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STATE OF CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
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February 24, 2021

W. Wyatt Bosworth  
Assistant Counsel, CBIA  
350 Church St.  
Hartford, CT 06103

Dear Mr. Bosworth,

In reading your recent testimony to the legislature's General Government B Subcommittee this week, I was alarmed to read many erroneous statistics and inaccurate information as it pertains to the Connecticut Partnership Plan, which is administered by my office. Many of the same falsehoods were contained in a post under your byline on CBIA's website this week.

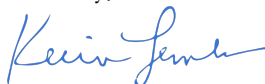
Below, for your benefit, I have provided up-to-date data on the Partnership Plan, including the medical loss ratio, which shows the plan's financials in good standing, contrary to the claims in your testimony. I should also note that the insurance brokerage, Brown and Brown, which seemingly has provided most of statistical basis for your opinions, did not request access to the most recent data required to properly analyze the plan and should not be relied upon for an accurate evaluation. I have included that data below. In the future, I would advise you to contact my office directly when you require facts on the health plans I administer. That way, you can be certain that you are receiving accurate information and prevent repeating these kinds of mistakes.

While your errors might be owed to a simple misunderstanding, or general carelessness, the recitation and amplification of inaccurate data does a disservice to the important work of the committee and places the health coverage of Partnership Plan members, including teachers, first responders and other municipal workers, in jeopardy. Given that, I'm sure you will agree that it would be prudent for you to submit corrections to the Appropriations Committee reflecting the new facts you will learn below, and that CBIA should inform its members that the post on its website is also wrong to stop the spread of further misinformation.

While CBIA's opposition to health care reforms may be principled and developed in good faith, submitting inaccurate information into the legislative record threatens the integrity of the process and sabotages the spirit of bipartisan debate that we should all strive for as we discuss important policies, such as health care affordability, that affect everyone in our state.

I'm hopeful you feel the same, and I look forward to reading your corrections. If it would be helpful for me to communicate directly with your members, I am happy to do so to help you set the record straight.

Sincerely,



Kevin Lembo  
State Comptroller

CC: Members of the Appropriations Committee of the Connecticut General Assembly

- In fiscal year 2020, the Partnership Plan had a medical loss ratio (MLR) of 94%, meaning that for every \$1 brought in in premiums, \$0.94 was spent on claims. The onset of the COVID-19 pandemic drove down claims as members avoided non-emergency medical care in March and April, however the plan already had an MLR below 100% through the first eight months of the fiscal year.
- The Partnership Plan did have an MLR over 100% in Fiscal Years 2018 (102.8%) and 2019 (106.2%) before a legislative change was passed to address regional cost disparities that were impacting rates. That change has allowed the plan to establish county-based rates which are projected to result in an MLR that continues to be below 100%. Regional rate adjustments were first applied to new groups in Fiscal Year 2020 and phased in for existing groups beginning in Fiscal Year 2021. Fiscal Year 2022 will be first year in which the regionally adjusted premiums will be fully applied across the entirety of Partnership Plan participants. The MLR through six months of FY 2021 is 86.7% and is projected to remain below 100% moving forward.
- The projected Partnership Plan MLR for Fiscal Year 2022 is projected at 96.6%. This projection uses normalized claims that anticipate a return to normal claim levels and a 6% medical trend. Administrative costs project to be 2.3%, leaving a projected 1.1% surplus. As a self-insured plan, premiums are established to meet projected claims plus administrative costs and appropriate reserve levels. Plan actuaries view the projected 1.1% surplus as a healthy margin. For reference the state plan typically has an MLR of around 97% to 98%.

