



News from:
COMPTROLLER KEVIN LEMBO

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**COMPTROLLER LEMBO ANNOUNCES RFP FOR NEW
MEDICAL BENEFITS CONTRACT**

Comptroller Kevin Lembo today announced a new request for proposals (RFP) to administer the state's self-insured medical benefits plan for state employees, retirees and their dependents.

“This marks the beginning of a competitive bidding process – and an opportunity to identify significant new savings, efficiencies and innovation through the state health plan,” Lembo said. “We are gearing up for strong contract negotiations to deliver smarter care at a smarter price.”

Lembo, in coordination with the state's Health Care Cost Containment Committee (HCCCC) – a partnership between labor and management -- said the state would like to see more value-based purchasing of health-care services, better contracting for mental health services and integration of those services with primary care; and stronger chronic disease management by physicians.

Lembo said the state would also like the plan's members to receive care from providers practicing in highly coordinated inter-disciplinary care delivery systems, and to enhance opportunities for support in obesity prevention or reduction, tobacco cessation, and depression screening in advanced primary care settings.

The state is also inviting suggestions from vendors as to whether alternative benefit approaches might improve covered population's overall health without increasing cost to the state, Lembo said.

“Better care at a better price is the ultimate goal,” Lembo said.

The renegotiation of the state’s medical benefits contracts follows newly renegotiated savings through the state’s pharmacy and dental contracts.

The state recently confirmed that it spent \$50 million less in Fiscal Year 2014 through its pharmacy benefits manager CVS Caremark than it would have spent under the terms of the previous contract for the same claims, according to an actuarial review. Through a new dental contract negotiated this year with Cigna, the state expects to reduce costs significantly, by 13 percent, due to the larger contracted network and lower administrative fees from the carrier.

For medical benefits, the state currently contracts with two providers – Anthem BlueCross and BlueShield and UnitedHealth Group. While the structure of the benefits and plan designs are the same, the only substantive difference between the benefit options are network size and pricing offered by each carrier. Those contracts began July 1, 2010 and expire at the end of the fiscal year on June 30, 2015.

In addition to providing benefits to state employees and retirees, the state’s medical plan also covers employees in the probate court system, General Assembly members, former legislators, and other groups, as authorized by statute.

The state also offers medical benefits through its current medical benefits vendors to local municipalities under the Connecticut Partnership Plan. Those municipalities currently include City of New London and New London Board of Education, Town of Griswold and Griswold Board of Education, Town of Sprague, Town of Voluntown, Uncas Health District, Town of Union, Town of Bozrah, Valley Council of Governments and Waterbury Housing Authority.

Letters of intent are due Nov. 26, and RFP responses are due Jan. 14, 2015. Vendors will be selected Feb. 27, 2016.

The RFP can be accessed here:

<http://www.osc.ct.gov/vendor/rfp.html>

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