriers and other vendors for claims and services provided to covered members.
- Why does the Partnership 2.0 FAD balance fluctuate?
 - The balance fluctuates due to timing differences between when premium payments are received and when payments are made to carriers and vendors. Partnership 2.0 groups typically wire payments weekly, while the State makes payments to vendors on a bi-weekly or monthly schedule. This timing mismatch causes the balance to rise and fall throughout the month.
- As of 6/30/25, the Partnership 2.0 FAD balance was -\$18.6M
 - The FAD balance is lower than projected because actual medical and pharmacy costs have exceeded expectations. The primary causes are an unexpected spike in in-patient hospital spending, due to increased emergency room use and a high number of large-dollar claimants. As well as a surge in Pharmacy costs due to rising utilization of GLP-1 medications and increased use and prices of specialty drugs.

Partnership FAD Balances

- Will a negative balance impact coverage for Partnership 2.0 members?
 - No, the State is both statutorily and contractually obligated to pay claims on behalf of Partnership 2.0 members. Claims will continue to be paid in a timely manner, and member coverage will not be affected.
- What is the outlook for the FAD balance moving forward?
 - As of July 2025, updated premium rates are in effect. These revised rates are expected to stabilize the account and gradually rebuild the FAD balance. However, to avoid sharp year-over-year premium swings, the Partnership 2.0 plan smooths gains and losses over multiple years. For that reason, the fund is not expected to return to its full target balance during the current fiscal year.

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Questions?

Please remain on mute and use the chat function.

The presentation will be posted to the Partnership Site: [The CT Partnership Plan 2.0](#)

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Appendix

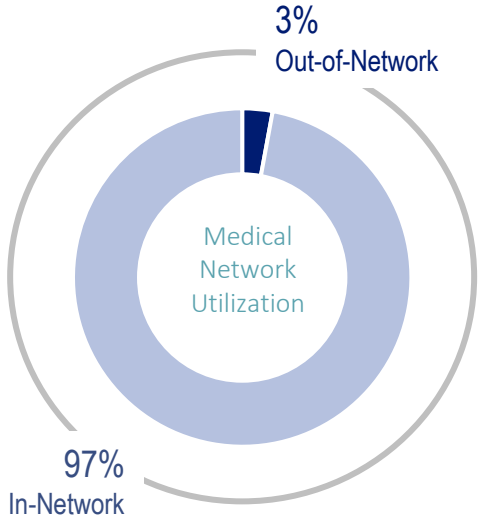
- State of CT & Partnership Utilization Dashboard
 - Key Utilization Metrics
 - Disease Prevalence
 - Care Gaps & Compliance Rates
 - High-Cost Claimants

Actives & Non-Medicare Retirees

All Plans

Key Utilization Metrics

| Category (Utilization per 1,000) | Current Period | Prior Period | % Change |
|-----------------------------------|----------------|--------------|----------|
| Office Visits | 5,125 | 4,889 | 4.8% |
| Preventive Services | 4,376 | 4,455 | -1.8% |
| Inpatient Admissions | 76 | 74 | 3.2% |
| Average Cost Per Admission | \$25,031 | \$23,985 | 4.4% |
| Emergency Room (ER) Visits | 205 | 202 | 1.5% |
| Average ER Visit Cost | \$2,852 | \$2,789 | 2.3% |
| Urgent Care (UC) Visits | 374 | 404 | -7.5% |
| Average UC Visit Cost | \$242 | \$224 | 7.7% |
| Rx Scripts | 11,927 | 11,675 | 2.2% |
| Average Cost per Script | \$180 | \$161 | 12.1% |