#### CT State Partnership 2.0

All Groups - Fiscal Year Ending June 30, 2021 Year-to-Date

##### Medical/Pharmacy

July 01, 2020 through December 31, 2020

Month	Subscribers	Members	Premium	Medical Claims	Pharmacy Claims	Total Claims	Loss Ratio
Jul-20	24,250	58,712	\$44,003,690	\$37,868,611	\$5,990,050	\$43,858,661	99.7%
Aug-20	24,358	58,980	\$43,953,860	\$34,778,451	\$6,037,895	\$40,816,346	92.9%
Sep-20	24,278	58,801	\$43,548,504	\$33,984,601	\$6,400,336	\$40,384,936	92.7%
Oct-20	24,546	59,284	\$47,146,939	\$35,559,328	\$6,428,165	\$41,987,493	89.1%
Nov-20	24,529	59,380	\$47,056,183	\$26,257,834	\$6,326,245	\$32,584,079	69.2%
Dec-20	24,519	59,387	\$46,610,590	\$29,652,550	\$6,836,921	\$36,489,470	78.3%
<b>Total</b>	<b>24,413</b>	<b>59,091</b>	<b>\$272,319,765</b>	<b>\$198,101,374</b>	<b>\$38,019,611</b>	<b>\$236,120,985</b>	<b>86.7%</b>

##### Data Sources:

1. Jul20-Sep20: Medical Subscribers, Members, and Claims: Anthem & Oxford
2. Jul20-Sep20: CVS Caremark
3. Oct20-Dec20: Segal's SHAPE Claims Database from Anthem, Oxford, and CVS: Subscribers, Members, Medical Claims, Pharmacy Claims
4. Premium: OSC billed premium
5. Pharmacy claims are net of rebates
6. This report is subject to change in the future as enrollment and claims are restated with the State's data aggregator.

**CT State Partnership 2.0**  
**All Groups - Fiscal Year Ending June 30, 2020**

**Medical/Pharmacy**  
**July 01, 2019 through June 30, 2020**

Month	Subscribers	Members	Premium	Medical Claims	Rx Claims Net of Rebates	Total Claims	Loss Ratio
Jul-19	23,291	56,443	\$42,204,816	\$34,199,391	\$6,322,029	\$40,521,420	96.0%
Aug-19	23,388	56,690	\$42,456,025	\$37,361,522	\$6,830,950	\$44,192,472	104.1%
Sep-19	23,382	56,742	\$42,223,192	\$30,818,509	\$6,009,190	\$36,827,699	87.2%
Oct-19	23,438	56,922	\$42,906,342	\$34,366,284	\$6,575,986	\$40,942,270	95.4%
Nov-19	23,456	56,974	\$42,658,426	\$35,166,546	\$5,524,148	\$40,690,694	95.4%
Dec-19	23,484	57,102	\$42,433,436	\$36,219,228	\$5,900,515	\$42,119,743	99.3%
Jan-20	23,811	57,253	\$43,117,055	\$42,828,015	\$6,763,728	\$49,591,743	115.0%
Feb-20	23,790	57,280	\$43,094,273	\$36,801,377	\$6,579,890	\$43,381,267	100.7%
Mar-20	23,803	57,373	\$43,084,394	\$34,533,281	\$7,441,821	\$41,975,102	97.4%
Apr-20	23,803	57,379	\$42,791,572	\$32,703,992	\$6,724,001	\$39,427,993	92.1%
May-20	23,779	57,352	\$42,869,489	\$22,940,187	\$5,717,955	\$28,658,142	66.8%
Jun-20	23,771	57,359	\$42,923,476	\$29,476,550	\$6,292,353	\$35,768,903	83.3%
<b>Total</b>	<b>23,600</b>	<b>57,072</b>	<b>\$512,762,495</b>	<b>\$407,414,882</b>	<b>\$76,682,564</b>	<b>\$484,097,446</b>	<b>94.4%</b>

Data Sources:

1. Medical Subscribers, Members, and Claims: UnitedHealthcare Oxford
2. RX Claims: CVS Caremark
3. Medical/RX Premium: Oxford Billing Statements
4. This report is subject to change in the future as enrollment and claims are restated with the State's data aggregator.

