



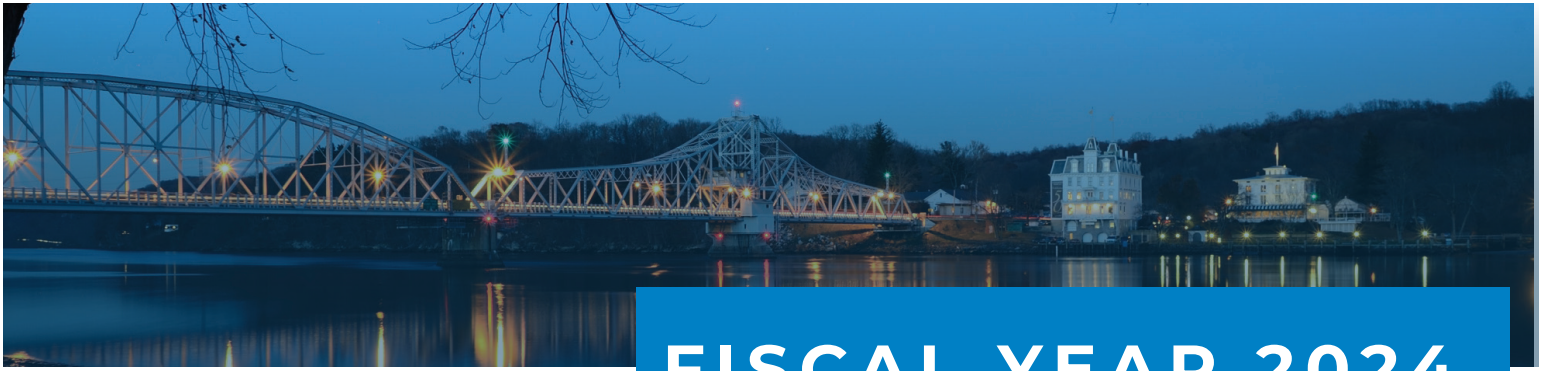
**CONNECTICUT**  
**PARTNERSHIP PLAN** 

# REPORT ON THE STATUS *of the* CONNECTICUT PARTNERSHIP PLAN

| **FY24**

PREPARED BY:  
THE OFFICE *of the* STATE COMPTROLLER





# FISCAL YEAR 2024

## EXECUTIVE SUMMARY

The Connecticut Partnership Plan offers non-state public employers the choice to participate in the state employee health plan. Participating groups rely on the same programs as the state health plan, and all claims from both plans are pooled to determine premium rates. All eligible groups that apply are admitted to the plan as long as they include all of their covered lives.

The Partnership Plan has allowed Connecticut cities and towns to obtain quality health insurance for their employees at affordable rates by accessing the contract terms and pricing available to the state as a large purchaser. In addition, participating groups get access to innovative programs, like the state’s Health Enhancement Program (HEP), which provides lower premiums and cost share in exchange for members agreeing to receive preventive care and screenings. This program has shown significant positive impacts on preventive cancer screening rates and improvements in health equity.

In Fiscal Year (FY) 2024, the plan collected more in premiums than it paid in claims. In total, the plan took in approximately \$613 million in premiums from enrolled members and paid out approximately \$572 million in claims. The Medical Loss Ratio (MLR)—the percent of premiums the health plan spends on medical and pharmacy claims—was 93.3 percent.

The MLR has decreased in the past 2 years showing a trend in the right direction. Also, eleven new groups joined the plan on 7/1/24. These new groups added approximately 2,800 new employees and 6,300 members in total.

In FY 2024 the plan focused on patient engagement, value-based reimbursements, targeted point solutions, centralized healthcare navigation, and strategic communications. These programs will be discussed under the offered benefits section.

### THE BASICS



**PLAN OPENED IN 2016**



**25,617 EMPLOYEES**



**60,756 MEMBERS**



**167 ENROLLED GROUPS**

## ABOUT THE PARTNERSHIP PLAN

The Connecticut Partnership Plan is a point-of-service (POS) health plan available to non-state public employers and their employees. This includes municipalities, boards of education, quasi-public agencies, housing authorities, public libraries, and other public entities. The plan shares benefits, administration, and programs with the state health plan.