Observations

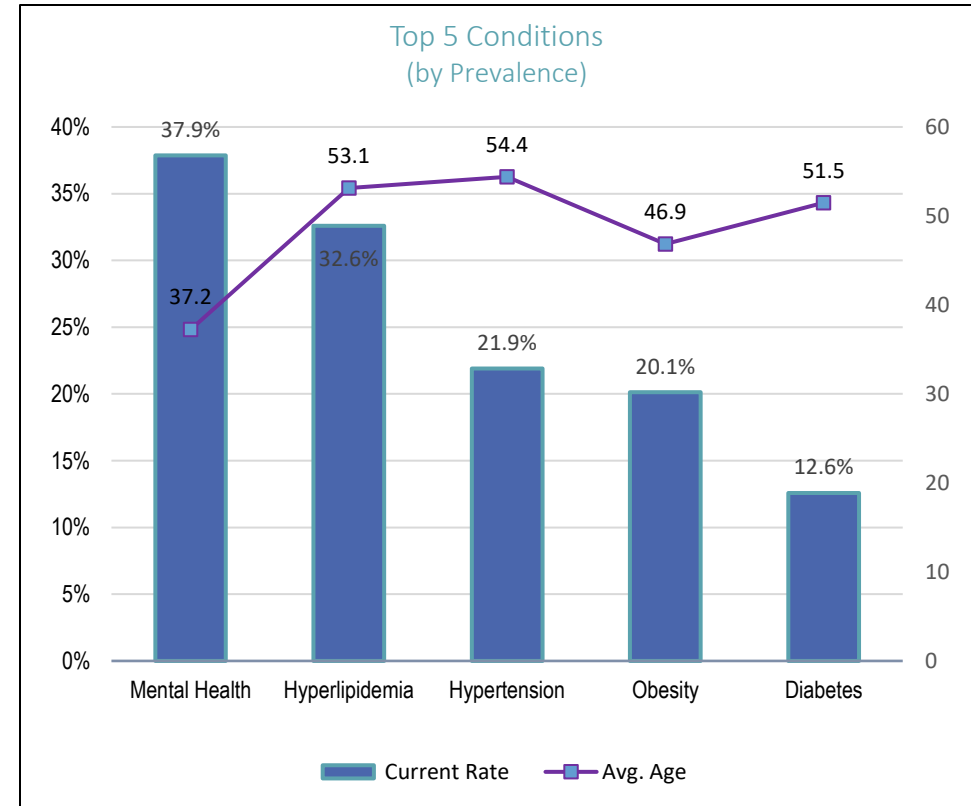
- Office visits per 1,000 increased 4.8% YoY, while preventive services decreased 1.8% YoY.
- Inpatient admissions per 1,000 increased 3.2% YoY, and average cost per admission increased 4.4% YoY.
- ER visits per 1,000 remained relatively stable YoY, but the average cost per visit increased 2.3% YoY.
- Urgent care visits per 1,000 decreased 7.5% YoY, while the average cost per visit increased 7.7% YoY.
- Rx scripts per 1,000 increased 2.2% YoY, and unit cost trend increased 12.1% YoY.

Actives & Non-Medicare Retirees

All Plans

Disease Prevalence (sorted by prevalence)

| Chronic Condition | Current Rate | Prior Rate |
|----------------------------------------------|--------------|------------|
| Mental Health | 37.9% | 36.6% |
| Hyperlipidemia | 32.6% | 31.2% |
| Hypertension | 21.9% | 21.8% |
| Obesity | 20.1% | 19.0% |
| Diabetes | 12.6% | 10.4% |
| Asthma | 7.5% | 7.6% |
| Substance Abuse | 4.0% | 4.1% |
| Coronary Artery Disease (CAD) | 3.6% | 3.2% |
| Breast Cancer | 1.0% | 1.0% |
| Chronic Obstructive Pulmonary Disease (COPD) | 0.6% | 0.6% |
| Prostate Cancer | 0.6% | 0.5% |
| Congestive Heart Failure (CHF) | 0.5% | 0.5% |
| Colorectal Cancer | 0.2% | 0.2% |
| Cervical Cancer | 0.0% | 0.0% |



Observations

- Mental health remained the State's top disease condition with 37.9% of total members (prevalence) and has increased 1.3 percentage points (pp) YoY.
- Continuing increases in Hyperlipidemia, Obesity, and Diabetes

Actives & Non-Medicare Retirees

All Plans

Care Gaps and Compliance Rates

| Chronic Condition | Clinical Quality Metrics | All Members | | | SHAPE BoB ¹ | Gender Distribution | | Compliance Rate by Gender | |
|----------------------|--------------------------------------------------------|-------------|----------------|-------------|------------------------|---------------------|------|---------------------------|-----|
| | | Population | Current Period | Change (pp) | | F | M | F | M |
| Diabetes | At least 1 hemoglobin A1C test | 26,927 | 84% | ▲ 1.8 | 82% | 60% | 40% | 82% | 86% |
| | Screening for diabetic nephropathy | 26,927 | 59% | ▼ 5.0 | 62% | 60% | 40% | 58% | 60% |
| | Screening for diabetic retinopathy | 26,916 | 49% | ▼ 3.8 | 25% | 60% | 40% | 49% | 48% |
| Hypertension | On anti-hypertensives and serum potassium | 29,576 | 64% | ▼ 1.3 | 61% | 41% | 59% | 64% | 64% |
| Hyperlipidemia | Total cholesterol testing | 69,679 | 79% | ▼ 0.9 | 72% | 49% | 51% | 81% | 78% |
| COPD | Spirometry testing | 1,270 | 35% | ▼ 1.4 | 26% | 52% | 48% | 35% | 35% |
| CAD | Patients currently taking an ACE-Inhibitor or ARB Drug | 7,642 | 39% | ▼ 0.7 | 41% | 34% | 66% | 30% | 44% |
| | Patients currently taking a statin | 7,647 | 82% | ▲ 0.7 | 70% | 34% | 66% | 71% | 87% |
| Preventive Screening | Breast cancer | 55,082 | 68% | ▲ 2.2 | 56% | 100% | | 68% | |
| | Cervical cancer | 88,763 | 52% | ▲ 0.4 | 46% | 100% | | 52% | |
| | Colorectal cancer | 71,072 | 51% | ▼ 3.7 | 41% | 54% | 46% | 55% | 47% |
| | Prostate cancer | 32,681 | 70% | ▼ 1.3 | 38% | | 100% | | 70% |

