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
February 10, 2025

Meeting Called to Order by **Josh Wojcik**

Attendance:

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

Public Comment:

No public comment.

Financials:

Overview of the current statistics and forecasts for this fiscal year's financial appropriations and FAD accounts.

We anticipate closing the year with approximately $32.6 million for the active health appropriation. This amount will cover nearly the deficit, which we will discuss shortly.

Regarding the active health FAD accounts, we currently have a surplus of about $79.6 million. While this surplus is developing towards our reserve needs, it is still insufficient to fully meet them. We have experienced higher-than-expected claims costs, particularly in the pharmacy sector, as well as medical costs, which have impacted this account.

Moving on to the retiree health appropriation, I am forecasting an anticipated deficit of about $34 million. This projection considers the increased Medicare Advantage premiums and payroll deduction shares that began in January.

On the other hand, the OPEB FAD accounts for retiree health show a projected year-end surplus of approximately $228 million. That does give us the IBNR that we are looking for. It does spend down some of what we've had, but we are still in a very healthy situation there.

In the retiree health appropriation, we have accounted for the first month of the substantial bulk of IRMA, the high-income earners' Medicare premium reimbursements, and we are currently on target with our expectations in this area. Thus, the main losses have indeed been accounted for in the Medicare Advantage premiums.

Partnership:

As of February 1st, we have 168 groups enrolled in Partnership 2.0, totaling just over 25,000 employees and more than 60,000 members.

We have one confirmed small group joining for 3/1 and two larger groups joining for a total of 441. There is also significant interest in another group, but many are waiting for the final rates, which we expect to receive in early March.

Last month, we held our quarterly partnership update meetings and provided an adjusted estimate of a 10-12% increase for our base rates. We should have the final rates available at the beginning of March. In January, we also launched a new member-facing website for Partnership, which is hosted on carecompass.com. However, the current website at osc.ct.gov/ctpartner will continue to be used for HR and new group inquiries. We thank our communications team for their excellent work on this release.

In Partnership 1.0, we still have five remaining groups, totaling approximately 2,500 employees and 3,500 members.

High-Level Utilization:

The review of the utilization dashboard for this month. Some areas are still higher than historical norms. Inpatient and pharmacy utilization remain high. However, we are seeing a slight overall improvement compared to last month, with a total cost increase of 8.9%. This data extends through December. We are particularly interested in how these figures will look once we have the claims data for January, as that will be indicative of the final rate increase for next year.

One quick note regarding the pharmacy data: it only includes savings from Prudent RX through the year's first month. Consequently, about four months of savings are not reflected in these numbers. Therefore, the actual pharmacy cost is closer to 14% rather than the 16% being reported. While this is still higher than we would prefer, it is better than currently shown.

We are continuing to investigate the reasons behind these significant increases in utilization and are discussing the situation with UConn Health to see if they are experiencing similar trends. Initial indications suggest that their data also reflects a noticeable increase during the same time period. In our discussions, they pointed out that they have seen a significant rise in emergency room usage, leading to higher inpatient stays as patients are admitted from the ER when necessary.

It's unclear what is happening more broadly, but people are experiencing illnesses with higher acuity than we have seen historically.

Communications Update:

For Communications, we continue sending Care Compass emails and various communications to our plan members. A significant focus this past month has been the State Partnership groups' efforts to remind members about the Care Compass platform and help them get accustomed to it. They have a special landing page, and our goal is to connect plan members directly to their benefits—providing information and access to the portal hosted by Quantum Health for even more accurate and efficient details. We have included the benefits portal sliders our clients can access on the Quantum portal. We aim to align these updates with current events, and my communications team creates these sliders and sends them to Quantum Health. We take pride in the strong connection between the portal and our all-user communications.

This is a complex time for HEP because Quantum Health sent out a multi-fold mailer to every HEP household. This mailer reminds them of the new 2025 requirements and deadlines. Additionally, a flyer created by Quantum Health has been posted on the Care Compass HEP page and on the Quantum portal for easy reference by agencies and employees.

Emails are also being sent out to those at risk of non-compliance for 2025. We encourage everyone to check their portals and familiarize themselves with their benefits. There is a bit of overlap during this period; Quantum continues to reach out to those with opportunities to ensure compliance for 2024. Over the next few months, we will persist in disseminating the 2025 information with the hope that the number of non-compliant members will decrease. You can expect to hear updates from Quantum on this initiative in the coming months.

MAPD RFP Update:

We have a draft that is now 99.8% ready to be posted and put out to bid for various options regarding Medicare Advantage.

We are requesting proposals for a fully insured Medicare Advantage prescription drug program. We will ask the bidders to provide a fully insured Medicare Advantage plan along with a transition to a self-insured Part D EGWP.

As a comparison, we are also asking bidders to submit bids for a fully insured Medicare supplement alongside a self-insured Part D EGWP. However, we need to clarify that we are looking for a fully insured Medicare supplement since we do not have the experience to determine the self-insured premium equivalents.

The schedule is set for us to launch any day now. The draft is circulating, and the submissions will be due in March. Our selections will be finalized by May, allowing us to implement any new plan designs or programs starting in June in preparation for a start date of January 1, 2026.

Question: Is the current contract set to expire on January 1, 2026?

Answer: We currently have a three-year contract with two available options for one-year extensions. The initial three years will conclude on January 1, 2026. While we can extend the contract for two additional one-year periods, considering the current financial market, it is best to explore our options today.

Question: Can you provide a rundown of EGWP?

Answer: The Employer Group Waiver Program (EGWP) is a custom-designed prescription drug plan program. It takes advantage of certain subsidies and the Medicare Coordination Part D plan. This program allows for a self-insured design, providing significantly more customization options than a traditional Medicare Advantage prescription drug plan.

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 Dan Livingston, seconded by Gregory Messner.

Meeting was adjourned.