Claims from Partnership groups are pooled with those of the state health plan and used to establish rates.

The current Partnership Plan was established under Public Act 15-93 and began enrolling members on January 1, 2016. The Office of the State Comptroller administers the plan and contracts with private companies to manage benefits and claims processing, actuarial services, and health care programs.

Leveraging the size and negotiating power of the state employee health plan to benefit municipalities and other non-state public employers is a common practice across states, including Connecticut's neighbors: Massachusetts, Vermont and New Jersey.

### *Participating Groups*

As of December 1, 2024, the Partnership Plan has 60,756 enrolled employees and dependents representing 167 groups. By statute, the plan must admit all complete groups that apply.

Enrolled groups range in size from over 8,000 total members (City of Bridgeport and Board of Education) to one (Several Housing Authorities).

### *Offered Benefits*

Partnership Plan members have access to the same POS health plan as state employees. The plan has no- or low-deductibles for all services. Medical and pharmacy coverage are provided for all members, but individual groups may also choose to add dental coverage or a vision rider.

The cost-saving and wellness programs created by the state health plan are available to Partnership members as well. This includes:

**Quantum Health** operates the plan's "Health Navigator" program, a benefits concierge service to answer member questions about coverage and assist in connecting patients with the care they need. Quantum is also the administrator of the Health Enhancement Program (HEP). They manage claims tracking for required preventive services and chronic disease management and related compliance. Quantum has a 62% member engagement success rate with Partnership members and 99% of high-cost claimants (over 100k) are engaged.

**The Health Enhancement Program (HEP):** a preventive health initiative that incentivizes members to receive several age-based services, such as physicals, dental cleanings, and cholesterol screenings, to maintain long-term health. The requirements in the program were reviewed and adjusted for calendar year 2024 to align with U.S. Preventive Services Task Force Recommendations. Therefore, children of enrolled employees only need to complete an annual dental cleaning as opposed to other requirements in previous years. Also the vision requirement has been removed for all members. HEP is reviewed on a calendar year basis, the compliance rate with program requirements for Partnership members in the most recent completed calendar year – 2023 was 86%.

## **REPORT ON THE STATUS OF THE CONNECTICUT PARTNERSHIP PLAN**

**FlyteHealth:** Starting on July 1, 2023, the state rolled out FlyteHealth to its state and partnership members. This is a weight management program that is available to members who are 18 years and older. These medical professionals consist of physicians, nurse practitioners, and registered dietitians who specialize in helping people manage their weight as well as treat some of the complications that come with excess weight, including diabetes, heart disease, sleep apnea, and liver disease. The plan only covers anti-obesity medications for those enrolled in the program. The clinical results for those who have completed a full 12 months in the program have been impressive, with an average reduction in weight of 16.6% and blood pressure of over 14%. As of November 2024, there are approximately 6,500 members enrolled between both the state and partnership populations.

**Diabetes Management Programs:** programs to prevent and manage diabetes including the online Diabetes Prevention Program and Virta Health, which provides access to coaching, a free connected glucose meter and supplies. The plan also offers pre-diabetes programming to help members avoid becoming diabetic altogether.

**Digital Orthopedic Services:** Upswing Health is an orthopedic resource that offers no-cost at home treatments to prevent surgery.

**PrudentRx:** a specialty drug discount program that applies manufacturer assistance to reduce member and plan costs for high-cost specialty drugs. The program began July 1, 2022, and has been saving money on the State Plan and Partnership Plan ever since. In FY 24 PrudentRx saved the partnership plan approximately \$6 million and reduced member cost shares by approximately \$400,000.