**CT State Partnership 2.0**  
**All Groups**

**Medical/Pharmacy**  
**July 01, 2018 through June 30, 2019**

Month	Subscribers	Members	Premium	Medical Claims	Pharmacy Claims	Total Claims	Loss Ratio
Jul-18	14,096	34,701	\$20,903,635	\$17,600,987	\$5,030,941	\$22,631,928	108.3%
Aug-18	14,174	34,908	\$26,371,243	\$20,830,744	\$5,590,597	\$26,421,341	100.2%
Sep-18	16,704	40,617	\$27,517,616	\$19,272,352	\$5,112,371	\$24,384,723	88.6%
Oct-18	17,474	42,414	\$29,558,109	\$23,175,114	\$6,459,252	\$29,634,366	100.3%
Nov-18	18,338	44,084	\$29,312,771	\$25,037,559	\$6,460,198	\$31,497,757	107.5%
Dec-18	18,398	44,194	\$31,904,462	\$25,284,951	\$6,360,017	\$31,644,968	99.2%
Jan-19	18,657	44,700	\$30,690,409	\$27,096,837	\$7,198,175	\$34,295,012	111.7%
Feb-19	19,260	45,859	\$31,188,391	\$27,193,857	\$6,556,640	\$33,750,497	108.2%
Mar-19	19,289	45,965	\$32,779,203	\$25,672,436	\$6,839,734	\$32,512,170	99.2%
Apr-19	19,684	46,945	\$32,003,512	\$30,798,827	\$7,297,591	\$38,096,418	119.0%
May-19	19,682	46,964	\$33,399,888	\$33,400,119	\$7,227,033	\$40,627,152	121.6%
Jun-19	19,687	46,987	\$32,769,603	\$28,109,028	\$6,942,090	\$35,051,118	107.0%
<b>Total</b>	<b>17,954</b>	<b>43,195</b>	<b>\$358,398,841</b>	<b>\$303,472,811</b>	<b>\$77,074,639</b>	<b>\$380,547,450</b>	<b>106.2%</b>

Data Sources:

1. Medical Subscribers, Members, and Claims: UnitedHealthcare Oxford
2. RX Claims: CVS Caremark
3. Medical/RX Premium: Oxford Billing Statements
4. This report is subject to change in the future as enrollment and claims are restated with the State's data aggregator.

## CT State Partnership 2.0

### All Groups

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#### Medical/Pharmacy

July 01, 2017 through June 30, 2018

Month	Subscribers	Members	Premium	Medical Claims	Pharmacy Claims	Total Claims	Loss Ratio
Jul-17	7,420	18,211	\$12,395,411	\$7,162,941	\$2,711,689	\$9,874,630	79.7%
Aug-17	7,449	18,267	\$12,357,900	\$10,395,556	\$3,217,415	\$13,612,971	110.2%
Sep-17	7,539	18,481	\$12,460,053	\$8,326,544	\$2,648,442	\$10,974,985	88.1%
Oct-17	8,932	21,737	\$15,035,383	\$9,284,081	\$3,017,172	\$12,301,253	81.8%
Nov-17	8,921	21,709	\$14,985,263	\$12,799,011	\$3,017,064	\$15,816,075	105.5%
Dec-17	8,936	21,716	\$12,436,824	\$9,986,425	\$2,924,999	\$12,911,424	103.8%
Jan-18	11,532	27,983	\$18,149,035	\$14,849,718	\$4,119,578	\$18,969,296	104.5%
Feb-18	11,665	28,383	\$18,745,589	\$15,141,379	\$4,310,854	\$19,452,233	103.8%
Mar-18	11,666	28,410	\$18,492,131	\$16,938,497	\$4,018,762	\$20,957,259	113.3%
Apr-18	11,664	28,405	\$18,531,561	\$14,174,813	\$4,290,410	\$18,465,223	99.6%
May-18	11,678	28,417	\$17,892,086	\$17,990,268	\$4,746,549	\$22,736,816	127.1%
Jun-18	11,681	28,418	\$18,503,287	\$14,969,072	\$4,331,103	\$19,300,175	104.3%
<b>Total</b>	<b>9,924</b>	<b>24,178</b>	<b>\$189,984,524</b>	<b>\$152,018,305</b>	<b>\$43,354,037</b>	<b>\$195,372,341</b>	<b>102.8%</b>

#### Data Sources:

1. Medical Subscribers, Members, and Claims: UnitedHealthcare Oxford
2. RX Claims: CVS Caremark
3. Medical/RX Premium: Oxford Billing Statements
4. This report is subject to change in the future as enrollment and claims are restated with the State's data aggregator.

