

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
September 9, 2024

Meeting Called to Order by **Rae-Ellen Roy**

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:

The financial report I'm giving you is for the new fiscal year. There may be some changes throughout the year, but the bottom line is that we expect to have a significant surplus in the active health appropriation. When we first made the budget, we didn't account for some recent changes, like the increase in funding for healthcare from higher education. We no longer need to cover that expense, which has saved us a lot of money. Additionally, our projections for the

health plan have turned out to be better than we expected a couple of years ago. This is great news for us and has led to a surplus.

The active health FAD accounts, we still maintain a healthy surplus of about \$151 million. This is approaching the IBNR value we aim to have in that account. We plan to increase this surplus gradually throughout the year by including it in the rate deductions for the retiree health appropriation account. However, we expect a deficit, as evidenced by this month's report showing a negative balance of \$9 million in the account. I believe we can still make some adjustments as the months progress. There are several uncertainties related to Medicare reimbursement rates for the upcoming year. Although the renewal for the Medicare Advantage plan turned out slightly better than expected, it's still not ideal due to adjustments in federal subsidies and considerably higher Medicare reimbursement rates for prescription drugs compared to previous years. These factors are contributing to the current large deficit. As for the retiree health OPEB FAD accounts, we currently have a significant surplus, more than enough to cover our IBNR. We are gradually spending this surplus by reducing the payroll deduction value, to minimize the amount drawn from the accounts.

Partnership:

As of September 1st, under partnership 2.0, we have 168 groups enrolled, totaling just over 25,000 employees and over 60,000 members. On 8/14, we reached out to existing group leads for an employee email request initiative. The purpose is to send partnership-related materials directly to the employees. We've received approximately 50 responses so far, totaling about 4500 emails from these groups. We'll also be reaching out to the remaining groups this week with a follow-up email reminding them of the request. Next week, we'll make phone calls to those who did not respond. Our goal is to collect member emails so we can reach out to them directly. We're trying to gather more things, such as HEP, Care Compass, etc., to make it easier to communicate directly with the members, rather than involving the group leads.

As for partnership 1.0, the status remains the same, with five groups remaining, including 2500 employees and 3500 members.

High-Level Utilization:

For our monthly review of the utilization dashboard. There haven't been any significant changes. The increase in PMPM for medical is around 4.5%, while for RX it's 9.1%. Although 9.1% seems alarming, it's mainly due to the significant drop in overall spending with the introduction of the Prudent RX program. We are now seeing steady growth from those savings, so the situation is not as bad as it seems.

In terms of professional services, we continue to see a steady and flat trend. We've observed a 3.4% increase in professional services over the past few years, but there was a slight increase to 5.0% in the most recent year over year. This could be partly due to a lot of catch-up as people rushed to get their HEP compliance, leading to an increase in services like colonoscopies, physicals, and labs.

The key factors driving our professional trend services, and it's evident that our members prefer using their specialists. This feedback is consistent across various vendors and carriers. Many of our members also rely on their specialists as their primary care physicians (PCPs), which contributes to the high utilization of specialist services. We aim to reduce this reliance on specialists for general PCP care.

The PCI initiative is making a positive impact in this area. With the pandemic gradually subsiding, we've observed a significant decrease in lab services and COVID testing-related activities.

Looking closely at our specialist visit trends and therapies, we find that respiratory care is the most utilized specialist service, largely due to asthma being the predominant health condition among our members.

In addition, we are addressing the utilization of office-administered drugs and psychiatric care, as previously mentioned by Josh in last month's meeting. Office-administered drugs, particularly Part B drugs, significantly impact our medical spending. We are exploring measures to gain better control over these costs and plan to release a request for proposal (RFP) soon to explore potential solutions available in the market.

Thyroid eye disease has seen a significant increase of 300%. This is due to a new therapy for the condition, which was previously not widely available. While this is a notable trend, it's not a cause for immediate concern.

On the psychiatric side, the increase is largely attributed to neurodevelopmental disorders such as autism treatment and ABA therapy. This explains the higher-than-average trend in this area.

Overall, there is a general increase in healthcare costs due to inflation. This is impacting all types of medical services, leading to higher baseline trends. This trend is likely to persist for another year before leveling off in line with general inflation rates.

HEP Compliance Numbers for 2023 and 2024 Programs:

As of a few days ago, we had achieved 90% compliance at the household level for the 2023 program, and a 94% compliance rate at the participant level for the same program.

It's worth noting that nearly 700 households have achieved compliance since the initial decision to transition everyone over. This shows great progress, and it's particularly encouraging because our new approach allows us to bring people back into compliance right away instead of waiting a whole year for reinstatement.

Let's review the 2024 compliance totals. These numbers are considerably lower than those of 2023, but that's because the 2024 program has not been fully implemented yet. As of a few days ago, the household-level compliance for 2024 was only at 39%, and the participant-level compliance was at 58%. We will be sending out a communication in the next couple of weeks to remind members of their 2024 compliance status. Hopefully, we will see the numbers increase because of this communication.

Communications Update:

In August, our communications are intentionally lighter than usual. We continue to support not only HEP education for chronic education seminars but also all well-being education seminars available to our members year-round. We sent out the typical monthly announcement of the schedule for the current and following month. We noticed the open rates and click-through rates were a little slower in August, likely due to many people being on vacation or preparing for the new school year. This is why we don't do a lot of communications during this time, and it also allows us to work on upcoming projects for the fall.

One of our goals in the Communications Unit is to improve the navigation on Care Compass. We want our employees and plan members to easily find the information they need or who to call if they need help with their benefit coverage questions. We are always making improvements to the webpages and the navigation bar as programs are added or tweaked, which includes quick links to find providers and dentists planners and more. We hope our employees find the navigation bar handy and utilize Care Compass effectively.

As flu season is approaching, we want to ensure our employees are aware of the coverage for flu shots and have easy access to a pharmacy near them. The annual all-user email with current CDC guidelines regarding free COVID tests and Flu information was sent. Additionally, we will be introducing benefit spotlights this year, which are 30-minute webinars featuring demonstration from Quantum Health on how to navigate the benefit portal and locate their HEP status bar. We want to encourage our employees to utilize the portal for more than just checking their HEP status. We have Cigna dental in October and Diabetes vendors in November to round out the initial spotlights.

We will be expecting to wrap up the focus group/survey held with our agency benefit contacts and HR contacts on benefit marketing material and information needs for employees. This feedback will help us make necessary changes in time for open enrollment in May.

Rae-Ellen Roy – 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.