**Primary Care Initiative:** a pilot program that gives primary care providers additional financial resources to invest in improved care management, coordination, and access for members to improve the care experience, improve outcomes and reduce total health care costs. Providers enrolled in the program area also responsible for managing their patients' total cost of care, through better care coordination and patient engagement. The total cost of care targets are set to align with the state's health care cost growth benchmark, which seeks to ensure statewide health care cost growth is sustainable moving forward. The program operates on a calendar year basis. In the most recently completed calendar year participating primary care groups beat the total cost of care targets, earning over \$2.2 million in bonus payments for themselves and reducing the state and Partnership plan costs by \$5.2 million. At the same time groups saw marked improvement in quality metrics tracked by the program.

### ***Public-Private Partnerships***

The Office of the State Comptroller has contractual agreements with a host of private companies to assist in the administration of the Partnership Plan and provide programs for members.

**Anthem Blue Cross Blue Shield (Anthem)** is the plan's third-party administrator. Anthem manages eligibility and billing for medical and pharmacy coverage and offers its same POS plan design available to state employees.

**Cigna** provides fully insured dental and vision options to Partnership groups and manages the related eligibility and billing.

**CVS Caremark** is the pharmacy benefit manager for both the state health plan and the Partnership Plan. CVS utilizes a tiered prescription pricing plan and a maintenance drug network to allow members to receive maintenance drugs at local pharmacies at reduced costs.

**Segal** is an independent actuarial firm contracted to assist in monitoring financials and setting plan rates.

**FINANCIAL REPORT**

The Partnership Plan in FY24, collected more in premiums than it paid in claims. The plan ended FY24 with a MLR of 93.3 percent — meaning for every \$1 collected in premiums, \$0.93 was expended on medical and pharmacy claims.

<b>SPAN</b>	<b>PREMIUMS</b>	<b>CLAIMS</b>	<b>MLR</b>
7/1/17 – 6/30/18	\$140,669,124	\$150,040,021	106.7%
7/1/18 – 6/30/19	\$358,398,841	\$380,547,450	106.2%
7/1/19 – 6/30/20	\$512,762,495	\$484,097,446	94.4%
7/1/20 – 12/31/20	\$272,319,765	\$236,120,985	86.7%
7/1/20 – 6/30/21	\$557,177,149	\$508,175,960	91.2%
7/1/21 – 6/30/22	\$622,034,873	\$659,088,796	106%
7/1/22 – 6/30/23	\$634,853,318	\$611,544,939	96.3%
<b>7/1/23 – 6/30/24</b>	<b>\$613,297,541</b>	<b>\$572,151,282</b>	<b>93.3%</b>

**Funding**

The Partnership Plan is funded by premiums paid by enrolled groups. Premium payments are deposited into the Partnership account. The Partnership account balance as of June 30, 2024, is approximately \$27 million.

**Administrative Costs**

Enrolled Partnership Plan groups have administrative costs included in their premiums. Those costs cover the state employees who support the program, as well as fees for the vendors and consultants.

In FY24, administrative costs were approximately 3.5 percent.

<b>FISCAL YEAR</b>	<b>FAD YEAR-END BALANCE<sup>1</sup></b>
FY 2016	\$384,269
FY 2017	\$8,831,813
FY 2018	\$2,230,584
FY 2019	\$8,040,047
FY 2020	\$23,668,462
FY 2021	\$31,575,411
FY 2022	\$33,262,723
FY 2023	\$14,494,114
<b>FY 2024</b>	<b>\$27,275,851</b>

<sup>1</sup>This chart has been adjusted from previous years. The present chart shows the reserve fund account balance at the close of each fiscal year – June 30th. Prior reports included the fund balance as of the date of the report, since the report was released at various dates over the course of several years, ranging from December 1st to Mid-January, it resulted in inconsistent dates for reporting the fund balance. All future reports will continue to use the June 30th fiscal year end date.

The administrative costs for the Partnership Plan increased in FY 2024 due to the addition of new customer service resources through Quantum Health, other program fees for targeted interventions known as point solutions and additional auditing services to ensure proper oversight of the plan.

## OVERSIGHT & REPORTING

The Office of the State Comptroller is required to submit annual reports on the Partnership Plan to the Health Care Cost Containment Committee (HCCCC), the Office of Policy and Management (OPM) and the legislature's Appropriations Committee.