# State of Connecticut - Partnership 2.0

## FYE2022 Preliminary Premium Calculation

Lives			Projected Claims	Base FYE22 Premium		Regionally Adjusted FYE22 Premium		
Plan	Subs	Mems	Aggregate	Premium	Projected Loss Ratio	Adjustment	Premium	Projected Loss Ratio
Active			\$510,882,000	\$506,027,000	101.0%		\$528,689,000	96.6%
Retiree			\$56,971,000	\$55,809,000	102.1%		\$58,917,000	96.7%
Grand Total	24,409	59,137	\$567,853,000	\$561,836,000	101.1%		\$587,606,000	96.6%

<b>Active</b>	<b>22,240</b>	<b>55,898</b>	<b>\$510,882,000</b>	<b>\$506,027,000</b>	<b>101.0%</b>		<b>\$528,689,000</b>	<b>96.6%</b>
1-Fairfield	14,694	36,831		\$333,151,000		+7.0%	\$356,472,000	
2-Hartford	1,943	5,072		\$45,146,000		-5.0%	\$42,888,000	
3-Litchfield	1,076	2,663		\$24,420,000		-4.0%	\$23,444,000	
4-Middlesex	1,522	3,994		\$35,571,000		+1.0%	\$35,927,000	
5-New Haven	1,193	2,948		\$27,058,000		+5.0%	\$28,411,000	
6-New London	1,527	3,681		\$34,120,000		+3.0%	\$35,143,000	
7-Tolland	97	278		\$2,473,000		-8.0%	\$2,275,000	
8-Windham	188	431		\$4,088,000		+1.0%	\$4,129,000	
<b>Pre-65</b>	<b>1,587</b>	<b>2,584</b>	<b>\$41,684,000</b>	<b>\$37,590,000</b>	<b>110.9%</b>		<b>\$39,734,000</b>	<b>104.9%</b>
1-Fairfield	1,306	2,208		\$31,730,000		+7.0%	\$33,951,000	
2-Hartford	110	148		\$2,297,000		-5.0%	\$2,182,000	
3-Litchfield	37	54		\$853,000		-4.0%	\$819,000	
4-Middlesex	52	65		\$1,024,000		+1.0%	\$1,034,000	
5-New Haven	28	45		\$675,000		+5.0%	\$709,000	
6-New London	48	57		\$901,000		+3.0%	\$928,000	
7-Tolland	0	0		\$0		-8.0%	\$0	
8-Windham	6	7		\$110,000		+1.0%	\$111,000	
<b>Post-65 Non-Medicare</b>	<b>582</b>	<b>655</b>	<b>\$15,287,000</b>	<b>\$18,219,000</b>	<b>83.9%</b>		<b>\$19,183,000</b>	<b>79.7%</b>
1-Fairfield	442	497		\$13,791,000		+7.0%	\$14,756,000	
2-Hartford	36	37		\$1,033,000		-5.0%	\$982,000	
3-Litchfield	26	24		\$675,000		-4.0%	\$648,000	
4-Middlesex	23	24		\$661,000		+1.0%	\$668,000	
5-New Haven	17	19		\$538,000		+5.0%	\$565,000	
6-New London	35	50		\$1,411,000		+3.0%	\$1,453,000	
7-Tolland	0	0		\$0		-8.0%	\$0	
8-Windham	3	4		\$110,000		+1.0%	\$111,000	

### Notes:

1. Projected claims and premium are based on the preliminary rate development for July 1, 2021 using claims data through November 2020 and is subject to change when rates are finalized.
2. Regional adjustments are based on cost analysis by county used in the July 1, 2020 rate development.
3. Enrollment by region is as of November 2020.

The projections in this report are estimates of future costs and are based on information available to Segal at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. 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 the 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.

