



News from:
COMPTROLLER KEVIN LEMBO

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**COMPTROLLER LEMBO ANNOUNCES PLAN THAT COULD
SAVE THE STATE TENS OF MILLIONS PER YEAR ON RETIREE
HEALTH COSTS BY ADOPTING MEDICARE ADVANTAGE**

Comptroller Kevin Lembo today announced that the state is preparing a request for proposal (RFP) in partnership with the state Health Care Cost Containment Committee that could potentially save the state tens of millions on retiree health costs by implementing a Medicare Advantage plan.

After research and consultation with actuaries, Lembo said the state could not only retain the same health benefits, but actually offer enhanced care and wellness programs to retirees through a Medicare Advantage plan while also potentially saving tens of millions of dollars in the process.

“The mission continues: do better work for less cost,” Lembo said. “Where health care is concerned, cost and quality are not at odds. A switch to a Medicare Advantage plan will not only save state costs, but actually improve the quality and efficiency of care for state retirees.

“Above all else, I’m going to stick to my own rule once again, which is to let data drive the decision making,” Lembo said. “The data, the research and the actuaries have demonstrated the benefits of using a Medicare Advantage plan: drops in emergency room use, drops in inpatient days, drops in readmission rates – all while increasing medication adherence, preventive screening rates and all of the usual benefits of actively managing care for a population.”

There are approximately 49,000 Medicare-eligible retirees and dependents covered under the Connecticut state health plan. Under the current system, when retirees become eligible for Medicare they are required to enroll in a Medicare plan. When those Medicare retirees utilize

health care, the federal Medicare program is the frontline coverage, paying for approximately 80 percent of costs. The state is responsible for approximately 20 percent of those costs.

The state currently can only estimate at the beginning of each year what health care costs will be. By switching to a Medicare Advantage plan, an insurance carrier would contract with the state and, in the process, guarantee a fixed and predictable annual cost to deliver retiree health benefits.

Medicare Advantage plans, in addition to guaranteeing the state a predictable annual cost, are often more affordable for several reasons. Those reasons include a higher federal reimbursement for such plans, as well as increased clinical care coordination and management at all points of service, including physicians, facilities and in patient's homes. These programs include wellness, prevention and management programs for acute illnesses, chronic conditions and advanced illnesses.

Medicare Advantage plans typically include dedicated claims and customer service teams for state group plans that are specifically trained to support a senior membership, and these plans are designed to identify and connect retirees with the most appropriate clinical programs through predictive modeling and health risk assessments.

Medicare Advantage will offer members a robust national network that includes all physicians that accept Medicare, which is most.

Public employee health plans in other states that have recently adopted a Medicare advantage plan have realized significant reduction in costs, resulting in tens of millions of dollars in savings.

The RFP to implement the program will be issued on Friday. Full implementation of Medicare Advantage is subject to agreement and approval by labor and management. Comptroller Lembo first brought this proposal to the Health Care Cost Containment Committee last year for their consideration.

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