The state selected Segal to perform actuarial services for both the Partnership Plan and the State Plan after a competitive bidding process. Segal provides independent financial analysis to determine the fiscal state of the plan and calculates all premium rates for Partnership groups.

The State Auditors of Public Accounts maintain oversight authority into all functions of the Office of the State Comptroller, including the Partnership Plan. Additionally, the Comptroller must provide legal statements of fact on the financial status of the agency and the office, and its employees must comply with all Freedom of Information laws as a public agency.

The plan independently audits all adjudicated claims and financial payments made by its third-party administrators for medical, dental and pharmacy services to ensure all payments align with contractual agreements and are consistent with the plans benefit design.

Each vendor payment made on behalf of the Partnership Plan is also updated to OpenConnecticut, the Comptroller's transparency website that updates checkbook-level payment information on a nightly basis. Summary plan enrollment and utilization information is also posted on OpenConnecticut for each fiscal year and calendar year time period, providing the public with a comprehensive view of plan performance.

## FUTURE OUTLOOK

The Partnership Plan provides top-quality health care benefits at reasonable rates to 167 groups including municipal, boards of education, and other non-state public employers in Connecticut. It allows smaller public groups to access the state's low administrative costs and aggressive discounts as well as innovative programming like the Health Enhancement Plan, Primary Care Initiative and PrudentRx.

Our county level rates were implemented 5 years ago and will be factored into the 7/1/25 and 7/1/26 renewals to ensure that these spreads are accurate. This will happen every 5 years going forward.

7/1/24 renewal rates fared well on the conventional plans with a 2% average increase on active medical and 3% on non-Medicare retirees. Also, our ancillary dental plans averaged a 4% renewal increase and vision rider was flat.

On July 1, 2024, a new contractual relationship with the plan's Pharmacy Benefit Administrator went into effect. The new contract holds the PBM accountable for managing overall pharmacy costs on per member per month basis. The PBM is at risk to pay significant financial penalties if net cost targets are missed. At the same time, the state added additional oversight of the PBMs formulary and utilization management decisions in order to ensure that members have access to the cost clinical effective medications available for their condition. The plan contracts with a third party, TrudataRx, a formulary advisor that specializes in the collection and evaluation of comparative effectiveness research for pharmaceuticals.

## **REPORT ON THE STATUS OF THE CONNECTICUT PARTNERSHIP PLAN**

The plan also added UConn Health as pharmacy and medical consultant.

The Medicare Advantage Plan (MAPD) is renewing with Aetna on 1/1/25. This renewal came with some unexpected challenges including CMS increased costs across all group plans as well as a rerate of our state and Partnership populations due to higher-than-expected claims experience, combined these factors resulted in an increase of the per member per month premium of \$160.53 PMPM.

The Partnership Plan remains a significant benefit to municipal and board of education employees and their dependents, including police, firefighters, teachers and other essential workers. Combined, the State Plan and Partnership Plan is the largest group plan in Connecticut and has notable market strength that results in favorable contractual terms and innovative programs for enrollees. Enrolled Partnership groups will continue to benefit from being part of that larger pool.