Observations

- All preventive screening compliance rates are critically important. Early detection of chronic conditions gives the patient a higher probability of a positive outcome. Expensive treatments in the future can be avoided if these conditions are caught/managed early.
- While most compliance rates are down YoY, the State's compliance rates remained favorable in most categories when compared to the SHAPE BoB.
- The Plan should continue to frequently communicate the value and importance of preventive screenings.

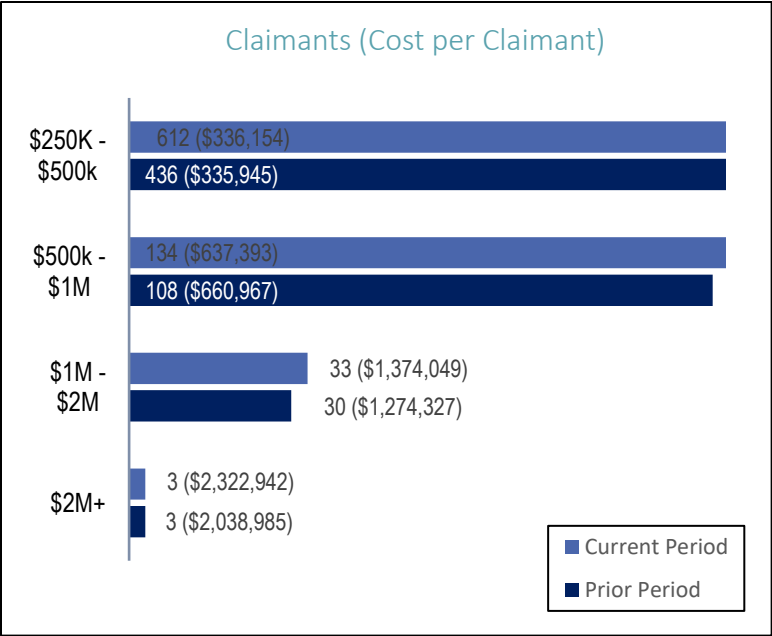
¹ SHAPE Book-of-Business reflects compliance rates for calendar year 2023 Compliance statistics have not been adjusted for risk or severity

Actives & Non-Medicare Retirees

All Plans

High-Cost Claimants (Medical & Rx \$250k+)

| Category (sorted by Members) | Current Period | | Prior Period | |
|--------------------------------------------------------|----------------|-------------------|--------------|-------------------|
| | Claimants | Cost per Claimant | Claimants | Cost per Claimant |
| Episodic w/ Underlying Health Conditions ¹ | 192 | \$452,306 | 155 | \$460,505 |
| Non-Screenable Cancer | 178 | \$477,400 | 117 | \$523,646 |
| Chronic | 148 | \$444,365 | 124 | \$438,397 |
| Rx Dominant | 109 | \$404,227 | 71 | \$425,762 |
| Screenable Cancer | 93 | \$412,276 | 77 | \$411,680 |
| Episodic w/o Underlying Health Conditions ¹ | 30 | \$387,276 | 13 | \$516,488 |
| Mental Health | 25 | \$379,677 | 16 | \$338,627 |
| Substance Use | 7 | \$335,889 | 4 | \$284,075 |
| Total High-Cost Members | 782 | \$439,194 | 577 | \$454,425 |



Observations

- 782 claimants exceeded the \$250k in combined medical and Rx spend during the current period. Compared to 577 in the prior period.
- Episodic w/ Underlying Health Conditions was the top category with about 25% of high-cost claimants falling into this category. Non-Screenable Cancer was the second highest category.
- Rx dominant, which reflects claimants exceeding the threshold mainly due to prescription drug costs rather than medical costs, ranked third.

¹ Underlying conditions reflect members with the following conditions: Mental Health, Hyperlipidemia, Hypertension, Obesity, Diabetes, Asthma, Substance Abuse, Coronary Artery Disease (CAD), Chronic Obstructive Pulmonary Disease (COPD), and Congestive Heart Failure (CHF).