



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

HEALTHCARE COST CONTAINMENT COMMITTEE MINUTES
November 8, 2021

Meeting Called to Order by Tom Woodruff:

Attendance:

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

Public Comment:

No public comment

Financials:

Report is through Oct 15 actuals, seeing an improvement on the active appropriation projections, now expected to close the year at an \$11.5M surplus. On the active health care FAD accounts, medical claims increased more than was anticipated and this is being further investigated, but starting to build the appropriate balance in the FAD accounts, \$163M to get to the account to a healthy IBNR balance. On the retiree health appropriation, improved since prior month. Review done of actual population retiring versus what was anticipated to retire (earlier in the year), to date seeing less retirements than anticipated but this may mean more might retire in April, June and July. Preliminary 2022 rates have been incorporated into the Medicare reimbursement. In prior years, 5% was anticipated increase was used to project year over year growth for Medicare Part B, but 2022 COLA increase with the Medicare Part B rate increasing by 6.7%. With unknown new retiree counts at year-end, an \$11.7M deficit is being projected on the

retiree appropriation side. The Retiree OPEB FAD accounts continue to improve, so the appropriate balances are being built.

Partnership 2.0

As of 11/1/21 we still have 152 groups enrolled totaling almost 26,000 employees and over 63,000 members.

As of 11/1/21, we had 99 groups who have completed their 3-year contract commitment under Partnership. These had the option of leaving the plan without an early termination penalty. To date, no group has left Partnership 2.0.

A small group is confirmed to join on 12/1 as well as a potential small group joining on 1/1 as well as one on 2/1. There are also several large groups that are expressing interest for 7/1/22.

Communications Update:

Email topics and impacts during the months of September and October were discussed. A virtual live event for orthopedic resources was held that provided guidance on available resources and how to navigate the website. A virtual event was held for HEP in October, with Q&A and HEP representatives on hand to answer questions (as HEP requirements were reinstated this year). Four focus groups held in October as well as an email on the digital diabetes program and information on flu was added to the webpage.

Question on 72K reached for orthopedic resources, more than usual. Response was this number has increased because state and personal emails were used, which doubled reach to members.

Another question raised was around why 528 people registered for the focus group while only 189 participated. Response was that some may have the intent to participate but were ultimately unable. Late in the day times had lowest attendance, as some who registered may have been pulled into another direction and unable to attend.

Care compass website access reviewed, emails to members prompted an increase in HEP searches. Facebook has been used as another access point members have been utilizing to find information on health benefits.

Question was raised on whether it is workable to determine which bargaining units are accessing digital communications and who may not have access to these forms of digital communications. Response: OSC may have some information gleaned from the focus groups on which groups may need to continue receiving mail, versus those who may have better access to electronic mail. OSC will continue to investigate to better understand which groups have digital access, and those groups/agencies that do not. Dan Livingston will outreach to unions to perhaps bring together a group that may be able to advise on this issue.

Discussion was had around upcoming events in November and December including diabetes and prediabetes programming, orthopedic care and flu cards being mailed to members and generic versus brand medication mailer.

Cigna

Discussion on utilization review of three existing plans and a new plan beginning July 1, Total Care DHMO. Membership has remained stable, with the addition of the new 7/1/ offering, added 2,700 new members who migrated from enhanced, basic or traditional DHMO plan. Utilization during COVID was fluid with offices having been closed then reopening, so overall, 78% of members are now back using the plan – almost returning to the 82% pre-pandemic level utilization. HEP and preventative care compliance returning to pre-pandemic level with overall oral health improving. Cigna's Oral Health Integration Program was reviewed, covered conditions were doubled this past year. Research done to remove barriers to care and improve benefits, providing more targeted dental services that improve overall health. Question around impact on dental and medical cost relative to new programming. Cigna offered to follow up on what research has shown on this. Demonstration provided for MyCigna web-based tool.

A&S Pharmacy Removal

Update on discussion had last spring related to spiking costs for Horizon products, 80% of spend was coming from A&S Pharmacy which was removed from network beginning July 1, 2021. A&S Pharmacy was the most significant contributor in spend from April – June. Letters sent in June to members utilizing this pharmacy notifying them that A&S Pharmacy will be removed which resulted in some reduction at that time, with spend completely removed in August. By June, was on track to \$2.5M annual spend, but with this targeted approach taken, now down to \$700K projected annual spend (or 73% reduction in spend). Question was asked as to how OSC was alerted. CVS had indicated A&S was one of the drivers of this increased cost. CVS recommended this action. CVS was asked to track member calls concerned about the pharmacy being removed, CVS has reported no calls on the matter.

Contract Reimbursements

CVS - State of CT contract with CVS includes acquisition cost pricing, projected discount associated with this is aggressive along with an annual reconciliation to determine what CVS paid for each specialty drug compared against what was actually reimbursed. The annual reconciliation has shown the acquisition price combined with admin fee were lower than projected by \$2.1M – State will be receiving a reimbursement. The state also gets an improvement on generic discounts twice annually and over the course of the contract, the state has

received reimbursements when CVS doesn't meet contracted discounts. Finally, findings from a CVS audit uncovered rebate guarantees that were transposed, resulting in a required reimbursement from CVS of \$5.6M dollars for state plan and an estimated \$4M related to partnership. Next audit will commence in the next few months.

Anthem:

State of CT to receive \$1M rebate related to missed performance guarantees. Challenges occurred with Anthem when changes to their claims processing platform led to claims processing delays.

Question as to whether SOC will receive this reimbursement this FY, answer was yes.