# REPORT ON THE STATUS OF THE CONNECTICUT PARTNERSHIP PLAN

## Experience by Group (part 1 of 2) Medical/Pharmacy July 01, 2023 through June 30, 2024

Group Name	Average Subscribers	Average Members	Annual Premium	Annual Medical Claims	Annual Pharmacy Claims Net of Rebates	Annual Total Claims	Loss Ratio
Bethel Town	133	319	\$3,727,953	\$1,989,967	\$360,480	\$2,350,446	63.0%
Bloomfield BOE	204	481	\$4,923,370	\$3,149,694	\$721,052	\$3,870,746	78.6%
Bolton Town & BOE	140	341	\$3,507,445	\$2,909,198	\$565,933	\$3,475,131	99.1%
Branford BOE	377	888	\$10,029,592	\$6,984,811	\$1,660,920	\$8,645,731	86.2%
Branford Town	172	385	\$4,649,957	\$4,041,717	\$1,046,683	\$5,088,400	109.4%
Bridgeport BOE	2,426	4,700	\$63,479,072	\$51,052,049	\$9,790,408	\$60,842,456	95.8%
Bridgeport City	1,448	2,977	\$39,823,092	\$29,608,186	\$5,615,692	\$35,223,878	88.5%
Brookfield BOE	320	856	\$9,231,400	\$7,159,292	\$1,035,271	\$8,194,563	88.8%
Brookfield Town	112	273	\$3,219,988	\$2,357,720	\$314,893	\$2,672,613	83.0%
Canterbury Public Schools	66	149	\$1,643,459	\$1,572,273	\$166,379	\$1,738,652	105.8%
Charter Oak Communities	71	143	\$1,808,773	\$902,562	\$169,014	\$1,071,576	59.2%
Clinton Public Schools	229	651	\$6,714,234	\$6,344,987	\$1,026,696	\$7,371,684	109.8%
Clinton Town	57	138	\$1,516,117	\$1,232,394	\$272,735	\$1,505,128	99.3%
Columbia Town & BOE	89	209	\$2,030,136	\$1,129,777	\$222,133	\$1,351,910	66.6%
East Hampton Town	67	171	\$1,859,237	\$1,091,040	\$240,455	\$1,331,495	71.6%
East Lyme BOE	456	1,141	\$9,438,348	\$9,076,179	\$1,423,456	\$10,499,635	111.2%
East Windsor BOE	177	390	\$4,062,819	\$3,099,203	\$559,700	\$3,658,903	90.1%
East Windsor Town	69	174	\$1,827,859	\$1,935,658	\$1,889,678	\$3,825,336	209.3%
Fairfield PS	1,325	3,552	\$39,194,148	\$28,349,085	\$6,368,243	\$34,717,327	88.6%
Greater Bridgeport Transit (GBTD)	134	239	\$3,071,460	\$3,066,026	\$321,850	\$3,387,876	110.3%
Greater New Haven Transit	81	160	\$1,981,222	\$1,000,400	\$187,967	\$1,188,367	60.0%
Greenwich Town & BOE	2,149	5,323	\$62,066,358	\$55,924,152	\$8,758,198	\$64,682,350	104.2%
Housatonic Area Transit Auth	57	103	\$1,327,319	\$909,710	\$150,691	\$1,060,401	79.9%
Middletown BOE	513	1,233	\$13,185,107	\$8,531,461	\$1,438,869	\$9,970,330	75.6%
New Haven Housing Authority	102	245	\$2,792,816	\$2,635,954	\$278,109	\$2,914,063	104.3%
New London Public Schools	389	830	\$9,986,353	\$8,144,898	\$1,284,678	\$9,429,576	94.4%
New Milford BOE	595	1,417	\$10,434,293	\$12,485,667	\$2,081,918	\$14,567,585	139.6%
North Branford BOE	182	442	\$4,927,286	\$3,277,956	\$456,478	\$3,734,434	75.8%
Norwalk City	837	2,013	\$24,682,054	\$16,962,574	\$2,815,968	\$19,778,542	80.1%
Norwalk Public Schools	678	1,482	\$17,620,718	\$17,001,773	\$2,220,258	\$19,222,031	109.1%
Norwalk Transit District	77	181	\$2,176,832	\$1,421,215	\$374,976	\$1,796,192	82.5%
Park City Communities / Bridgeport HA	117	219	\$2,859,409	\$2,072,724	\$525,878	\$2,598,602	90.9%
Plainville BOE	329	807	\$8,097,702	\$8,941,758	\$978,213	\$9,919,971	122.5%



# REPORT ON THE STATUS OF THE CONNECTICUT PARTNERSHIP PLAN

## Experience by Group (part 2 of 2) Medical/Pharmacy July 01, 2023 through June 30, 2024

Group Name	Average Subscribers	Average Members	Annual Premium	Annual Medical Claims	Annual Pharmacy Claims Net of Rebates	Annual Total Claims	Loss Ratio
Plainville Town	105	247	\$2,551,535	\$2,100,167	\$283,026	\$2,383,193	93.4%
Region One BOE	308	791	\$3,230,952	\$4,436,446	\$1,100,737	\$5,537,182	171.4%
Somers BOE	178	425	\$4,365,037	\$2,213,333	\$649,214	\$2,862,548	65.6%
Stafford Town	51	139	\$1,277,315	\$543,348	\$85,341	\$628,689	49.2%
Stamford City	1,296	3,105	\$37,253,510	\$29,437,698	\$5,488,627	\$34,926,324	93.8%
Stamford Public Schools	1,752	4,041	\$47,285,718	\$40,554,870	\$6,700,547	\$47,255,417	99.9%
Thompson BOE	123	291	\$3,186,696	\$1,522,655	\$657,626	\$2,180,282	68.4%
Town of Ellington	60	153	\$1,506,584	\$963,620	\$220,391	\$1,184,011	78.6%
Trumbull Town	252	631	\$7,297,333	\$4,199,637	\$1,661,923	\$5,861,560	80.3%
West Hartford BOE	1,335	3,521	\$35,163,651	\$26,093,652	\$4,855,845	\$30,949,497	88.0%
West Hartford Town	317	859	\$8,426,131	\$5,873,376	\$1,033,861	\$6,907,236	82.0%
West Haven BOE	622	1,362	\$15,577,081	\$10,847,147	\$1,760,673	\$12,607,820	80.9%
West Haven City	283	654	\$7,328,193	\$6,908,433	\$1,373,737	\$8,282,170	113.0%
Wilton Town	125	316	\$3,664,363	\$4,083,584	\$366,817	\$4,450,401	121.5%
Woodstock BOE	99	222	\$2,512,426	\$1,280,409	\$209,062	\$1,489,471	59.3%
Small Groups Combined (<50 Subscribers)	1,442	3,156	\$47,598,278	\$30,092,691	\$4,926,805	\$35,019,496	73.6%
Terminated Groups (Runout Experience)	N/A	N/A	\$500,808	\$2,726,094	(\$22,485)	\$2,703,609	N/A
<b>Total</b>	<b>22,764</b>	<b>53,175</b>	<b>\$613,297,541</b>	<b>\$484,582,431</b>	<b>\$87,568,852</b>	<b>\$572,151,282</b>	<b>93.3%</b>

### Data Sources

1. Segal's SHAPE Claims Database from Anthem and CVS: Subscribers, Members, Medical Claims and Pharmacy Claims on paid basis.
2. Pharmacy claims reflect Point of Sale Rebates. Pharmacy claims also reflect savings from the PrudentRx program.
3. Premium: Anthem billed premium
4. This report is subject to change in the future as enrollment and claims are restated with the State's data aggregator.

## Memorandum

**To:** State of Connecticut - Office of the State Comptroller (OSC)  
**From:** Mark Noonan, ASA, MAAA  
**Date:** November 27, 2024  
**Re:** Actuarial Certification

Segal has been retained to calculate preliminary rates for July 1, 2025 and provide fiscal year 2024 loss ratios on behalf of the State of Connecticut for the Partnership 2.0 plan. The calculations in this report were completed in accordance with generally accepted actuarial principles and practices, consistently applied, based on the data described in this report.

The projected preliminary rates are estimates of future costs and are based on information provided to Segal by OSC, Anthem and CVS at the time the projections were made. Loss ratios reflect actual premiums, medical and pharmacy claims provided to Segal paid through June 30, 2024. Segal has not audited the information provided. Projections are not a guarantee of minimum or maximum final rates. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from new health care reform legislation or other recently passed state or federal regulations.

Projections of retiree costs take into account only the dollar value of providing benefits for retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection.

This report has been prepared for the exclusive use and benefit of the State of Connecticut, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this report was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. Except as may be required by law, this document should not be shared, copied or quoted, in whole or in part, without the consent of Segal. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

I am an Associate of the Society of Actuaries and member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.



---

Mark J. Noonan, ASA, MAAA  
Vice President and Consulting Actuary